

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

**INSTRUCTIONS FOR COMPLETION OF
APPLICATION FOR THE LEAD ELIMINATION ASSISTANCE PROGRAM (LEAP)**

The following instructions are intended to supplement instructions and explanatory information incorporated into the PROGRAM DESIGN MANUAL and the LEAP APPLICATION. If you experience problems in completing the Application after reading through these documents, please do not hesitate to contact the following Program staff for direct assistance.

Kelly Ward, Division Director, FCAP, 804/864-7201
Keith Kornegay, Project Team Leader, 540/463-0420,
Howard Eckstein, Project Officer, 804/864-7507, or
May Fornari, LEAP Manager, 804/584-8412

Deadlines

Applications for LSL Replacement projects are due May 3, 2024.
Applications for LSL Inventory projects are due March 31, 2024.

Submission Options

- 1) Preferred Method – Submit a digital copy of the application and all required attachments by close of business on the application deadline:

LEAP.applications@vdh.virginia.gov

Format the email subject as follows: *FY25 LEAP Application – City/County – Project Name*

- 2) Submit one complete and signed hard copy application and one copy of all required attachments to the address below by close of business on the application deadline:

Virginia Department of Health
Office of Drinking Water
109 Governor Street, 6th Floor
Richmond, VA 23219

Applicants are advised to schedule the required Funding Application Discussion with the appropriate ODW Field Office 30 days prior to the deadline. You will need a detailed project description and cost estimate to discuss during this meeting. Please indicate if this project has been addressed in any previous Preliminary Engineering Report (PER). Funding Application Discussion meetings are not required for LSL Inventory only projects.

Answer all of the pre-requirement and pre-application questions on page one. These questions will assist you in determining your eligibility under the program prior to completing the application form.

SECTION A – PROPOSED FINANCING

Line 1.a. VDH Funding Assistance Needed: Only include SRF eligible items. (See Section V. - ELIGIBLE COSTS/ELIGIBLE PROJECTS of the SRF Program Design Manual.) Please round to the nearest thousand dollar amount. The actual/final funding amount will be determined after the project is bid. The \$500,000 cap for LSL Replacement projects and \$250,000 cap for LSL Inventory projects is for projects funded through LEAP, which is awarded as 100% principal forgiveness (grant). There is no cap for projects funded through the BIL-LSL funding, which supplements LEAP from FY22 through FY26.

Line 1.b. Other Funds Available: Please indicate if other funding will be used for the public side of the service line. If any other funding exists for LSL related work include it in this section. Please also indicate if you have submitted a separate Construction Application for additional funding.

Line 1.c. Total Project Cost: Should equal the total of lines 1.a. and 1.b. and should agree to Section F – Line 8.

SECTION B– PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION

Line 1. Project Name: Record the project title for which you are applying for funding. It should be sufficiently descriptive to identify it clearly and avoid confusion with any other current or future projects (e.g. “*Main Street WL Replacement & LSL Replacement (Phase I)*”). The name should not include the name of the owner/applicant. The project name will be used to identify the project to the public during our public comment period.

Line 3.a. Name of Applicant: Record the legal owner’s name of the waterworks applying for funding. If this is a regional application, only enter the legal name of the lead applicant.

Line 3.c. Contact Person: Provide the name of person who can provide additional information about the application and their contact info.

Line 3.f. Federal UEI Number: Effective April 4, 2022, the Federal DUNS Number will be replaced by the UEI Number. A Unique Entity Identifier (UEI) is defined by the US GSA (General Services Administration) as “a number or other identifier used to uniquely identify a specific entity.” The UEI will be used by SAM.gov and other government award and financial systems. The Federal government requires that all applicants for Federal grants and cooperative agreements with the exception of individuals other than sole proprietors have a UEI number. For more information on UEI numbers, please visit https://www.fsd.gov/gsafsd_sp and click on the green “Help on UEI Transition” button. Additional UEI resources are available on our website at <https://www.vdh.virginia.gov/drinking-water/fcap/drinking-water-funding-program/> under “Other Fact Sheets/Forms.” Note: Applicants must be in good standing with the federal government. Applicants who have been debarred or suspended are not eligible for funding.

Line 4. Engineering Consultant: Provide the name of consulting engineer if one has been procured. You will not be eligible for reimbursement of engineering services if the engineering consultant has not been procured in accordance with our program requirements.

SECTION C – PROPOSED PROJECT DESCRIPTION

Line I. General Information: The information provided should be as detailed as possible while still being concise. However, if additional space is required, please include it as a separate Attachment. Be sure to provide adequate documentation of LSL history and Action Level Exceedances for Attachment H-2.

Line II. Vulnerable Populations: The MHI for Counties and Cities can be obtained from the U. S. Census Bureau web site towns (<http://data.census.gov>). Include a printout of the census data in Attachment H-3. **Contact us for additional details on conducting a site-specific survey.** Data on Environmental Justice can be obtained from the Climate and Economic Justice Screening Tool (CEJST) by the White House Council on Environmental Quality (CEQ) at <https://screeningtool.geoplatform.gov/en/#10.4/37.0902/-77.9552>. Enter the location of your project in the search bar. Include a printout of the CEJST map in Attachment H-3.

Line III. Project Scope: The information provided should be as detailed as possible while still being concise. However, if additional space is required, please include it as a separate Attachment. Be sure to provide adequate descriptions of your project scope for Attachment H-4. Questions A and B are mandatory. Questions C and D are only required for LSL Replacement Projects. LSL Replacement projects have flexibility in the way that they can be set up. You may choose to set up a rebate program, hire a contractor, or other approaches based on your needs. Please select only one option for Question C.

SECTION D – READINESS TO PROCEED

Line I. Service Line Material Inspection Methods: A list of several inspection methods has been provided in the application. If you have already started work on your LSL inventory, enter the inspection methods currently being utilized under “Already in Use.” Example: The Town has gone through tap cards and interviewed retired employees. Their next phase will involve sending out surveys to homeowners and potholing. In the table, they would include “Historical Records” and “Staff Interviews” under “Already in Use” and “Customer-Provided Data” and “Mechanical Excavation” under “Intend to Use.” If you will be utilizing a specific product or vendor, you may include additional documents such as product flyers, whitepapers, research articles, etc. that provide in-depth information on your selection. **Note: All Service Line Material Inspection Methods must be reviewed and approved by VDH-ODW Field Office Staff before you are allowed to proceed with LSL Inventory work.**

Line II. Procurement and Scheduling: Procurement options will vary depending on the type of Project Model (Rebate, Contract, or Hybrid) selected. Procurement may also depend on the size of your system and staff available. For instance, some systems may choose to review their own files and records while others may hire a consultant to perform this work instead. If VDH funding will be utilized to hire a third party consultant or contractor, all State, Federal, and programmatic guidelines must be followed. The Project Schedule is also dependent on the type of Project Model selected. For example, Rebate models may not include a traditional Bidding timeline, however establishing a training program for plumbers can be recorded instead. If bidding will be involved, please be aware of the time required to procure goods and services in accordance with the Virginia Public Procurement Act and to review and comment on required documentation. Though not typically required for LSL projects, the anticipated time required for the review and approval of the Preliminary Engineering Report is a maximum of 45 days if approved by VDH on the first submittal, while the Plans and Specifications is a maximum of 60 days if approved by VDH on the first submittal. Environmental Reviews may be required for the first phase of a LSL Replacement project and normally requires about 90 days to complete.

Line III. Lead Service Line Replacement Plan: LSL Replacement Plans must be submitted to VDH-ODW by the Lead and Copper Rule Revisions (LCRR) October 16, 2024 deadline. If still in the process of drafting, a LSL Replacement Plan can be included as a part of your LSL project. Please note that if a separate Construction Application is submitted, an Asset Management Plan (AMP) may also be required and would need to be included in the project budget.

SECTION E – STATISTICAL DATA REQUIRED FOR TMF REVIEW

If you are applying for an LSL Inventory only project, skip Section E and proceed to Section F.

PLEASE NOTE: Although the questions in Section E and the associated attachments are not required for LSL Inventory only applications, the Virginia Resources Authority (VRA) reserves the right to request this information if you receive a funding offer that contains a loan component.

Enter the latest user information. This can be current data or information that matches the latest audits or records.

Line 1. Connections and Population: If you are applying for a LSL Replacement project only with no other construction components, then items (c) and (d) will have the same values as (a) and (b) since no new connections are being added. Also, items (e) and (f) should not apply.

Line 2. Water Usage and Losses:

Line 2.a. VDH expects waterworks to proactively reduce excessive water losses in their systems as part of reliability. VDH reserves the right to require waterworks owners to address significant water losses as part of or prior to their proposed project. Please provide the current monthly average number of gallons used per residential connection. Use total annual gallons billed for in-town residential customers divided by 12 months and divided by the total number of in-town residential customer connections. **Provide supporting documentation as Attachment H-6.**

Line 2.b. Please provide any documentation, surveys, studies, or spreadsheets which substantiate the water loss percentage of the entire system. If the project is within a single hydraulic area of the system, provide documentation for that area as well. **Provides supporting documentation as Attachment H-7.**

Line 3. Rates: **Provide supporting documentation as Attachment H-8.**

Line 4. Water Users: Even if all users are residential, please still include a list of the 10 largest users of the system and their estimated monthly consumption rates. **Provide supporting documentation as Attachment H-9.**

Line 5. Determine the Average Monthly Residential Water User Rate per connection. We require that this information be prepared using the VDH Average Monthly Residential Water User Rate Analysis file. <https://www.vdh.virginia.gov/content/uploads/sites/14/2022/02/J-User-Rate-Analysis-v2.28.2022.xlsx>. **Provide supporting documentation as Attachment H-10.**

Line 6. Target User Rates are based on 1% percent of (Median Household Income) MHI.

Line 7. Evaluate Current Rate Structure: Current Rate Structure is evaluated by comparing Item 6 and Item 7. 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. Having adequate financial resources is crucial to maintaining a successful and sustainable waterworks. Furthermore, EPA mandates that all borrowers receiving program assistance must demonstrate full financial capacity in order to receive funds. In addition, rate increases/adjustments may be required to meet debt obligations or pass a VRA credit review.

Line 8. Outstanding Debt – Parity: Parity means the liens on the current outstanding debt and the new debt have equal standing, i.e., the lien on the new debt is not junior to the lien on current outstanding debt. **Provide supporting documentation as Attachment H-11.**

Line 9. Net O, M & R (for existing water facilities): Do not include depreciation expense for item (a).

Line 11. Cash Flow Analysis for the Proposed Project (Operating Budget): We require that this information be prepared in the VDH Cash Flow Template. **Provide supporting documentation as Attachment H-12.** https://www.vdh.virginia.gov/content/uploads/sites/14/2022/03/Project-Cash-Flow-Template_2021-1_v2020.03.09.xlsx

Line 12: Documents requested in this section are required as part of the DWSRF program to determine TMF capacity. **Please provide supporting documentation as Attachment H-13, Attachment H-14, and Attachment H-15.**

SECTION F – PROJECT BUDGET INFORMATION

Identify all project budget items in this section. Include all those funded by the owner or others and those proposed for VDH funding. The project budget should be adjusted to next year's dollars or for when construction is to actually begin. Only include costs directly related to the construction of the project. If the cost item does not apply enter "N/A". Identify all items to be funded by the owner by including the note; "*owner funded*" next to the item. Owner funded items may not need to meet VDH Program requirements.

All costs reimbursed by VDH are subject to VDH review, approval, and modification. A more detailed cost estimate with supporting documentation may be required and the final funding amount will be set at loan closing.

Line 1. LSL Replacement: Based on the number of service lines planned to be replaced and the amount it costs to replace each line. VDH-ODW has historically estimated \$5,000 for each service line replaced on the homeowner's side of the meter. If replacement costs in your area are significantly higher, you may include documentation that will be reviewed on a case-by-case basis.

Line 2. LSL Administrative Fees: Out of the \$5,000 amount, up to \$500 may be eligible as an admin fee. The \$500 admin fee may be used towards:

- **Administrative work** - May be used to reimburse the Recipient's own staff for work, materials, or equipment related to administering the LSLR program. Examples of work may include marketing, compiling disbursement requests, etc. Force account may be considered eligible on a case-by-case basis. Please contact us to discuss.
- **Investigative work** - May be used towards methods of excavation or sampling in determining whether or not a lead service line is present.

- **Personal Protective Equipment (PPE)** - May be used towards PPE such as test kits, cleaning solutions, wipes, etc. Ultimately, it is up to the locality/waterworks to determine if (a) they intend to provide the supplies or (b) inform contractors have them purchase supplies for themselves and any subcontractors. A [recent NIOSH study](#) found that several workers on LSLR jobs had elevated blood lead levels. In addition, lead particles were found on their work equipment and clothing, so workers were potentially exposing their families to lead as well.

Line 3. LSL Inventory: Include costs related to identifying and verifying LSLs as well as costs for methods, technology, and services that will be used to collect and maintain data to build an LSL inventory.

Line 4. Other: If applicable, use the total project budget amount from separate Construction Application.

Line 5. Construction Contingencies: This amount is to cover additional SRF eligible construction costs that could not be foreseen prior to construction (e.g. rock, approved change orders). 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.** Any amounts over this limit will be funded by the owner.

Line 7. Loan Closing Fee: 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.

Line 8. Total: Round to the nearest thousand. The amount entered on this line should agree to Section A – Line 1.c. This number will be used for planning purposes and will be revised prior to loan closing.

SECTION G – APPLICATION CERTIFICATION

If submitting a digital copy of your application, electronic signatures (ex: DocuSign) are acceptable.

SECTION H – REQUIRED ATTACHMENTS

Provide all necessary attachments and label your attachments with corresponding numbers (i.e. H-1, H-2, etc.). Most applicants use a binder with tabs labeled appropriately if submitting a hard copy.

- **Items may be submitted in PDF format on a thumb drive if submitting a hard copy.**
- **Items H-9 and H-11 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.