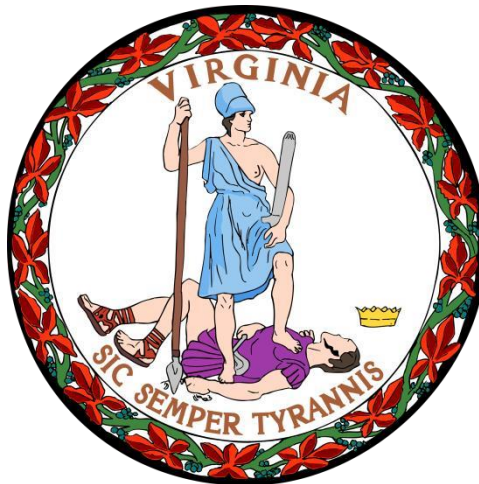


**Commonwealth of Virginia
Drinking Water State Revolving Fund Program
Intended Use Plan
For the DWSRF FY2022 Capitalization Grant**

DRAFT

June 2022



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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. VDH makes this funding application 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 \$25 million available for utilization under the FY 2022 DWSRF grant Base Program. This amount includes EPA's capitalization grant, Virginia's required state match, and loan repayments from past recipients. Additionally, Virginia's DWSRF has been allotted \$88,093,942 in funding through the Bipartisan Infrastructure Law (BIL) for FY 2022. The BIL funds are divided into three (3) categories: DWSRF Supplemental (just like the base program), Lead Service Line Replacement and Emerging Contaminants (focusing on PFAS but eligible for unregulated contaminants found in the Drinking Water Contaminant Candidate Lists 1-5).

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 IUP includes the PPL 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 PPL.

In compliance with the requirement in SDWA sec. 1452(b)(1), the IUP undergoes public review and comment through a combination of internet postings. The VDH will post this Intended Use Plan under the Financial & Construction Assistance Programs at <http://www.vdh.virginia.gov/drinking-water/> for a 30-day public comment period. The VDH will not hold a public meeting to solicit comments because of the continuing COVID 19 restrictions. Recommendations and comments regarding this IUP can be mailed to Kelly Ward, DWSRF Program Director, 109 Governor Street, VA 23219 or by email at kelly.ward@vdh.virginia.gov. The VDH-ODW will place the IUP announcement on Town Hall and on the VDH-ODW website.

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 funded construction projects, in priority order, and other relevant project information. VDH-ODW offered funding to all of the Base Program applications received during the solicitation period, therefore, there are no projects that fell below the funding line. The Bipartisan Infrastructure Law PPL was developed from the 131 applications received from January 2022 to May 2022, requesting over \$880,000,000 in funding assistance. VDH-ODW offered funding to 34 applicants, totaling roughly \$46,500,000.

VDH - ODW uses the set-aside funds to maintain and advance waterworks support initiatives that contribute to the sustainability of safe drinking water. The set-asides funds 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. Combined funding used in cooperative efforts with other entities may maximize the desired outcome. This IUP outlines set-aside uses later in this document.

A. Long Term and Short Term Goals

VDH is committed to promoting and protecting the health of Virginians. VDH – ODW supports that mission using a number of critical functions including implemented activities. ODW also 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, managerial 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 waterworks provide adequate water quantity and quality to their end users.
- 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 meet EPA national requirements.
- Ensure training courses are provided that meet the needs of classifications of licensed operators at small waterworks.
- Demonstrate compliance with the capacity development authority, capacity development strategy and operator certification program provisions in order to avoid withholdings.
- 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 90% for a pace target for this fiscal year.
- Enter into binding commitments for projects that will proceed to construction or award of construction contracts within twelve months of initial offers of assistance.

IV. Program Implementation

VDH manages the DWSRF Program 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 Implementations

VDH notes the following important efforts 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 being constructed with Force

Account labor to allow owners to focus efforts on completing open previously awarded DWSRF projects. Any other applicant with more than two open/incomplete DWSRF projects will be evaluated on a case-by-case basis. 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, timely project loan closings and completions challenged some waterworks. 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 \$150,000) special offers: The funding package under this special program is 100% principal forgiveness (PF) (grant funds) for acute problems only. All other projects will be evaluated on a case by case basis. To qualify for this offer, VDH requires closure of the principal forgiveness loan within 12 months of the 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), up to \$500,000 per applicant, per funding year. To qualify for this offer, VDH requires closure of the principal forgiveness loan 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%¹ 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. Letters to waterworks owners instructed them to notify VDH of their interest in participating in either of these special programs in their offer response letters. The intent of these programs is to accelerate loan closings and encourage financial capacity building.
6. **Disadvantaged waterworks:** VDH is using the **1% of MHI as a determinant for target rates.** Disadvantaged criteria is as follows: Disadvantaged waterworks are those who 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. Additionally, in an effort to comply with the requirements of the BIL, the disadvantaged criteria has been expanded to also include the use of the White House Climate and Economic Justice Screening Tool and the EPA Environmental Justice Screening and Mapping Tool. These tools utilize a variety of sources/data to identify EJ and Disadvantaged Communities. The continued use of these tools once the BIL funds are gone will be evaluated at that time.
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.

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

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 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. The scoring matrix awards additional points 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 made loans to a regional endowment, with the loans repaid using terms and conditions in the same manner as all other project loans. VDH invests loan funds with proceeds used to assist communities in Southwest Virginia in correcting water infrastructure challenges. 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). The SDWA established this endowment to assist 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. The endowment reached its goal and VDH can provide no additional funding.

D. Financial Health

The programs financial health 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. VDH will maintain the DWSRF (the Fund) 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

VDHs program coordination will maintain the two areas of non-construction and project loans with the overall long-term financial health of the program maximizing the benefits for Virginians. VDH – ODW utilizes strategic coupling of programmatic considerations with the results of a planning model that examines the aggregate effects of altering financial parameters of the program. VDH – ODW will revise or implement procedures, as needed, based on the results of the annual assessment.

F. Disadvantaged Program

The Disadvantaged Program is 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 demand on principal forgiveness/grant funds by ensuring long-term financial well-being of the waterworks. The waterworks business operations plan ensures 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 to EPA for \$11,434,000 DWSRF Base Program capitalization grant, from the DWSRF FY2022 appropriation and \$88,093,942 in funding through the Bipartisan Infrastructure Law (BIL) for FY 2022. VDH evaluates the need to issue leverage bonds to meet program demand and is taking a multi-year perspective. Under Virginia's leveraging structure, the Virginia Resources Authority (VRA) will sell bonds to provide the necessary funds to fully meet the requests approved by VDH for drinking water loan assistance. The leveraging structure and cash flow analyses will be available to the U.S. EPA prior to any bond issuance.

As permitted by Congress in legislation approved in 1997, Virginia intends to cross-collateralize bonds sold for the Clean Water Revolving Loan Fund and the Drinking Water State Revolving Fund, whenever leveraging is warranted. The purpose is to enhance the security of bonds sold for both programs, thereby improving the credit rating and reducing the cost of funds. This allows both programs to meet program capacity demand and pass on the best possible interest rates to its borrowers. The revenues from loan repayments in each program are pledged first to the allocated portion of bonds for that program. After program revenues pay debt service on its portion funds, excess funds may cover a revenue deficiency in the other program. Given the loan portfolio quality, robust coverage in each program, and established financial management practices, implementation of this provision is highly unlikely. The cross-collateralization of the two programs provides an efficient mechanism to initiate a leverage program for the Drinking Water State Revolving Fund.

Finally, the Virginia Department of Environmental Quality may transfer some grant funds from the Clean Water State Revolving Fund (CWSRF) to the Virginia Department of Health's Drinking Water State Revolving Fund, or vice versa. Section 302 of the SDWA allows the Commonwealth to transfer up to 33% of its Drinking Water State Revolving Fund (DWSRF) capitalization grant to its Clean Water State Revolving Fund (CWSRF) or an equivalent amount from its CWSRF to its DWSRF. This option also extends to the Bipartisan Infrastructure Law funding.

A. Sources of Funds

Virginia's required 20% state match for the Base Program capitalization grant, approximately \$2.28 million and a 10% state match for the BIL funding, approximately \$2.93 million, 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*. A funding summary is provided as [Attachment 4](#).

Also specified in the *Code of Virginia*, and in conjunction with a VDH Memorandum of Understanding, are roles and responsibilities for the Virginia Resources Authority (VRA) pertaining to individual construction loans and processes. EPA allows 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. VDH can add this fee to the principal of the loan. VDH may designate part of the interest on a loan (from zero to 1.5%) 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 return to the Fund for use on future construction or refinance projects. VDH will deposit collected fees in a separate, non-project account and use only for administration of the DWSRF Program.

B. Construction Projects

VDH intends to provide approximately \$25 million in DWSRF Base Program construction funds (from the cap grant, state match, and repaid interest and principal) and approximately \$46.5 million in BIL funding - see [Attachment 4](#). The PPL ([Attachment 1](#)) identifies the VDH construction projects to receive dollars for funding in priority order, with funding breakdowns and other relevant project information. The \$25 million in Base Program funding and \$46.5 million in BIL funding currently represents priority projects. The current PPL reflects \$71.5 million in funding assistance offered; however, VDH will adjust this total 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.

EPA established certain requirements and goals for use of the DWSRF funds for water infrastructure construction. 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 can be 20 years, 30 years or the life of the asset financed (whichever is less). To qualify for the 30 year term and be eligible for principal forgiveness, the borrower must qualify as “disadvantaged”. Market rates are based on VRA’s evaluation of the market conditions that exist the month prior to each loan closing or the all-in cost of leverage bonds.

For 20 year terms, the interest rate is set at 1% (100 basis points) below the market rate. For 30-year terms, the interest rate is set at one half of 1% (50 basis points) below the market rate. See the DWSRF Program Design Manual for details and the proposed changes above.

2. Additional Subsidization

The DWSRF requires that no less than 26% of the capitalization grant amount and no more than an optional additional 35% of the Base Program capitalization grant amount be provided in the form of subsidies for disadvantaged communities. BIL funding requires that 49% of the grant amounts in the DWSRF Supplemental and Lead Service Line categories be provided to disadvantaged communities, while 100% of Emerging Contaminates must be provided as principal forgiveness. 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 PPL, shown in [Attachment 2](#), identifies the amount and percent of the capitalization grant provided as principal forgiveness loans, to the projects that ranked high enough to fund. Any subsequent revision to this PPL will likewise demonstrate that between 26% and 50% of the capitalization grant will be provided via principal forgiveness loans. See [Attachment 2](#).

3. Green Infrastructure

Water efficiency, energy efficiency, green infrastructure, and/or other environmentally innovative activities are optional to receive funds under the DWSRF. 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

VDH may bypass one or more projects identified in this IUP 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.

VDH may fund a project not on the current PPL only if it meets the emergency criteria. Emergency projects are expected to 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, Build America, Buy America and Disadvantage Business Enterprises), and DWSRF program requirements. Projects designated by VDH as “equivalency” will be required to meet additional federal cross cutters such as Single Audit and other reviews prior to fund disbursement. VDH reviews each project to ensure requirements are met prior to loan closing. Staff will review phased projects or those identified as design-build 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 previously bypassed project identified on an IUP 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 may not have all of the guidance on newer requirements at the time of award. VDH-ODW will work with project owners if this happens.

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 (maximum of 4% of the cap grant):

A portion of the Supplemental 4% is requested and the remainder is reserved as “banked” funds for any future DWSRF grant years.

- a. Administration – These funds will support the administrative functions of the DWSRF Program, including the Financial and Construction Assistance Program (FCAP) Division Director, the FCAP Project Officer, the FCAP Project Team Lead, two FCAP Project Managers. Remaining DWSRF staff members are identified in the State Program Management (10%) section. 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, VRA, VRWA and others.
- b. From the DWSRF administration, fees charged to DWSRF loan recipients VDH funds the 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 and general fund management. VDH intends to fund any additional costs for VRA from the 4% set-aside.
- c. 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 with 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.

2. Small System Technical Assistance (maximum of 2% of the cap grant):

Virginia requests a portion of the Supplemental 2% available and allowed in the Small System Technical Assistance set-aside. VDH reserves the remaining funds as “banked” funds to be used in future grants.

- a. VDH will fund support one part-time data entry positions and five inspector positions to cover transient non-community waterworks.
- b. Funding is provided for travel, training, and rent costs for office space for these positions.

3. State Program Management (maximum of 10% of the cap grant):

Virginia is requesting the entire Supplemental 10% available and allowed of set-aside funding for the current year. VDH is not requesting to use any “banked” funds from preceding grant years.

- a. Public Water System Supervision

- Three FCAP Project Engineers to facilitate technical and administrative reviews for DWSRF construction project.
- Two Environmental Health Specialists.
- Fourteen full-time field office Environmental Inspector positions.
- One Environmental Health Coordinator to assist in preparing and processing formal enforcement actions and monitor compliance for enforcement targeting tool (ETT) and violations reporting.
- Human Resource Analyst to address ODW hiring, retention, and HR planning.
- One FCAP Technician
- One Office Services Assistant
- One ODW Office Director
- One Program Support Technician

Travel costs associated with meetings/conferences and seminars under the State Program management set-aside include:

- Costs associated with training and workshops for ODW staff.
- ASDWA Conferences, Workshops and Meetings
- Source Water Protection Meetings
- Virginia Rural Water Association Annual Conference and Exposition.
- ASDWA Data Management Users Conference
- Environment VA Symposium
- Area Wide Optimization Program Annual Meeting
- Virginia Optimization Regional Meetings
- AWWA National Conference (ACE)
- AWWA WaterJam/Workshops and Seminars
- Understanding Concepts in Capacity Development - ODW staff
- VCU Performance Management
- SDWIS supplemental Users Guide Committee
- Virginia Tech Training Courses (various)
- General Costs for Travel to other training events
- Compliance Specialists / Data Managers Meeting
- New Employee Orientation

Contract costs associated with the State Program management set-aside include:

- Office of Information Management support and Upgrades for SDWIS / Oracle
- Sanitary Survey Training – Maryland Center for Environmental Training (or similar provider) to train new and existing ODW staff on proper Sanitary Survey methods and procedures per US EPA guidance.
- Lead and Copper Rule Revisions – Similar to the Training to be requested under the 15% set-aside; however, this funding is for ODW staff training specifically.

b. Source Water/ Capacity Development/Operator Programs:

- Activities funded under the 15% set-aside.

4. Local Assistance and other State Programs (maximum of 15% of the cap grant):

Virginia is requesting a portion of the available and allowed Local Assistance and other State Program funds 15% set-aside from the BIL Supplemental 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. Loan for Land and Protection Measures – No funding is requested this year.

b. Capacity Development Staff Salary:

- Capacity Development Division Director,
- One Capacity Development Supervisor, three Sustainability Coordinators,
- One Operator Certification Training Coordinator,
- One Security Officer.

Travel costs for the position above:

- Travel costs for Capacity Development staff and other ODW staff instructors to implement Workshops and travel to conferences
- Capacity Development travel costs associated with providing direct technical assistance to waterworks across Virginia.
- Travel costs associated with training for the Security Officer position.
- Security Officer travel costs associated with providing direct technical assistance to waterworks across Virginia.
- Virginia Tech’s Water Operators Short School Instructors travel costs.
- Virginia Tech’s Distribution Course Instructors travel costs.
- General Travel Costs, costs not directly associated with named activities but included within the Capacity Development Strategy.

Contractual Activities for Capacity Development and Operator Training include:

- Engineering Services Contract(s) for Small Projects. VDH will fund engineering services through consulting engineering firms to provide small scope (less than \$20,000 each) project engineering directly to small water systems. These systems do not have the financial, technical, and or managerial capacity to retain an engineer and which are not good candidates for funding under the Planning and Design Grants. These small projects address compliance and/or capacity issues of small public community systems serving less than 10,000 persons.
- *“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 weeklong 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.
- *“Math and Basic Science”*
- *“Groundwater Course for Very Small Systems”*
- *“Groundwater Math”*
- *“Distribution System Operator Course”*
- *“Professional Development Seminars”* Provide specialty seminars and training events for waterworks owners/operators on various topics.

- Virginia Tech Short School – Operator Subsidy to provide scholarships to training courses for disadvantaged operators/owners.
- Virginia Tech Administrative Services – Contract for meetings, venue, and related services to promote Capacity Development and Operator Certification including the annual Stakeholder meeting.
- Mountain Empire Community College – Distance Learning Website. This program provides students the opportunity to obtain an Associate’s Degree in Drinking Water Operations.
- Source Water Protection contracts to develop and implement strategies for waterworks with surface water sources.
- “Contaminants of Concern” provides operators and waterworks decision makers with information regarding identification and treatment of new emerging contaminants.
- AWWA – Cross Connection Control provides waterworks operators with training on the basic principles of operating and maintaining backflow prevention devices and developing a Cross Connection Control program.
- Auto-dialer Services – Annual contract for services to provide waterworks with reminders to take samples to ensure on-time sampling.

New Activities:

- SERCAP Basic Financial Training for Waterworks Personnel

SERCAP will provide a training program for small waterworks that have marginal or no financial capacity. Most small waterworks have an annual budget, but those budgets are often incomplete. In addition, those waterworks often do not monitor their financial situation throughout the year. As a result, these communities often delay necessary maintenance and asset replacement projects, and they are less desirable candidates for infrastructure funding programs. This training will provide basics financial tools to these waterworks to increase their financial capacity.

- LCRR Training for Waterworks Operations and the Public

With the EPA’s release of the new Lead and Copper Rule Revisions; training of waterworks staff is essential for developing lead service line inventory, reporting, and monitoring requirements. This training will be solicited from technical assistance providers through a competitive Request for Proposal (RFP). In addition, ODW will solicit the production of a training video on lead and copper sampling educate the end-user, waterworks operators and ODW staff on proper sampling practices and procedures.

- LSL Technical Assistance to Waterworks

This technical assistance is planned as a follow-up to the training mentioned above. The scope of the technical assistance will be detailed in the RFP along with the LCRR training. Technical assistance will include such assistance as:

- Lead service line inventory (40 CFR 141.84 (a))
- Lead service line replacement plan (40 CFR 141.84 (b) through (h))
- Monitoring for lead in schools and child care facilities (40 CFR 141.92)
- Changes to Lead and Copper Rule compliance monitoring requirements
- Related reporting, public notification, public education, and recordkeeping requirements

- Green Environmental – HABs sampling and analytics

Virginia needs to have available funding for providing emergency HABs sampling kits, samples, and analysis. This contract with Green Environmental (or similar laboratory) will allow the ODW field offices to respond to and provide sample analysis for, HABs investigations.

- Moonshot Missions – HABs Technical Assistance

Virginia waterworks face an increasing need to prepare for and respond to harmful algal blooms (HABs). Waterworks’ needs are not addressed by existing resources, which are long and complex. This creates a barrier to small waterworks with limited personnel capacity. Much of Virginia’s process is focused on reporting, which is an essential first step. Currently, Virginia’s HAB resources are not oriented to develop and implement waterworks operational strategies. This grant will allow Moonshot Missions to develop a harmful algal bloom toolkit will allow waterworks to change their approach from reactive to proactive when managing harmful algal bloom events. Waterworks can better understand what steps they can take ahead of time to be prepared, what changes they can make during an event to best respond, and how to communicate with the public.

Other:

- Planning and Design Grants - continuation of funds for capacity development and project planning grants, to include both construction and non-construction planning. Non-construction planning and design funded project examples: Rate and Financial Studies, Asset Management, Climate Change Mitigation, and Sustainability/Reliability Studies.
- Receivership Program – pursuant to the Virginia Capacity Development Strategy, VDH is requesting funding this year for consolidation of systems. These funds would only be used for managerial costs, not for operation nor maintenance.
- Virginia Optimization Program – continued assistance to waterworks looking to optimize their distribution systems.
- Special Sampling – sampling at PWS where an environmental impact is suspected. This technical assistance is not to be used for compliance sampling of any type.
- Rental costs associated with the above listed staff positions.

c. Delineate Source Water Areas

- No activity funded under this category.

d. Wellhead Protection

- VDH funds and coordinates Wellhead Protection measures with funding to waterworks.
- GIS Source Water Assessment maintenance.
- VDH contracts with CHA and TetraTech for 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 period that is posted on the VDH-ODW website and the Virginia

Regulatory Town Hall website. VDH considers all meaningful public input and comments and makes revisions to the IUP and project priority lists if necessary.

The VDH will post this Intended Use Plan under the Financial & Construction Assistance Programs at <http://www.vdh.virginia.gov/drinking-water/> for a 30-day public comment period. The VDH will not hold a public meeting to solicit comments because of the continuing COVID 19 restrictions. Recommendations and comments regarding this IUP can be mailed to Kelly Ward, DWSRF Program Director, 109 Governor Street, VA 23219 or by email at kelly.ward@vdh.virginia.gov.

Attachment 1



2022 PROJECT PRIORITY LIST Base Program



Priority	Project #	City / County	Owner Information	Project Name	Project Description	Service Connections	Point Total	Designation	Program Type Code	Principal Forgiveness	Project Cost	SRF Amount for this IUP	Cumulative SRF Amount	Notes
1	WSL 001-22	Pulaski	Pulaski County PSA	Community Water Improvements (2021)	Construct facilities to serve Bellavista and Riverbend subdivisions along with one additional unserved area (Hilton Village) which has been experiencing water quality issues with existing wells.	118	42	H-C	VWSRF	\$1,448,500	\$2,897,000	\$2,897,000	\$2,897,000	1
2	WSL 002-22	Scott	Scott County PSA	Nickelsville Water System Improvements - Phase 2	Well development, membrane filtration unit and finished water pump, 100,000 gallon raw water storage tank, well house improvements, telemetry, portable generator, and replace water lines.	311	57	H-P	VWSRF	\$1,337,130	\$2,228,550	\$2,228,550	\$5,125,550	
5	WSL 005-22	Smyth	Town of Marion	Water Line Replacement - Phases 7 & 8	Replace water lines, 27 fire hydrants, and 183 existing service reconnects.	183	46	H-P	VWSRF	\$261,200	\$1,306,000	\$1,306,000	\$6,431,550	2
7	WSL 007-22	Surry	Scotland Riverview WS	Water System Improvements	Replace water lines and 45 service meters	45	28	H-P	VWSRF	\$151,120	\$151,120	\$151,120	\$6,582,670	PF
9	WSL 009-22	Amherst	Town of Amherst	Water System Improvements - Emergency Power	100KW generator, base mounted fuel storage tank, and alarms to communicate with SCADA system.	1125	32	H-P	VWSRF	\$150,000	\$150,000	\$150,000	\$6,732,670	PF
10	WSL 010-22	Bland	Bland County PSA	Water Line Interconnection Project	Replace water lines, two booster pump stations, one 200,000 gallon ground storage tank, and 107 additional service connections.	549	33	H-P	VWSRF	\$2,911,555	\$6,100,000	\$6,100,000	\$12,832,670	1
12	WSL 012-22	Russell	Russell County PSA	Nash Ford/Clinch Mountain Road Water Line Extension	Project will provide potable water to 54 homes in the Nash Ford community. Includes replacing water lines, and providing fire protection. Project will also extend water service into the Clinch Mountain Road community.	48	40	H-P	VWSRF	\$1,112,685	\$1,589,550	\$1,589,550	\$14,422,220	
16	WSL 016-22	Loudoun	Aldie Water Company	Reservoir Replacement	Replace water lines, and new 10,000 gallon water tank.	25	8	H-P	VWSRF	\$150,000	\$150,000	\$150,000	\$14,572,220	FP
17	WSL 017-22	Petersburg	City of Petersburg	Water System New Pressure Zone	New 2,000,000 gallon water storage tank, 8700 linear feet of new water mains, and a new booster pump station.	479	23	H-P	VWSRF	\$0	\$10,050,000	\$10,050,000	\$24,622,220	
19	WSL 019-22	Richmond	City of Richmond	Lead Service Line Replacement - Customer Side	Replacement of up to 200 lead service lines on the private customer side.	200	0	LSL	VWSRF	\$500,000	\$500,000	\$500,000	\$25,122,220	PF

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 - 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 2%).
 - The loan portion of the project will be funded with a 30 year loan (or the design life of the assets) with an effective 0% interest.
 - Emergency funding, terms will be determined at a later date.

Designation Codes:

- H - Health (A-Acute, C-Chronic, P-Public)
- O - Other Eligible Project
- I - Incomplete Application
- N - Not Eligible, N/A - Not Applicable
- PF - Principal Forgiveness
- LSL - Lead Service Line

2022 PROJECT PRIORITY LIST
Bipartisan Infrastructure Law Projects

Priority	Project #	City / County	Owner Information	Project Name	Project Description	Service Connections	Point Total	Designation	Program Type Code	Principal Forgiveness	Project Cost	SRF Amount for this IUP	Cumulative SRF Amount
1	BIL 01S-22	Pittsylvania	Town of Hurt	Phase II DBP Remediation and Water Improvements	New Hurt pump station with more efficient pumps and possibly tank aeration similar to the GredBee system. Installation of 1,000 ft of 12-inch line & 330 ft of casing to provide a loop feed to the west side of Town. Convert all conventional water meters to radio read units.	618	60	H-C	BIL - S	\$1,307,460	\$1,698,000	\$1,698,000	\$1,698,000
2	BIL 02S-22	Campbell	Town of Altavista	Sedimentation and Solids Handling Improvements	Installation of automated sludge removal system, vacuum system to minimize resuspension of solids, and general rehab of the drinking water plant.	2146	60	H-C	BIL - S	\$2,340,000	\$3,000,000	\$3,000,000	\$4,698,000
3	BIL 03S-22	Galax	City of Galax	City of Galax Water System Improvements	New 4.0 MGD water treatment plant; new 1.2 MG storage tank; renewal of E. Galax pump station with two 100-HP pumps and assoc piping/valves; renewal of City View PS with two 50 HP pumps and assoc piping/valves; rehab of four water storage tanks.	2222	53	H-P	BIL - S	\$2,340,000	\$95,415,000	\$3,000,000	\$7,698,000
4	BIL 04S-22	Wise	Wise County PSA	Water System Improvements - Town of Pound & Existing System	Replacement of waterlines, waterline appurtenances, water treatment plant electrical upgrades, purchase of a larger maintenance facility, replace of four pump station roofs, supplying A/C power to two existing water storage tanks and replacement of two pumps at Stone Mountain Pump Station.	5563	50	H-P	BIL - S	\$2,394,964	\$6,248,000	\$3,100,000	\$10,798,000
5	BIL 05S-22	Greene	Greene County	Greene County Treatment Plant & Reservoir Improvements	The project consists of 125-acre pumped storages reservoir, Rapidan River raw water intake, raw waster pump station no. 1, raw water piping, reservoir intake, raw water pump station no. 2; and a water treatment plant.	5000	31	H-P	BIL - S	\$0	\$54,580,000	\$1,500,000	\$12,298,000
6	BIL 06S-22	Rockingham	Town of Elkton	Water Supply and Distributaiton Improvements	Well development and above ground storage tank, new waterlines and replacement of existing fluoride pumps as Memorial Park well.	1107	25	H-P	BIL - S	\$0	\$8,326,827	\$1,000,000	\$13,298,000
7	BIL 07S-22	Lexington/ Rockbridge	Maury Service Authority	Water System Improvements	Four MGD raw water pumping station, four MGD water treatment plant, three MG remote clearwell and 2.7 miles of 16" or 20" pipe replacement.	3549	25	H-P	BIL - S	\$0	\$30,000,000	\$3,000,000	\$16,298,000
8	BIL 08S-22	Tazewell	Tazewell County PSA	TCPSA - Pocahontas Water Line Replacement	Replacement of 49,865 LF of 8-inch line, 3,340 LF of 4-inch line, 3,293 LF of 2-inch line and related appurtenances.	141	48	H-P	BIL - S	\$2,887,500	\$5,619,000	\$3,750,000	\$20,048,000
9	BIL 09S-22	Roanoke	Western Virginia Water Authority	Phase I Roanoke Area Distribution System Improvements	Replacement of 36,400 LF galvanized steel, cast iron or unknown material with 8-inch ductile iron pipe with an additional 1,000 of 8-inch DIP for looping.	9938	60	H-P	BIL - S	\$3,115,006	\$9,095,000	\$4,045,463	\$24,093,463
1	BIL 01C-22	Halifax	Halifax County Service Authority	Halifax County Service Authority WTP Upgrades	Installation of the initial pretreatment processes - coagulation/flocculation, sedimentation and filtration - are needed to remove HBCD from the raw water source. This is part of a WTP upgrade from 3 MGD to 5 MGD.	4704	43	H-P	BIL - C	\$8,865,000	\$17,120,000	\$8,865,000	\$8,865,000
2	BIL 02C-22	Roanoke	Western Virginia Water Authority	PER - study the removal of PFAS from Spring Hollow Reservoir	Test media in treatment unit filters to determine whether the PFAS compounds are there and determine if it is leaching into finished water; PER to pilot a treatment system to remove PFAS compound from backwash water, and perform hydraulic study of the reservoir to determine detention times between inlet and outlet.	57817	14	O	BIL - C	\$285,000	\$285,000	\$285,000	\$9,150,000
3	BIL 03C-22	Albemarle	Rivanna Water and Sewer Authority	RWSA Emerging Contaminants Removal Project	Installation of model 12-40 GAC vessels to remove PFAS/PFOA as well as DBP precursors from the finished water.	49108	8	O	BIL - C	\$3,150,000	\$21,350,000	\$3,150,000	\$12,300,000

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LSL - Lead Service Line

2022 PROJECT PRIORITY LIST
Bipartisan Infrastructure Law Projects

Priority	Project #	City / County	Owner Information	Project Name	Project Description	Est. % of line installed before 1986	Action Level Exceed	Total Points	Program Type Code	Principal Forgiveness	Project Cost	SRF Amount for this IUP	Cumulative SRF Amount
1	BIL 01L-22	Chesapeake	City of Chesapeake, Dept. of Public Utilities	City of Chesapeake Lead Service Line Replacement	Replacing lead services lines as they are discovered during the City's effort to replace aging infrastructure.	Over 25%	15 ppb (0.015ml/L)	75	BIL - L	\$285,000	\$750,000	\$750,000	\$750,000
2	BIL 02L-22	Henry	Henry County Public Service Authority	Fieldale Lead Service Line Replacement - Phase 4	Replacing lead services lines as they are discovered during the PSA's effort to replace aging infrastructure.	Over 75%	under 10 ppb	68	BIL - L	\$190,000	\$500,000	\$500,000	\$1,250,000
3	BIL 03L-22	Radford	City of Radford	City of Radford Lead Service Line Inventory	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	61.5	BIL - L	\$100,000	\$100,000	\$100,000	\$1,350,000
4	BIL 04L-22	Lynchburg	City of Lynchburg	Water Service Line Inventory	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	59.5	BIL - L	\$190,000	\$500,000	\$500,000	\$1,850,000
5	BIL 05L-22	Norfolk	City of Norfolk	LSL Inventory and LSLR - Year 1	Developing an inventory and/or replacing lead services lines as part of a rebate Program.	Over 75%	under 10 ppb	53	BIL - L	\$760,000	\$2,000,000	\$2,000,000	\$3,850,000
6	BIL 06L-22	Halifax	Halifax County Service Authority	HCSA LSL Inventory & Replacement	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	52.5	BIL - L	\$285,000	\$750,000	\$750,000	\$4,600,000
7	BIL 07L-22	Smyth	Town of Chihowie	Town of Chihowie Water System Improvements Projects	Develop an inventory of lead service lines.	Under 25%	under 10 ppb	33	BIL - L	\$285,000	\$750,000	\$750,000	\$5,350,000
8	BIL 08L-22	Pulaski	Town of Pulaski	Town of Pulaski Lead Service Line Inventory & Replacement	Develop an inventory of lead service lines.	Over 75%	15 ppb (0.015ml/L)	53	BIL - L	\$285,000	\$750,000	\$750,000	\$6,100,000
9	BIL 09L-22	Roanoke	Western Virginia Water Authority	WVWA Lead Service Line Inventory & Replacement	Finishing the inventory process - approximately 60% is already complete.	Over 25%	under 10 ppb	43	BIL - L	\$173,280	\$456,000	\$456,000	\$6,556,000
10	BIL 10L-22	Carroll	Town of Hillsville	Town of Hillsville Lead Service Line Inventory	Develop an inventory of lead service lines.	Under 25%	under 10 ppb	30	BIL - L	\$250,000	\$250,000	\$250,000	\$6,806,000
11	BIL 11L-22	Winchester	City of Winchester	City of Winchester Lead Service Line Inventory Project	Develop an inventory of lead service lines.	Over 50%	under 10 ppb	51	BIL - L	\$250,000	\$250,000	\$250,000	\$7,056,000
12	BIL 12L-22	Portsmouth	City of Portsmouth	Lead Service Line Replacement Gap Analysis & Action Plan	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	45	BIL - L	\$150,000	\$150,000	\$150,000	\$7,206,000
13	BIL 13L-22	Emporia	City of Emporia	Lead and Copper Program LSL Inventory	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	44.5	BIL - L	\$250,000	\$250,000	\$250,000	\$7,456,000
14	BIL 14L-22	Cambell	Campbell County Utilities & Service Authority	Lead Service Line Inventory	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	42.5	BIL - L	\$152,000	\$152,000	\$152,000	\$7,608,000
15	BIL 15L-22	Bristol	Bristol Virginia Utilities Authority	Phase 1 Downtown Zone LSL Inventory	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	40	BIL - L	\$250,000	\$250,000	\$250,000	\$7,858,000
16	BIL 16L-22	Bedford	Bedford County	Bedford Regional Water Authority Lead Inventory Project	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	39.5	BIL - L	\$60,000	\$60,000	\$60,000	\$7,918,000
17	BIL 17L-22	Roanoke	Western Virginia Water Authority	Lead Service Line Inventory Development	Develop an inventory of lead service lines.	Over 25%	under 10 ppb	38	BIL - L	\$496,280	\$1,306,000	\$1,306,000	\$9,224,000
18	BIL 18L-22	Charlottesville	City of Charlottesville	Lead Service Line Inventory	Develop an inventory of lead service lines.	Over 25%	under 10 ppb	36	BIL - L	\$250,000	\$250,000	\$250,000	\$9,474,000
19	BIL 19L-22	Montgomery	Town of Blacksburg	Town of Blacksburg Lead Inventory Project - Phase 1	Develop an inventory of lead service lines.	Under 25%	under 10 ppb	30	BIL - L	\$56,000	\$56,000	\$56,000	\$9,530,000
20	BIL 20L-22	Chesterfield	Chesterfield County	Chesterfield County Lead Service Line Inventory	Develop an inventory of lead service lines.	Over 25%	under 10 ppb	28.5	BIL - L	\$173,680	\$250,000	\$250,000	\$9,780,000
21	BIL 21L-22	Bland	Bland County	Bland County Lead Inventory Project	Develop an inventory of lead service lines.	Over 75%	under 10 ppb	27	BIL - L	\$46,000	\$46,000	\$46,000	\$9,826,000
22	BIL 22L-22	Augusta	Augusta County Service Authority	Lead Service Line Inventory	Develop an inventory of lead service lines.	Under 25%	under 10 ppb	21	BIL - L	\$0	\$250,000	\$250,000	\$10,076,000

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Attachment 2

DWSRF Project Number	CTY/CNTY	OWNER	Project	SRF Funding Amount	GPR	Assistance to Small Systems	SRF Loan Amount	SRF Principal Forgiveness
001-22	Pulaski	Pulaski County PSA	Community Water Improvements (2021)	\$ 2,897,000.00			\$ 1,448,500	\$ 1,448,500
017-22	Petersburg	City of Petersburg	Water System New Pressure Zone	\$ 10,050,000.00			\$ 10,050,000	\$ -
BIL-S-001	Pittsylvania	Town of Hurt	Phase II DBP Remediation and Water Improvements	\$ 1,698,000.00			\$ 390,540	\$ 1,307,460
BIL-S-002	Campbell	Town of Altavista	Sedimentation and Solids Handling Improvements	\$ 3,000,000.00			\$ 660,000	\$ 2,340,000
BIL-S-003	Galax	City of Galax	City of Galax Water System Improvements	\$ 3,000,000.00			\$ 660,000	\$ 2,340,000
BIL-S-004	Wise	Wise County PSA	Water System Improvements - Town of Pound & Existing System	\$ 3,100,000.00			\$ 705,036	\$ 2,394,964
BIL-S-005	Greene	County of Greene	Greene County Treatment Plant & Reservoir	\$ 1,500,000.00			\$ 1,500,000	\$ -
BIL-S-006	Rockingham	Town of Elkton	Water Supply and Distribution Improvements	\$ 1,000,000.00			\$ 1,000,000	\$ -
BIL-S-007	Lexington/ Rockbridge	Maury Service Authority	Water System Improvements	\$ 3,000,000.00			\$ 3,000,000	\$ -
BIL-S-008	Tazewell	Tazewell County PSA	TCPSA - Pocahontas Water Line Replacement	\$ 3,750,000.00			\$ 862,500	\$ 2,887,500
BIL-S-009	Roanoke	Western Virginia Water Authority	Phase 1 of Roanoke Area Distribution System Improvements	\$ 4,045,463.00			\$ 930,457	\$ 3,115,006
BIL-L-001	Chesapeake	City of Chesapeake, Dept. of Public Utilities	City of Chesapeake Lead Service Line Replacement	\$ 750,000.00			\$ 465,000	\$ 285,000
BIL-L-002	Henry	Henry County Public Service Authority	Fieldale Lead Service Line Replacement - Phase 4	\$ 500,000.00			\$ 310,000	\$ 190,000
BIL-L-003	Radford	City of Radford	City of Radford Lead Service Line Inventory	\$ 100,000.00			\$ -	\$ 100,000
BIL-L-004	Lynchburg	City of Lynchburg	Water Service Line Inventory	\$ 500,000.00			\$ 310,000	\$ 190,000
BIL-L-005	Norfolk	City of Norfolk	LSL Inventory and LSLR - Year 1	\$ 2,000,000.00			\$ 1,240,000	\$ 760,000
BIL-L-006	Halifax	Halifax County Service Authority	HCSA LSL Inventory & Replacement	\$ 750,000.00			\$ 465,000	\$ 285,000
BIL-L-007	Smyth	Town of Chihowie	Town of Chihowie Water System Improvements Projects	\$ 750,000.00			\$ 465,000	\$ 285,000
BIL-L-008	Pulaski	Town of Pulaski	Town of Pulaski Lead Service Line Inventory & Replacement	\$ 750,000.00			\$ 465,000	\$ 285,000
BIL-L-009	Roanoke	Western Virginia Water Authority	WVWA Lead Service Line Inventory & Replacement	\$ 456,000.00			\$ 282,720	\$ 173,280
BIL-L-010	Carroll	Town of Hillsville	Town of Hillsville Lead Service Line Inventory	\$ 250,000.00			\$ -	\$ 250,000
BIL-L-011	Winchester	City of Winchester	City of Winchester Lead Service Line Inventory Project	\$ 250,000.00			\$ -	\$ 250,000
BIL-L-012	Portsmouth	City of Portsmouth	Lead Service Line Replacement Gap Analysis & Action Plan	\$ 150,000.00			\$ -	\$ 150,000
BIL-L-013	Emporia	City of Emporia	Lead and Copper Program LSL Inventory	\$ 250,000.00			\$ -	\$ 250,000
BIL-L-014	Campbell	Campbell County Utilities & Service Authority	Lead Service Line Inventory	\$ 152,000.00			\$ -	\$ 152,000
BIL-L-015	Bristol	Bristol Virginia Utilities Authority	Phase 1 Downtown Zone LSL Inventory	\$ 250,000.00			\$ -	\$ 250,000
BIL-L-016	Bedford	Bedford County	Bedford Regional Water Authority Lead Inventory Project	\$ 60,000.00			\$ -	\$ 60,000
BIL-L-017	Roanoke	Western Virginia Water Authority	Lead Service Line Inventory Development	\$ 1,306,000.00			\$ 809,720	\$ 496,280
BIL-L-018	Charlottesville	City of Charlottesville	Lead Service Line Inventory	\$ 250,000.00			\$ -	\$ 250,000
BIL-L-019	Montgomery	Town of Blacksburg	Town of Blacksburg Lead Inventory Project - Phase 1	\$ 56,000.00			\$ -	\$ 56,000
BIL-L-020	Chesterfield	Chesterfield County	Chesterfield County Lead Service Line Inventory	\$ 250,000.00			\$ 76,320	\$ 173,680
BIL-L-021	Bland	Bland County	Bland County Lead Inventory Project	\$ 46,000.00			\$ -	\$ 46,000
BIL-L-022	Augusta	Augusta County Service Authority	Lead Service Line Inventory	\$ 250,000.00			\$ 250,000	\$ -
BIL-E-001	Halifax	Halifax County Service Authority	Halifax County Service Authority WTP Upgrades	\$ 8,865,000.00			\$ -	\$ 8,865,000
BIL-E-002	Roanoke	Western Virginia Water Authority	PER - study the removal of PFAS from Spring Hollow Reservoir	\$ 285,000.00			\$ -	\$ 285,000
BIL-E-003	Albemarle	Rivanna Water and Sewer Authority	RWSA Emerging Contaminants Removal Project	\$ 3,177,000.00			\$ -	\$ 3,177,000
			Total Equivalency ---->	\$59,443,463.00			\$26,345,793	\$33,097,670

DWSRF Project Number	CTY/CNTY	OWNER	Project	SRF Funding Amount	GPR	Assistance to Small Systems	SRF Loan Amount	SRF Principal Forgiveness	Required min. 14% Subsidy	Optional 12-35% Additional Subsidy
001-22	Pulaski	Pulaski County PSA	Community Water Improvements (2021)	\$ 2,897,000		\$ 2,897,000	\$ 1,448,500	\$ 1,448,500	\$ 1,448,500	\$ -
002-22	Scott	Scott County PSA	Nickelsville Water System Improvements - Phase 1	\$ 2,228,550	\$ 220,000	\$ 2,228,550	\$ 524,715	\$ 1,703,835	\$ 1,703,835	\$ -
005-22	Smyth	Town of Marion	Water Line Replacement - Phases 7 & 8	\$ 1,306,000	\$ 130,600	\$ 1,306,000	\$ 1,044,800	\$ 261,200	\$ 261,200	\$ -
007-22	Surry	Scotland Riverview WS	Water System Improvements	\$ 151,120	\$ 136,120	\$ 151,120	\$ 151,120	\$ 151,120	\$ 151,120	\$ -
009-22	Amherst	Town of Amherst	Water System Improvements - Emergency Power	\$ 165,000		\$ 165,000	\$ 50,000	\$ 115,000	\$ 115,000	\$ -
010-22	Bland	Bland County PSA	Water Line Interconnection Project	\$ 6,100,000	\$ 1,397,000	\$ 6,100,000	\$ 3,188,445	\$ 2,911,555	\$ -	\$ 2,911,555
012-22	Russell	Russell County PSA	Nash Ford/Clinch Mountain Road Water Line Extension	\$ 1,589,550		\$ 1,589,550	\$ 476,865	\$ 1,112,685	\$ -	\$ 1,112,685
016-22	Loudoun	Aldie Water Company	Reservoir Replacement	\$ 150,000		\$ 150,000	\$ 150,000			\$ -
017-22	Petersburg	City of Petersburg	Water System New Pressure Zone	\$ 10,050,000		\$ 10,050,000	\$ 10,050,000			\$ -
019-22	Richmond	City of Richmond	Lead Service Line Replacement - Customer Side	\$ 500,000		\$ 500,000		\$ 500,000	\$ -	\$ 500,000
			Total ---->	\$25,137,220	\$1,883,720	\$25,137,220	\$16,933,325	\$8,203,895	\$3,679,655	\$4,524,240

Attachment 3

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	Name	Suggested Amount	Activity Description	Funded Yes/No	Amount
1	Mountain Empire Community College	\$80,250	Support of the Distance Learning Program and Website. This program provides students the opportunity to obtain an Associate's Degree in Drinking Water Operations.	Yes	\$80,250
2	Virginia Tech	\$100,800	Continuing and Professional Education for Water Utility Owners, Managers, & Operators (Televised Workshops)	Yes	\$86,750
3	Virginia Tech	\$49,500	Establishing a Successful and Sustainable Waterworks	Yes	\$49,500
4	Virginia Tech	\$59,000	Applied Math and Basic Science for Water Works Owners	Yes	\$59,000
5	Virginia Tech	\$40,000	Basic Ground Water Course for Very Small Systems	Yes	\$40,000
6	Virginia Tech	\$40,500	Hands on Training at a Full Scale Water Plant	Yes	\$40,500
7	Virginia Tech	\$77,000	Applied Groundwater Math for Small Systems	Yes	\$40,000
8	Virginia Tech	\$9,000	VT Short School Scholarships	Yes	\$9,000
9	Virginia Tech	\$43,000	Capacity Development: Management, Methods and Money	Yes	\$43,000
10	Virginia Tech	\$87,000	Operation and Maintenance of Distribution Systems Short Course	Yes	\$87,000
11	Virginia Tech	\$14,250	Water Operations Math Course	Yes	\$14,250
12	Virginia Tech	\$15,000	Continuations of administrative services for ODW through Virginia Tech CPE including ongoing communications to waterworks operators, survey administration, committee meeting organization, creation of marketing materials, and providing documentation.	Yes	\$15,000
13	Virginia Tech	\$43,000	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.	Yes	\$43,000
14	VA Section American Water Works Association	\$31,000	To provide program administration and training services for the cross connection and backflow training program.	Yes	\$31,000
15	Southeast Rural Community Assistance Program (SERCAP)	\$14,300	To provide program administration and training services for the "Basics of Financial Management for Small Systems" course for waterworks.	Yes	\$14,300
16	Technical Assistance Provider TBD via competitive RFP	\$72,000	To provide program administration and training services for waterworks on the new Lead and Copper Rule Revisions. This will include inventory, reporting and monitoring requirements. ODW will solicit a training video on lead and copper sampling.	Yes	\$72,000
17	Technical Assistance Provider TBD via competitive RFP	\$195,000	To provide program administration and technical assistance to waterworks as a followup to the LCRR Training (above). This will include assistance to waterworks completing LSL inventories, service line replacement plans, monitoring protocols in schools and childcare facilities, reporting and recordkeeping.	Yes	\$195,000
18	Green Environmental	\$15,000	Laboratory contract to cover the cost of HAB sample analysis for ODW field offices to respond to HAB investigations.	Yes	\$15,000
19	Moonshot Missions	115000	Development of a HAB Toolkit to allow waterworks to proactively address HAB events and respond effectively during a HAB event.	Yes	115000
	TOTAL	\$1,100,600			\$1,049,550

Attachment 4

Virginia Drinking Water State Revolving Fund Program Intended Use Plan - Funding Summary with Projected Set-Asides

I. SOURCES

Federal DWSRF Grant Base Allocation =	\$11,434,000.00	83.333%	Federal share
State's General Fund - 20% match required =	\$2,286,800.00	16.667%	State share
Federal BIL Supplemental	\$29,357,000.00	87.342%	Federal share
State's BIL Supplemental 10% match	\$2,935,700.00	12.658%	State share
Federal BIL LSL	\$46,256,000.00		
Federal BIL EC	\$12,327,000.00		
<i>SUBTOTAL 1</i>	\$104,596,500.00	\$104,596,500.00	
Other sources =			
Interest earned (0945)	\$512.88		assumed
Interest earned (VWSRF) to May 31	\$300,000.00		assumed
Repaid principal to May 31	\$13,000,000.00		assumed
Repaid interest to May 31	\$2,000,000.00		assumed
	\$15,300,512.88		assumed
<i>SUBTOTAL 2</i>		\$15,300,512.88	
RECAPTURE from unused In-kind funds	\$0.00		
		\$0.00	
<i>Grand Total Funds Available =</i>		\$119,897,014.88	

II. USES for Set-asides

Cat.	Maximum % and Name	Percent chosen	Current Grant Amount
1	2% Base - Small System Technical Assistance	0.00%	\$ -
2	4% Base - DWSRF Administration & Tech. Assistance	0.00%	\$ -
3	10% Base - State Program Management	0.00%	\$ -
4	15% Base - Local Assistance and other State Programs	0.00%	\$ -
5	2% BIL Supplemental - Small System Technical Assistance	2.00%	\$ 587,140.00
6	4% BIL Supplemental - DWSRF Administration & Tech. Assistance	4.00%	\$ 1,174,280.00
7	10% BIL Supplemental - State Program Management	10.00%	\$ 2,935,700.00
8	15% BIL Supplemental - Local Assistance and other State Programs	15.00%	\$ 4,403,550.00
9	2% BIL LSL - Small System Technical Assistance	0.00%	\$ -
10	4% BIL LSL - DWSRF Administration & Tech. Assistance	0.00%	\$ -
11	10% BIL LSL - State Program Management	0.00%	\$ -
12	15% BIL LSL - Local Assistance and other State Programs	0.00%	\$ -
13	2% BIL EC - Small System Technical Assistance	0.00%	\$ -
14	4% BIL EC - DWSRF Administration & Tech. Assistance	0.00%	\$ -
15	10% BIL EC - State Program Management	0.00%	\$ -
16	15% BIL EC - Local Assistance and other State Programs	0.00%	\$ -
Total =			\$ 9,100,670.00

III. USES for Loan funds

Projects for Base Allocation =	\$25,122,220.00		
Projects for BIL Supplemental =	\$24,093,463.00		
Projects for BIL LSL Allocation =	\$10,076,000.00		
Projects for BIL EC Allocation =	\$12,300,000.00		
 SUBTOTAL		\$71,591,683.00	
plus Other uses =	\$0.00		
SUBTOTAL		\$71,591,683.00	
TOTAL Amount Available (less Set-Asides)		\$71,591,683.00	
Balance available for individual project loans and subsidies =			\$71,591,683.00
Base Subsidies -- not less than 26% nor more than 49% of grant to be used =		\$ 2,972,840.00	
BIL Supplemental Subsidies -- 49% =		\$ 11,805,796.87	
BIL LSL Subsidies -- 49% =		\$ 4,937,240.00	
BIL EC Subsidies -- 100% =		\$ 12,300,000.00	
	Loans (max) =	\$39,575,806.13	
Sources - Uses =		\$48,305,331.88	