

Project Name: \_\_\_\_\_ Location (City/County) \_\_\_\_\_

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

**HARD COPY**  
**APPLICATION SUBMISSIONS:**  
Virginia Department of Health  
Office of Drinking Water  
109 Governor Street, 6th Floor  
Richmond, VA 23219



**DIGITAL**  
**APPLICATION SUBMISSIONS:**  
[leap.applications@vdh.virginia.gov](mailto:leap.applications@vdh.virginia.gov)  
Subject: FY25 LEAP Application  
– City/County – Project Name

**LEAP Deadline May 3, 2024**

**APPLICATION FOR THE**  
**LEAD ELIMINATION ASSISTANCE PROGRAM (LEAP)**

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

**TYPE OF PROPOSED LSL PROJECT**

- Lead Service Line Replacement (LSLR)       Other (Specify) \_\_\_\_\_

**IS THIS AN INDEPENDENT LSL PROJECT?**

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

Construction Project Name: \_\_\_\_\_

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

**PRE-REQUIREMENTS FOR FUNDING**

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

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

**PRE-REQUIREMENTS FOR LEAP APPLICATIONS**

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

1. Are you either a community or non-profit noncommunity waterworks? (Or will become one?)  Yes  No  
2. Have you had a Funding Application Discussion with ODW’s Field Office?  Yes  No  
3. Do you currently or will you have less than three open DWSRF projects by July 1, 2024 (prior to the next awards)?  Yes  No  
4. Do you have a current LSL Replacement Plan **OR** will it be part of your proposed project?  Yes  No



**SECTION C – PROPOSED PROJECT DESCRIPTION**

Please provide a brief response for each of the following questions under Sections I, II, and III.

**I. General Information**

- A. What is the average age of service lines in your system? What percentage of service lines do you estimate to be installed prior to 1986 (under 25%, over 25, over 50%, or over 75%)? If uncertain, please provide your best guess.

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- B. Locality (Public) Side – Is the material type of pipes known? What percentage do you estimate to be lead (unknown, under 25%, over 25%, over 50%, over 75%)? Any lead components or connectors (goosenecks, pigtails, solder, etc.)

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- C. Homeowner (Private) Side – Is the material type of pipes known? What percentage do you estimate to be lead (unknown, under 25%, over 25%, over 50%, over 75%)? Any lead components or connectors (goosenecks, pigtails, solder, etc.)

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- D. Please describe any known history of risk to exposure of lead in drinking water. Have any LSLs been encountered in the system previously? Have there been any Action Level Exceedances?

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**ATTACHMENT H-2:** Provide documentation of LSL history and/or Action Level Exceedances. If any additional space is required to answer the questions in Section C-I, you may also include this as a part of Attachment H-2.

**II. Vulnerable Populations**

A. Describe income levels in the proposed project area. What is the Median Household Annual Income (MHI) of the area to be served (\$ \_\_\_\_\_/year)? Are there any neighborhoods, census tracts, or specific areas with MHIs that fall below the overall MHI? If yes, please explain and provide additional documentation in Attachment H-3.

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

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C. Does your system serve any schools or licensed childcare centers? If yes, please include a total count below as well as the number of attendees. Include a list of schools and/or licensed childcare centers in Attachment H-3.

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**ATTACHMENT H-3:** Please include the following information below as documentation. If any additional space is required to answer the questions in Section C-II, you may also include this as a part of Attachment H-3.

Median Household Income

Use the census block or latest update for county/city/towns (<http://data.census.gov>). Include a printout in Attachment H-3. For projects not large enough to be identifiable via census information, you may provide project specific income survey data.

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

Environmental Justice

The White House Council on Environmental Quality (CEQ) Climate and Economic Justice Screening Tool (CEJST) will be utilized to help analyze the Environmental Justice benefits of a project. <https://screeningtool.geoplatform.gov/en/#10.4/37.0902/-77.9552>

Provide Census Tracts for the community benefiting directly from this project. **Include a printout of the CEJST in Attachment H-3.**

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**SECTION D – READINESS TO PROCEED**

Please provide a brief response for each of the following questions under Sections I and II.

**I. Procurement and Scheduling**

(a) Please indicate how the project will approach the handling of Project Management tasks (ex: review and submittal of documentation to meet all State, Federal, and Programmatic requirements).

- We plan to perform these Project Management tasks ourselves.
- We plan to utilize VDH funding to hire a consultant to perform these Project Management tasks.
- We plan to utilize our own funding (or alternative source of funding to) hire a consultant to perform these Project Management tasks.

(b) Provide an outline of the overall Project Schedule. Below is an example timeline of major Project Milestones. However, this schedule is generally more applicable to projects that are following a Contract Model. You may either fill out the form or describe your Project Schedule below. If any additional space is required to answer the questions above, you may also include it as a part of Attachment H-5.

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

\*The PER and P&S requirements may be waived for LSL projects. Please check with your local Field Office to confirm.

**II. Lead Service Line (LSL) Replacement Plan**

**ATTACHMENT H-5:** Provide responses to as many of the eight (8) LSL Replacement Plan items below. If the Plan is complete, include a copy as part of Attachment H-5. If some of your responses are incomplete or blank, please indicate that you will need to include more details on the LSL Replacement Plan as part of your potential project. If any additional space is required to answer the questions in Section D, you may also include this as a part of Attachment H-5.

a) What is the strategy for determining the composition of lead status unknown service lines?

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b) Describe the procedure for conducting full lead service line replacements.

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- c) What is the strategy for informing customers before a full or partial lead service line replacement is completed?  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- d) Has a procedure for customers to flush service lines and premise plumbing of particulate lead been decided upon? Please describe.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- e) For systems that serve more than 10,000 persons, a lead service line replacement goal rate recommended by the system in the event of a lead trigger level exceedance.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- f) A lead service line replacement prioritization strategy based on factors including but not limited to the targeting of known lead service lines and lead service line replacement for disadvantaged consumers and populations most sensitive to the effects of lead.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- g) A funding strategy for conducting lead service line replacements, which considers ways to accommodate customers that are unable to pay to replace the portion they own.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
- h) If the LSL Replacement Plan is incomplete, do you require additional funding to complete the Plan as part of your overall project cost? If so, please specify the amount and provide a list of the remaining criteria that will need to be addressed.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

For additional details on LSL Replacement Plan criteria, please visit:  
<https://www.vdh.virginia.gov/content/uploads/sites/14/2022/05/LSL-Replacement-FAQs-rev-5-20-22.docx>

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

1. Connections and Population:

ID	Data Description	Connections	Population <sup>(4)</sup>
a.	Existing residential - Entire System		
b.	Existing total - Entire System		
c.	Project residential <sup>(1)</sup>		
d.	Project total <sup>(1)</sup>		
e.	Future residential <sup>(2, 3)</sup>		
f.	Future total <sup>(2, 3)</sup>		

Notes:

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

2. Water Usage and Losses

- a. What is the current monthly average number of gallons of water used per residential connection? \_\_\_\_\_ gallons/month.  
Use total annual gallons billed for in–town residential customers divided by 12 months and divided by the total number of in-town residential customers. Provide supporting documentation as **ATTACHMENT H-6**.
- b. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g., firefighting) should be excluded. Provide supporting documentation as **ATTACHMENT H-7**

Water losses as a percentage of total production. = \_\_\_\_\_%

- This percentage includes:
- Real water losses (Physical losses from leaks/bursts in the distribution lines and tank overflows)
  - Apparent water losses (includes metering inaccuracies and unauthorized usage [theft/illegal use])

3. Rates: **Attach rate schedules as ATTACHMENT H-8**

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

4. Water Users

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

- d. Existing drinking water usage \_\_\_\_\_ gpd. \_\_\_\_\_ % Residential \_\_\_\_\_ % Nonresidential
- e. As **ATTACHMENT H-9**, identify Ten (10) Largest Users of the Water System and Estimated Monthly Consumption per user.

5. Determine Average Monthly Residential Water User Rate:

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

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

6. Target User Rates:

Target user rates are set as a percent of Median Household Income (MHI). The annual MHI utilized for a project is to be based upon the latest census figures or latest update for the city, town or county in which the waterworks is located. Multiply by 0.01 (or 1%) and divide by 12 months to get the monthly target rate.

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

7. Evaluate Current Rate Structure:

Does the value in Item 5 (water user rate) equal or exceed the value in item 6 (target user rate), above? Yes  No

If you answered “Yes”, your waterworks/project may qualify as **Disadvantaged**. However, rate increases/adjustments may be required to meet debt obligations or pass a VRA credit review.

If you answered “No” then the information indicates the owner needs to adjust water rates to ensure adequate revenues. Having adequate financial resources is crucial to maintaining a successful and sustainable waterworks. Furthermore, EPA mandates that all borrowers receiving program assistance must demonstrate full financial capacity to receive funds.



Waterworks are expected to meet or exceed the target rate criteria at or before the time of project completion. VDH reserves the right to require a rate revision plan and implementation schedule acceptable to VDH.

8. Do you have any outstanding debt related to the water and sewer (if applicable) system?  Yes  No

If yes, have you requested that new debt be issued on parity with the old?  Yes  No

Provide documentation as **ATTACHMENT H-11**.

9. Estimated Annual Water Facilities Costs - From PER or other sources based on existing PWS's **Financial Statements**.

- a. Net O, M & R (for existing water facilities) \$ \_\_\_\_\_  
USE Financial Statements
- b. Existing Annual Debt Service for water system \$ \_\_\_\_\_  
USE Financial Statements
- c. O, M & R for Proposed Facilities \$ \_\_\_\_\_
- d. Total (Sum of a+b+c) \$ \_\_\_\_\_

10. Sources of Residential and Nonresidential Revenues as a Percentage of Total Annual Water Revenue

- a. Residential \_\_\_\_\_%
- b. Nonresidential \_\_\_\_\_%

11. For the proposed project - Provide a cash flow analysis as **ATTACHMENT H-12** - using VDH project only template- of revenue and expenses (operating budget) showing as a bottom line the funds available for debt service.

12. Please provide the following documents as attachments

- a. Latest interim (unaudited) financial statement (Budget vs. Actual Expenditures) as **ATTACHMENT H-13**
- b. Current year budget as **ATTACHMENT H-14**
- c. Most recent annual audits as **ATTACHMENT H-15**

**SECTION F – PROJECT BUDGET INFORMATION**

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

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

\*\*VDH reserves the right to apply a closing fee of \$6,000 for all applicable loan offers to defray the cost of this service. The \$6,000 may be included in the principal of the loan. If VDH determines a loan closing fee does not apply it will be eliminated from the final budget.

**SECTION G – APPLICATION CERTIFICATION**

**By signing this application, you are certifying that you have been authorized to apply on behalf of the Owner or Controlling Board.**

Submittal of this application is only a starting point for discussion and is not a binding agreement on either party.

Incomplete information may result in the delay or rejection of the application request.

The undersigned representative of the applicant certifies that the information contained herein, and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of

Information Act requirements. **The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.**

**Owner or Chief Administrative Officer of Waterworks:**

NAME and TITLE: \_\_\_\_\_

ORGANIZATION: \_\_\_\_\_

SIGNATURE : \_\_\_\_\_ DATE: \_\_\_\_\_

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

- H1) Other Funds Available (e.g., Letters of conditions, award letters, etc.)
- H2) Project issue documentation.
- H3) Median Household Income – including site income surveys if census information not at project level.
- H4) Funding Application Discussion documentation/notes or VDH-Office of Drinking Water letter/email waiving this requirement. If a Preliminary Engineering Report has been drafted for this project, include a copy of that also. Any letter reports, design memos, or alternatives analysis should be included in this section. Regionalization should be considered as an option.
- H5) Lead Service Line (LSL) Replacement Plan.

**\*\*Required for Technical, Managerial, Financial (TMF) Review\*\***

- H6) Monthly average of residential water usage. Use total annual gallons billed for in-town residential customers divided by 12 months and divide by the total number of in-town residential customers.
- H7) Supporting documentation used to determine the percent of leakage in the system. For this application, leakage is the amount of real water lost in the distribution system lines and tanks from cracks, leaks, and tank overflows divided by total water production.
- H8) Current rate schedule for water connection fee for water and date of last increase.
- H9) Listing of 10 largest water & sewer users and estimated monthly consumption per user.
- H10) Average Monthly Residential Water User Rate Analysis – using VDH project only template.  
<https://www.vdh.virginia.gov/content/uploads/sites/14/2022/02/J-User-Rate-Analysis-v2.28.2022.xlsx>
- H11) Outstanding debt amount and with whom.
- H12) For the proposed project – a cash flow analysis of revenue – using VDH project only template - and expenses (operating budget) showing as a bottom-line funds available for debt service. [https://www.vdh.virginia.gov/content/uploads/sites/14/2022/03/Project-Cash-Flow-Template\\_2021-1\\_v2020.03.09.xlsx](https://www.vdh.virginia.gov/content/uploads/sites/14/2022/03/Project-Cash-Flow-Template_2021-1_v2020.03.09.xlsx)
- H13) One copy of the latest interim (unaudited) financial statement. (Budget vs. Actual Expenditures)
- H14) One copy of the current year budget.
- H15) One copy of the most recent annual audits.

**Items may be submitted in PDF format on a thumb drive if submitting two (2) hard copies.**

**Items H10 and H12 may also be included in spreadsheet format on a thumb drive.** Please make note on the application that the information is included in the attached digital material.

