

**Commonwealth of Virginia  
Drinking Water State Revolving Fund Program  
Intended Use Plan  
For the DWSRF FY2023 Capitalization Grant**

**August 2023**



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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 \$20 million available for utilization under the FY 2023 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 \$88,863,000 in funding through the Bipartisan Infrastructure Law (BIL) for FY 2023. 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 Section 1452(b)(1), the IUP undergoes public review and comment through a combination of internet postings, but will not be holding a public meeting. 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. 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](mailto: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 had a joint solicitation period for both the Base Program and the Bipartisan Infrastructure Law funding. The 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) through the Capacity Development Strategy. 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 TMF resources to waterworks owners. VDH accomplishes this through an integrated assistance program to provide TMF 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 (TMF 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 TMF capacity required to operate a waterworks.
- Ensure that state operator certification regulations meet EPA national requirements.
- Ensure the training courses provided meet the needs of licensed operators of all classifications for 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”.
- 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 for replacement work and up to \$250,000 for inventory development. To qualify for this offer, VDH requires closure of the principal forgiveness loan within 12 months of this offer letter.
5. **Capacity Building Efforts 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 Efforts, VDH requires a commitment to adjust rates to ensure minimum compound revenue increases of 2%<sup>1</sup> 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. This tool utilizes a variety of sources/data to identify EJ and Disadvantaged Communities. The continued use of this tool 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.

### **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

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

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 TMF 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 \$6,973,000 DWSRF Base Program capitalization grant, from the DWSRF FY2023 appropriation and \$88,863,000 in funding through the Bipartisan Infrastructure Law (BIL) for FY 2023. 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 \$1.4 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 administration 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 \$21 million in DWSRF Base Program construction funds (from the cap grant, state match, and repaid interest and principal) and approximately \$56.5 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 \$21 million in Base Program funding and \$56.5 million in BIL funding currently represents priority projects. The current PPL reflects \$77.5 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 changes above.

### 2. Additional Subsidization

The DWSRF requires that no less than 26% of the capitalization grant amount and no more than a maximum 49% 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 49% 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 Base Grant 10% available and allowed of set-aside funding for the current year, plus an additional \$2,361,436 from banked funds from preceding grant years. We are banking the Supplemental Grant 10% set-aside funds available for use in future 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.
- One FCAP Technician
- One ODW Office Director
- One Program Support Technician
- One Assistant District Engineer

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.
- SERCAP Basic Financial Training for Waterworks Personnel - 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.

## New Activities:

- 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

- Laboratory Services (Vendor TBD) – 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.

## 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 posted this Intended Use Plan under the Financial & Construction Assistance Programs at <http://www.vdh.virginia.gov/drinking-water/> and under the Virginia Regulatory Town Hall at <https://www.townhall.virginia.gov/L/ViewNotice.cfm?GNid=2452> for a 30-day public comment period beginning August 31, 2022.



ATTACHMENT 1  
**2023 PROJECT PRIORITY LIST**

| Priority | Project #  | Owner Information                 | Project Name  | Project Description  | Service Connections | Point Total | Designation | Program Type Code | Principal Forgiveness | Project Cost | SRF Amount for this IUP | Grant Cumulative Amounts | Notes |
|----------|------------|-----------------------------------|---|--|---------------------|-------------|-------------|-------------------|-----------------------|--------------|-------------------------|--------------------------|-------|
| 1        | 001-23     | Wise County PSA                   | Water System Improvements - Town of Pound & Existing System | Water plant upgrades, replace waterlines, and replace pumps  | 5563                | 50          | H-P         | BASE              | \$1,574,000           | \$3,148,000  | \$3,148,000             | \$3,148,000              | 1     |
| 2        | 002-23     | Town of Elkton                    | Water Supply and Distribution Improvements                  | Well development, storage tank, new waterline, and new pumps   | 1107                | 23          | H-P         | BASE              | \$0                   | \$4,000,000  | \$4,000,000             | \$7,148,000              | 2     |
| 3        | 003-23     | Tazewell County PSA               | TCPSA - Pocahontas Water Line Replacement                   | Replace waterline  | 141                 | 48          | H-P         | BASE              | \$860,700             | \$2,869,000  | \$2,869,000             | \$10,017,000             | 1     |
| 4        | 004-23     | City of Danville                  | Offstream Raw Water Conveyance Facilities                   | Raw water pipeline, reservoir discharge system, and a reservoir pump filling connection  | 14527               | 45          | H-P         | BASE              | \$1,489,200           | \$4,964,000  | \$4,964,000             | \$14,981,000             | 1     |
| 5        | 005-23     | Town of Marion                    | Water Line Replacement Phases 9 & 18                        | Replace waterline. Multi-year phases   | 3580                | 51          | H-P         | BASE              | \$965,649             | \$3,218,830  | \$3,218,830             | \$18,199,830             | 2     |
| 6        | 006-23     | City of Richmond                  | LEAP  | Replace Lead Service Lines   | 200                 | 46          | NA          | BASE              | \$750,000             | \$750,000    | \$750,000               | \$18,949,830             | PF    |
| 7        | 007-23     | Town of Saltville                 | LEAP  | Replace Lead Service Lines   | 40                  | 43          | NA          | BASE              | \$500,000             | \$500,000    | \$500,000               | \$19,449,830             | PF    |
| 8        | 008-23     | Town of Rural Retreat             | LEAP  | Replace Lead Service Lines   | 10                  | 41          | NA          | BASE              | \$500,000             | \$500,000    | \$500,000               | \$19,949,830             | PF    |
| 9        | 009-23     | Rye Valley Water Authority        | LEAP  | Replace Lead Service Lines   | 554                 | 33          | NA          | BASE              | \$500,000             | \$500,000    | \$500,000               | \$20,449,830             | PF    |
| 10       | BIL 02C-23 | 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 at the Crozet Water Treatment Plant.   | 38144               | 408         | H-P         | BASE              | \$260,000             | \$260,000    | \$260,000               | <b>\$20,709,830</b>      | PF    |
| 1        | BIL-S-010  | Maury Service Authority           | Water System Improvements                                   | New water treatment plant, waterline, and pump stations  | 3549                | 25          | H-P         | SUPP              | \$0                   | \$6,000,000  | \$6,000,000             | \$6,000,000              | 2     |
| 2        | BIL-S-011  | Western Virginia Water Authority  | Phase 1 of Roanoke Area Distribution System Improvements    | Replace waterline  | 9938                | 60          | H-P         | SUPP              | \$3,332,694           | \$5,049,537  | \$5,049,537             | \$11,049,537             | 2     |
| 3        | BIL-S-012  | Town of Big Stone Gap             | System-Wide Water Loss and Improvements Project - Phase III | Replace waterline  | 3612                | 47          | H-P         | SUPP              | \$3,683,548           | \$5,500,000  | \$5,500,000             | \$16,549,537             | 1     |
| 4        | BIL-S-013  | County of Halifax                 | Halifax County Service Authority WTP Upgrades               | Upgrade WTP from 3 MGD to 5 MGD  | 4704                | 43          | H-P         | SUPP              | \$3,452,053           | \$5,230,383  | \$5,230,383             | \$21,779,920             | 1     |
| 5        | BIL-S-015  | Town of Chilhowie                 | Town of Chilhowie Water System Improvements Projects        | Replace waterline, and approximately 2500 meters   | 2117                | 23          | H-P         | SUPP              | \$2,345,000           | \$3,500,000  | \$3,500,000             | \$25,279,920             | 1     |
| 6        | BIL-S-016  | Town of Troutville                | Town of Troutville Water System Improvements                | Replace water mains, repair elevated water tank, install radio read meters, and replace SCADA system   | 321                 | 25          | H-P         | SUPP              | \$2,177,500           | \$3,250,000  | \$3,250,000             | \$28,529,920             | 1     |
| 7        | BIL-S-017  | Floyd County PSA                  | Floyd-Floyd County PSA Capital Improvements Plan            | Replace waterline, well filter improvements, and system improvements   | 547                 | 24          | H-P         | SUPP              | \$973,355             | \$1,474,780  | \$1,474,780             | \$30,004,700             | 1     |
| 8        | BIL-S-018  | Town of Blackstone                | Nottoway Reservoir Diffused Aeration System Replacement     | Reservoir diffused aeration system replacement   | 1712                | 36          | H-P         | SUPP              | \$566,000             | \$566,000    | \$566,000               | <b>\$30,570,700</b>      | PF    |
| 1        | BIL 01C-23 | Western Virginia Water Authority  | Removal of PFAS from Spring Hollow Reservoir                | Complete GAC Facility Upgrades and construction of a new clearwell and finished water pump station. Additional media depth of GAC units, more frequent replacement of media and backwashing will require additional storage at the facility as well as upgrades r replacement of existing finished water pump station. | 62882               | 418         | H-P         | BIL - C           | \$7,500,000           | \$7,500,000  | \$7,500,000             | \$7,500,000              | PF    |
| 2        | BIL 02C-23 | 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 at the Crozet Water Treatment Plant.   | 38144               | 408         | H-P         | BIL - C           | \$3,063,000           | \$3,063,000  | \$3,063,000             | \$10,563,000             | PF    |
| 3        | BIL 03C-23 | Purcellville, Town of             | Nature Park PFAS Pilot Study                                | The pilot study will evaluate both GAC and Ion Exchange technologies. The pilot testing will be using skid-mounted equipment, measuring 20 ft x 4 ft x 8 ft.   | 3029                | 115         | H-P         | BIL - C           | \$226,000             | \$226,000    | \$226,000               | \$10,789,000             | PF    |

**NOTES:**

1. The loan portion of the project will be funded with a 30 year loan (or the design life of the assets) at 1/2% below prime rate.
2. 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, 1% below prime rate.
3. The loan portion of the project will be funded with a 30 year loan (or the design life of the assets) with an affective 0% interest.

**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

## Attachment 2

| 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 |
|-----------------------------------|----------------------|-----------------------------------|---|---------------------|-----|-----------------------------|---------------------|---------------------------|---------------------------|------------------------------------|
| 001-23                            | Wise                 | Wise County PSA                   | Water System Improvements - Town of Pound & Existing System | \$ 3,148,000        |     |                             | \$ 1,574,000        | \$ 1,574,000              |                           |                                    |
| 002-23                            | Rockingham           | Town of Elkton                    | Water Supply and Distribution Improvements                  | \$ 4,000,000        |     |                             | \$ 4,000,000        | \$ -                      |                           |                                    |
| 004-23                            | Danville             | City of Danville                  | Offstream Raw Water Conveyance Facilities                   | \$ 4,964,000        |     |                             | \$ 3,474,800        | \$ 1,489,200              |                           |                                    |
| BIL-S-010                         | Lexington/Rockbridge | Maury Service Authority           | Water System Improvements                                   | \$6,000,000.00      |     |                             | \$ 6,000,000        | \$ -                      |                           |                                    |
| BIL-S-011                         | Roanoke              | Western Virginia Water Authority  | Phase 1 of Roanoke Area Distribution System Improvements    | \$5,049,537.00      |     |                             | \$ 1,716,843        | \$ 3,332,694              |                           |                                    |
| BIL-S-012                         | Wise                 | Town of Big Stone Gap             | System-Wide Water Loss and Improvements Project-Phase III   | \$5,500,000.00      |     |                             | \$ 3,683,548        | \$ 1,816,452              |                           |                                    |
| BIL-S-013                         | Halifax              | County of Halifax                 | Halifax County Service Authority WTP Upgrades               | \$5,230,383.00      |     |                             | \$ 3,452,053        | \$ 1,778,330              |                           |                                    |
| BIL-S-015                         | Smyth                | Town of Chilhowie                 | Water System Improvements Projects                          | \$3,500,000.00      |     |                             | \$ 2,345,000        | \$ 1,155,000              |                           |                                    |
| BIL-S-016                         | Botetourt            | Town of Troutville                | Water System Improvements Projects                          | \$3,250,000.00      |     |                             | \$ 2,177,500        | \$ 1,072,500              |                           |                                    |
| BIL-S-017                         | Floyd                | Floyd County PSA                  | Floyd County-Floyd County PSA Capital Improvements Plan     | \$1,474,780.00      |     |                             | \$ 973,355          | \$ 501,425                |                           |                                    |
| BIL-S-018                         | Nottoway             | Town of Blackstone                | Nottoway Reservoir Diffused Aeration System Replacement     | \$566,000.00        |     |                             | \$ -                | \$ 566,000                |                           |                                    |
| BIL-E-004                         | Roanoke              | Western Virginia Water Authority  | Removal of PFAS from Spring Hollow Reservoir                | \$7,500,000.00      |     |                             | \$ -                | \$ 7,500,000              |                           |                                    |
| BIL-E-005                         | Albemarle            | Rivanna Water and Sewer Authority | RWSA Emerging Contaminants Removal Project - Crozet         | \$3,063,000.00      |     |                             | \$ -                | \$ 3,063,000              |                           |                                    |
| BIL-E-006                         | Loudoun              | Town of Purcellville              | Nature Park PFAS Study                                      | \$226,000.00        |     |                             | \$ -                | \$ 226,000                |                           |                                    |
| <b>Total Equivalency ----&gt;</b> |                      |                                   |   | <b>\$53,471,700</b> |     |                             | <b>\$29,397,099</b> | <b>\$24,074,601</b>       |                           |                                    |

| 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 |
|-----------------------|------------|-----------------------------------|---|---------------------|--------------------|-----------------------------|---------------------|---------------------------|---------------------------|------------------------------------|
| 001-23                | Wise       | Wise County PSA                   | Water System Improvements - Town of Pound & Existing System | \$ 3,148,000        | \$ 2,260,187       | \$ 3,148,000                | \$ 1,574,000        | \$ 1,574,000              | \$ 440,720                | \$ 1,133,280                       |
| 002-23                | Rockingham | Town of Elkton                    | Water Supply and Distribution Improvements                  | \$ 4,000,000        |                    | \$ 4,000,000                | \$ 4,000,000        | \$ -                      |                           | \$ -                               |
| 003-23                | Tazewell   | Tazewell County PSA               | Pocahontas Water Line Replacement                           | \$ 2,869,000        | \$ 5,619,000       | \$ 2,869,000                | \$ 1,434,500        | \$ 1,434,500              | \$ 401,660                | \$ 1,032,840                       |
| 004-23                | Danville   | City of Danville                  | Offstream Raw Water Conveyance Facilities                   | \$ 4,964,000        |                    | \$ 4,964,000                | \$ 3,474,800        | \$ 1,489,200              | \$ 694,960                | \$ 794,240                         |
| 005-23                | Smyth      | Town of Marion                    | Water Line Replacement - Phases 9 - 18                      | \$ 3,218,830        | \$ 1,609,415       | \$ 3,218,830                | \$ 2,253,181        | \$ 965,649                | \$ 450,636                | \$ 515,013                         |
| 006-23                | Richmond   | City of Richmond                  | LEAP  | \$ 750,000          |                    | \$ 750,000                  | \$ -                | \$ 750,000                | \$ 105,000                | \$ 645,000                         |
| 007-23                | Smyth      | Town of Saltville                 | LEAP - Inventory Development                                | \$ 500,000          |                    | \$ 500,000                  | \$ -                | \$ 500,000                | \$ 70,000                 | \$ 430,000                         |
| 008-23                | Wythe      | Town of Rural Retreat             | LEAP - Inventory Development                                | \$ 500,000          |                    | \$ 500,000                  | \$ -                | \$ 500,000                | \$ 70,000                 | \$ 430,000                         |
| 009-23                | Smyth      | Rye Valley Water Authority        | LEAP - Inventory Development                                | \$ 500,000          |                    | \$ 500,000                  | \$ -                | \$ 500,000                | \$ 70,000                 | \$ 430,000                         |
| BIL-C-002             | Albemarle  | Rivanna Water and Sewer Authority | RWSA Emerging Contaminants Removal - Crozet Plant           | \$ 260,000          |                    | \$ 260,000                  | \$ -                | \$ 260,000                | \$ 260,000                | \$ -                               |
| <b>Total ----&gt;</b> |            |                                   |   | <b>\$20,709,830</b> | <b>\$9,488,602</b> | <b>\$20,709,830</b>         | <b>\$12,736,481</b> | <b>\$7,973,349</b>        | <b>\$2,562,976</b>        | <b>\$5,410,373</b>                 |

### 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 | Budgeted Amount  |
|------|---|------------------|---|---------------|------------------|
| 1    | Mountain Empire Community College                     | \$90,000         | 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           | \$84,000         |
| 2    | Virginia Tech   | \$100,800        | Continuing and Professional Education for Water Utility Owners, Managers, & Operators (Televised Workshops)   | Yes           | \$90,000         |
| 3    | Virginia Tech   | \$50,000         | Establishing a Successful and Sustainable Waterworks  | Yes           | \$50,000         |
| 4    | Virginia Tech   | \$58,000         | Applied Math and Basic Science for Water Works Owners   | Yes           | \$60,000         |
| 5    | Virginia Tech   | \$38,500         | 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           | \$42,000         |
| 7    | Virginia Tech   | \$77,000         | Applied Groundwater Math for Small Systems  | Yes           | \$40,000         |
| 8    | Virginia Tech   | \$9,000          | VT Short School Scholarships  | Yes           | \$15,000         |
| 9    | Virginia Tech   | \$43,000         | Capacity Development: Management, Methods and Money   | Yes           | \$45,000         |
| 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           | \$15,000         |
| 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           | \$34,000         | To provide program administration and training services for the cross connection and backflow training program.   | Yes           | \$34,000         |
| 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         |
|      | <b>TOTAL</b>  | <b>\$714,350</b> |   |               | <b>\$674,300</b> |

## Attachment 4

### Virginia Drinking Water State Revolving Fund Funds Availability for FY2024 Projects As of June 1, 2023

#### Sources

|  |    |            |                      |
|--|----|------------|----------------------|
| Local Government Investment Pool                     | \$ | 10,062,345 |                      |
| EPA Drinking Water Checking Account                  |    | 1,274,331  |                      |
| Externally Managed Investments - Drinking Water Fund |    | 86,642,438 |                      |
| DW Support Account                                   |    | 71         |                      |
| VDH 09450 Account, interest transferred to VRA       |    | 1,261      |                      |
|  |    | 97,980,446 | \$                   |
| <b>Cash and Investments Available</b>                |    |            | <b>\$ 97,980,446</b> |

|  |    |             |                       |
|--|----|-------------|-----------------------|
| FY20 Base Federal Cap Grant  | \$ | 30          |                       |
| Plus: FY22 Federal Base Cap Grant and State Match (gross award amount)   |    | 13,720,800  |                       |
| Plus: FY22 BIL Supplemental Funding and State Match (gross award amount) |    | 32,292,700  |                       |
| Plus: FY22 BIL Emerging Contaminants Funding (gross award amount)        |    | 12,327,000  |                       |
| Plus: FY22 BIL Lead Service Line Replacement (gross award amount)        |    | 46,256,000  |                       |
| Plus: FY23 Federal Base Cap Grant and State Match (gross award amount)   |    | 8,367,600   |                       |
| Plus: FY23 BIL Supplemental Funding and State Match (gross award amount) |    | 32,705,200  |                       |
| Plus: FY23 BIL Emerging Contaminants Funding (gross award amount)        |    | 10,789,000  |                       |
| Plus: FY23 BIL Lead Service Line Replacement (gross award amount)        |    | 48,717,000  |                       |
|  |    | 205,175,330 | \$                    |
| <b>Federal Cap Grant and State Match Available</b>                       |    |             | <b>\$ 205,175,330</b> |

|                                     |    |   |  |
|-------------------------------------|----|---|--|
| Remaining unspent SRF bond proceeds | \$ | - |  |
|                                     |    | - |  |

|                      |  |  |                       |
|----------------------|--|--|-----------------------|
| <b>Total Sources</b> |  |  | <b>\$ 303,155,776</b> |
|----------------------|--|--|-----------------------|

#### Uses for Projects

|   |  |               |               |
|---|--|---------------|---------------|
| Funds Committed for Closed Projects (30):       |  | (17,502,676)  |               |
| Funds Committed for Unclosed Projects:          |  |               |               |
| Base Program Projects through FY16-FY22 (21)    |  | (53,397,355)  |               |
| BIL Supplemental Funding Projects for FY22 (8)  |  | (22,650,463)  |               |
| BIL Lead Service Line Projects for FY22 (59)    |  | (46,256,000)  |               |
| BIL Emerging Contaminants Projects for FY22 (3) |  | (12,327,000)  |               |
| Base Program Projects FY23 (10)                 |  | (20,709,830)  |               |
| BIL Supplemental Funding Projects for FY23 (8)  |  | (30,570,700)  |               |
| BIL Lead Service Line Projects for FY23 (0)     |  | -             |               |
| BIL Emerging Contaminants Projects for FY23 (3) |  | (10,789,000)  |               |
|   |  | (214,203,024) | (214,203,024) |

## Attachment 4 (continued)

### USES for Set-asides

| Maximum % and Name   | Current Grant<br>Amount |
|--|-------------------------|
| Base 2% - Small System Technical Assistance                  | \$ -                    |
| Base 4% - DWSRF Administration & Tech. Assistance            | \$ -                    |
| Base 10% - State Program Management                          | \$ (3,058,736.00)       |
| Base 15% - Local Assistance and other State Programs         | \$ -                    |
| BIL Supplemental - Small System Technical Assistance         | \$ (587,140.00)         |
| BIL Supplemental - DWSRF Administration & Tech. Assistance   | \$ (1,174,280.00)       |
| BIL Supplemental - State Program Management                  | \$ -                    |
| BIL Supplemental - Local Assistance and other State Programs | \$ (4,403,550.00)       |
| BIL LSL - Small System Technical Assistance                  | \$ -                    |
| BIL LSL - DWSRF Administration & Tech. Assistance            | \$ -                    |
| BIL LSL - State Program Management                           | \$ -                    |
| BIL LSL - Local Assistance and other State Programs          | \$ -                    |
| BIL EC - Small System Technical Assistance                   | \$ -                    |
| BIL EC - DWSRF Administration & Tech. Assistance             | \$ -                    |
| BIL EC - State Program Management                            | \$ -                    |
| BIL EC - Local Assistance and other State Programs           | \$ -                    |
| <b>Total =</b>   | <b>\$ (9,223,706)</b>   |

**Total Sources** **\$ (223,426,730)**

### **TOTALS by Grant Type, all years**

|                                   |                   |
|-----------------------------------|-------------------|
| Projects for Base Allocation =    | -\$74,107,185.00  |
| Projects for BIL Supplemental =   | -\$53,221,163.00  |
| Projects for BIL LSL Allocation = | -\$46,256,000.00  |
| Projects for BIL EC Allocation =  | -\$23,116,000.00  |
|                                   | -\$196,700,348.00 |

plus Other uses = \$0.00

**TOTAL Amount Available (less Set-Asides)** **\$79,729,046.06**

|  |                  |
|--|------------------|
| Balance available for individual project loans and subsidies = | \$79,729,046.06  |
| Base Subsidies -- min 26% to max 49% of grant, minimum shown = | \$ 1,812,980.00  |
| BIL Supplemental Subsidies -- 49% =                            | \$ 14,384,930.00 |
| BIL LSL Subsidies -- 49% =                                     | \$ 23,871,330.00 |
| BIL EC Subsidies -- 100% =                                     | \$ 10,789,000.00 |
| Principal Forgiveness (estimated) =                            | \$50,858,240.00  |