

Project Name: _____ Location (City/County) _____

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

DIGITAL
APPLICATION SUBMISSIONS:
DWSRF.Applications@vdh.virginia.gov
Format the email subject as follows:
*FY27 DWSRF Application –
City/County – Project Name*



HARD COPY
APPLICATION SUBMISSIONS:
Virginia Department of Health
Office of Drinking Water
ATTN: Katie Sallee
109 Governor Street, 6th Floor
Cube 6-N-10
Richmond, VA 23219

DWSRF deadline August 7, 2026

APPLICATION FOR CONSTRUCTION FUNDS

Application also available at: <https://www.vdh.virginia.gov/drinking-water/fcap/drinking-water-funding-program/>
FCAP contact information available at: <https://www.vdh.virginia.gov/drinking-water/fcap/directory/>

TYPE OF FUNDING REQUESTED

Please note that projects that address emerging contaminants in drinking water will be evaluated under both the Drinking Water State Revolving Fund (DWSRF) Program, and the Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Grant Program unless you specify one or the other **only** below. Information on the EC-SDC program is available at: [The Emerging Contaminants in Small or Disadvantaged Communities \(EC-SDC\) grant program - Drinking Water](#)

VDH still has Bipartisan Infrastructure Law (BIL) funding for BIL Lead Service Line Replacement (LSLR) Projects. For these LSLR projects, please use the application titled “Application for the Lead Elimination Assistance Program (LEAP),” and NOT this “Application for Construction Funds.” For all other proposed projects, please use this application and they will be evaluated under the DWSRF program.

Please select all that apply:

- Drinking Water State Revolving Fund (DWSRF) Program
- Emerging Contaminants in Small or Disadvantaged Communities (EC-SDC) Grant Program
- Either

IS THIS AN INDEPENDENT CONSTRUCTION PROJECT?

If yes, and the scope of work for this project involves construction work and no lead service line replacement work, then please skip to the next section titled “Pre-Requirements for Funding.” If you have a project where the scope of work involves replacing water mains and lead service lines, then please submit the LEAP application for the LSLR work and this “Application for Construction Funds” for the replacement of the water mains.

LEAP Project Name: _____

Applicants are advised to schedule the required Preliminary Engineering Conference (PEC) with the appropriate ODW Field Office at least 30 days prior to the deadline.

PRE-REQUIREMENTS FOR FUNDING

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

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

PRE-REQUIREMENTS FOR CONSTRUCTION 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. Do you have a Preliminary Engineering Report (PER) approved by ODW or a letter waiving it from ODW’s Field Office? Yes No
- 3. Have you had a Preliminary Engineering Conference (PEC) with ODW’s Field Office? Yes No
- 4. Source – Not Applicable-project is for new well or filing as a consecutive waterworks.
Do you have an adequate drinking water source or source agreement contract? Yes No
If “Yes”, provide documentation from ODW’s Field Office that the source or contract is adequate.

5. User Agreements for new service area customers (for example, water line extension project) - Not Applicable
 Do you have executed agreements or commitments from your initial survey from a majority of customers in the project area? Yes No
 If yes, please provide an area map indicating existing potential connections and indicating those committed.
 NOTE: Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.

PRE-REQUIREMENTS FOR CONSTRUCTION APPLICATIONS FOR THOSE APPLICANTS THAT HAVE PROJECTS CURRENTLY ADMINISTERED BY VDH FCAP

VDH FCAP administers federal funding such as the Drinking Water State Revolving Fund (DWSRF), Bipartisan Infrastructure Law (BIL) fund, and FY 25 Hurricanes Helene and Milton and the Hawaii Wildfires fund. VDH FCAP also administers state funding such as the Water Supply Assistance Grant (WSAG) fund, and the FY 2025 General Assembly (GA) House Bill 1600 Chapter 725 - Item 280 Drinking Water Infrastructure Funding. If you have an active project administered by VDH FCAP please fill out the section below. If NOT, please skip this section and go to Section A – Proposed Financing.

VDH FCAP’s goal for all projects:

- Loans closed on active projects no later than 2 years after the original VDH Award Letter
- All projects’ 100 percent complete/closed out no later than 4 years after the original VDH Award Letter

6. If you have an active project (or more than one) administered by VDH FCAP, do you have any whose loan has not closed? Yes No
 If you answered “No” please go to Question 7. If you answered “Yes”, is the time between the date of the original VDH Award Letter (not Revised Award Letter, if one was issued) and the time that you will submit this application greater than 2 years? Yes No
 If you answered “No” please go to Question 7. If you answered “Yes”, have you worked with VDH FCAP to expedite a current project and, as a result, this application is for a subsequent phase associated with the original project? Yes No
If you answered “No”, then you are not eligible to apply for funds, and we ask that you focus your attention on your current project. If you answered “Yes” then please go to Question 7.

7. If you have an active project (or more than one) administered by VDH FCAP, do you have any whose date of the original VDH Award Letter (not Revised Award Letter, if one was issued) and the time that you will submit this application is greater than 4 years? Yes No
 If you answered “No” please go to Section A – Proposed Financing. If you answered “Yes”, have you worked with VDH FCAP to expedite a current project and, as a result, this application is for a subsequent phase associated with the original project? Yes No
If you answered “No”, then you are not eligible to apply for funds, and we ask that you focus your attention on your current project. If you answered “Yes” then please go to the next section – Section A – Proposed Financing.

SECTION A - PROPOSED FINANCING

1. a. VDH Funding Assistance Needed \$ _____
 b. Other Funds Available, provide details below:

<u>Amount</u>	<u>Name/Type of Funds</u>	<u>Status of Other Funding</u> (Approved, Pending, indicate loan terms, date available, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Subtotal: _____

- c. Total Project Cost (1a + 1b) = \$ _____
Provide funding documentation as Attachment J1.

SECTION B – PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION

1. Project Name: _____ Location (City/County) _____
 2. Waterworks info: New Existing
 Community PWS ID number: _____ System Name: _____
 Nonprofit noncommunity PWS ID number: _____ System Name: _____
 Ownership Type: Publicly owned Investor/Private owned Other: Explanation: _____
 3. Legal Owner of Waterworks or Authorized Agent: _____

C. Describe the type, number, and stories of structures (primary residences, vacation homes, industrial buildings, etc.) and amount of vacant land for the area that benefits from the projects. If the area contains a significant number of vacation homes or homes that are typically occupied less than half of the calendar year, then please provide details.

D. Median Household Annual Income (MHI) of area to be served \$ _____ /year

DATA AS ATTACHMENT J2: Use the census block or latest update for county/city/towns (<http://data.census.gov>). Provide project specific income survey data for those projects not large enough to be identifiable via census information.

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

SECTION D - PROJECT ISSUES – Provide documentation as Attachment J3 of each yes answer.

Presented here are relative issues that need consideration for construction projects:

1. Health Issues	<u>Yes</u>	<u>No</u>
Is there a <i>Surface Water Treatment Rule</i> violation, i.e., inadequately treated surface water or groundwater under the influence of surface water?	<input type="checkbox"/>	<input type="checkbox"/>
Are there persistent <i>Total Coliform Rule</i> or nitrate standard violations?	<input type="checkbox"/>	<input type="checkbox"/>
Is there a continuing <i>Boil Water Notice</i> in effect? Reason: _____	<input type="checkbox"/>	<input type="checkbox"/>
Is there a Health Hazard declaration by the State Health Commissioner, a State Declared Emergency, or have you been issued a formal enforcement order?	<input type="checkbox"/>	<input type="checkbox"/>
Are there persistent PMCL violations for contaminants such as VOC, SOC, IOC, RAD etc.? (Identify contaminate(s))	<input type="checkbox"/>	<input type="checkbox"/>
Are there Lead and Copper Action Levels Exceedances?	<input type="checkbox"/>	<input type="checkbox"/>
Are there known Lead Service Lines that are to be removed?	<input type="checkbox"/>	<input type="checkbox"/>
Does the waterworks have an Enforcement Targeting Tool (ETT) score ≥ 11 ?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project resolve conditions of inadequate quality and quantity of a groundwater source water supply?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project ensure that drinking water receives appropriate treatment to protect the health of the consumers?	<input type="checkbox"/>	<input type="checkbox"/>
Will the project prevent conditions favoring the entrance of contaminants into the distribution system, e.g., inadequate pressure, inadequate storage, system water losses, etc.?	<input type="checkbox"/>	<input type="checkbox"/>
Are there inadequate individual water supplies documented via report and letter by the District Health Director to show health hazards?	<input type="checkbox"/>	<input type="checkbox"/>
Provide as Attachment J3 supporting report and data with representative samples from at least 50% of the homes in the project area. The samples are to be evenly spaced, and all potential line segments sampled. The project map will illustrate the results and problem areas.		

2. Regionalization – Has regionalization been considered? Will this project consolidate failing, non-complying, or underperforming waterworks or improve resiliency? Explain below:

SECTION E – SCHEDULE AND READINESS TO PROCEED

1. Readiness to proceed. This application assumes you have not initiated design or construction. **If this is not the case, please contact VDH.**

(a) For new service area customers, please document number of user agreements or commitments obtained in:

Initial Survey _____ Residential _____ Other _____

*The initial survey must obtain executed agreements or commitments from at least a majority of the homes in the project area. Continuation of the initial survey is a requirement, and the final survey result is intended to obtain 80% or more for the project to be feasible from a positive cash flow perspective. Provide as Attachment J4 a project map indicating existing potential connections and indicating those committed. **NOTE:** Mandatory hook-up ordinance does not substitute for obtaining agreements or commitments to connect.*

(b) Please provide a copy of the meeting minutes from the Preliminary Engineering Conference (PEC) with the ODW Field Office. If the ODW Field Office does not require a PEC, then please provide documentation for this. In addition, please provide letter reports, design notes, and the Preliminary Engineering Report for the project as **Attachment J5**.

(c) New construction timeline – Use the Construction Project Schedule on our website to plan your project. <https://www.vdh.virginia.gov/content/uploads/sites/14/2019/01/B.1-Construction-Project-Schedule.xlsx>. This document will be required as part of the initial meeting if your project scores high enough to receive funding. The anticipated schedule must be provided below.

***Please note that the Preliminary Engineering Report (PER) must be submitted and approved or waived by the ODW Field Office prior to applying.**

<u>ACTIVITY</u>	<u>ANTICIPATED COMPLETION DATE</u>
Date of PER Approval (or waiver letter)	_____
Engineering Procurement	_____
Submit Plans & Specifications	_____
Environment Review	_____
Advertise Project for Bid	_____
Open Bids	_____
Award Project	_____
Substantial Completion	_____

SECTION F - Statistical and Historic Data

1. Connections and Population:

ID	Data Description	Connections	Population ⁽⁴⁾
a.	Existing residential – Entire System		
b.	Existing total – Entire System		
c.	Project residential ⁽¹⁾		
d.	Project total ⁽¹⁾		
e.	Future residential ^(2, 3)		
f.	Future total ^(2, 3)		

Notes:

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

2. Water Usage and Losses

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 J6**.

b. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g., firefighting) should be excluded. Provide supporting documentation as **Attachment J7**.

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. Individual water meters are on:

- All services
- Only commercial accounts
- Only residential customers
- Some services: Provide additional information: _____

None are metered.

If none are metered, is metering included in this project? Yes No.

Explanatory statement, if appropriate: _____

4. Rates: **Attach rate schedules as Attachment J8**

- a. Existing monthly water charges (explain here): _____
- b. When were water rates last increased? **Please provide dates and amount/percentage of increase as Attachment J8.**
- c. What is your connection fee for water? _____
- d. Are rate increases anticipated as a result of this project? Yes No
If yes, please provide the amount and percentage increase expected and the anticipated effective date for the increase(s).

5. Water Users

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

- d. Existing drinking water usage _____ gpd _____ % Residential _____ % Nonresidential
- e. As **Attachment J9**, identify Ten (10) Largest Users of the Water System and Estimated Monthly Consumption per user.

6. Determine Average Monthly Residential Water User Rate: _____

Provide an average monthly residential water user rate analysis **as Attachment J10** - using VDH project only template.

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

7. 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, D. Above) = \$ _____ x 0.01 = \$ _____ /month. This is your **Target User Rate**.
(12 months/year)

8. Evaluate Current Rate Structure:

Does the value in Item 6 (water user rate) equal or exceed the value in item 7 (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 Virginia Resources Authority (VRA) credit review.

Please note that a project may also qualify as **Disadvantaged** if the customer demographic in the area benefitting from the project has a Median Household Income (MHI) of 80% or less than the state MHI (using US Census data).

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

9. 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 J11.

10. Annual Operation, Maintenance and Replacement (O, M & R). Estimated Cost for Proposed Facilities: From PER or other sources based on existing PWS's financial statements.

a. Labor	\$ _____
b. Utilities	\$ _____
c. Materials	\$ _____
d. Water Purchases	\$ _____
e. Outside Services	\$ _____
f. Miscellaneous Expenses	\$ _____
g. Equipment Replacement	\$ _____
h. Total O, M & R Cost	\$ _____

11. 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 (should equal to 10h. above) \$ _____
 - d. Total (Sum of a+b+c) \$ _____

12. Sources of Residential and Nonresidential Revenues as a Percentage of Total Annual Water Revenue
 - a. Residential _____%
 - b. Nonresidential _____%

13. Please provide the following documents as attachments
 - a. Latest interim (unaudited) financial statement (Budget vs. Actual Expenditures) **as Attachment J12**
 - b. Current year budget **as Attachment J13**
 - c. Most recent annual audits **as Attachment J14. See note below.**

Please note that an applicant should have a completed financial audit with no significant findings for at least one of the last three years prior to the application deadline. **If you do not have this, then you may not be eligible to apply for funding.** Please contact VDH's Capacity Development Team for additional information on this. Please see the link for their contact information: [Capacity Development - Drinking Water](#)

SECTION G – PROJECT BUDGET INFORMATION – From PER or other sources, based on existing PWS's financial statements

1. Administration, Legal Expenses (should be less than \$10,000 each) \$ _____
2. Land, Right-of-Way \$ _____
3. Architectural/Engineering Basic Fees \$ _____
4. Other Architectural/Engineering Fees (PER, etc.) \$ _____
5. Project Inspection Fees \$ _____
6. Treatment Plant Construction \$ _____
7. Pump Station Construction \$ _____
8. Distribution System Construction \$ _____
9. Storage Tank Construction \$ _____
10. Equipment Purchase/Installation \$ _____
11. Contingencies _____ (up to 10% of the construction costs for PLANNING ONLY*) \$ _____
12. Other – (for example, *Asset Management Plan, WBOP, Studies*, etc.) \$ _____
Please Specify – Other _____
13. Loan Closing Fee** \$ _____ 6,000
14. **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 H – SUSTAINABILITY/RELIABILITY/GPR/CLIMATE READINESS

1. Asset Management Plan:

To qualify for Asset Management Plan (AMP) credit, a waterworks must provide documentation **as Attachment J15** which demonstrates a minimum of the following for the waterworks:

- Letter from VDH-ODW that the AMP has been accepted (if applicable)
- If AMP has been accepted by VDH-ODW, documentation that the proposed project is included.

2. Green Project Reserve (GPR) Business Case:

All applicants must submit to qualify for credit as Green Project Reserve (GPR); a waterworks must show that its proposed DWSRF-funded project has significant (not incidental) green benefits. For credit, the project must provide green infrastructure, promote water and/or power efficiency, or provide other innovative environmental benefits. This information must be reported as the **TOTAL AMOUNT OF PROJECT COSTS WHICH QUALIFY AS GPR**. Only include the costs that the DWSRF will be funding. For example, if the project is asking for \$100,000 for a 100% meter replacement project, then report \$100,000. IF there are no identifiable, benefits enter “zero” GPR dollars. Attach additional sheets as needed.

Applicant	
Contact Name and Phone	
Project Description and associated costs	
What project elements can be classified as potentially green?	
Technical Component	
Financial Component	
GPR Dollars Claimed	\$ and % (as % of VDH funded portion of project)
Signature/Date	

SECTION I – APPLICATION CERTIFICATION

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

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

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

The undersigned representative of the applicant certifies that the information contained herein, and the attached statements and exhibits are true, correct, and complete to the best of their knowledge and belief. The undersigned agrees to clarify or supplement information pertaining to this application upon request. The undersigned recognizes that the information contained herein may be subject to state Freedom of Information Act requirements. **The undersigned acknowledges that a part of any interest required on a closed loan can be used by VDH to support the drinking water program.**

Owner or Chief Administrative Officer of Waterworks:

NAME and TITLE: _____

ORGANIZATION: _____

SIGNATURE : _____ DATE: _____

SECTION J – REQUIRED ATTACHMENTS – Please check those attached and label your attachments with corresponding numbers (i.e., J1, J2, etc.).

- J1) Other Funds Available, if applicable (e.g., Letters of conditions, award letters, etc.)
- J2) Median Household Income – including site income surveys if census information not at project level.
- J3) Project issue documentation.
- J4) Results of user agreement/commitment initial survey with project map. **NEW CONNECTIONS ONLY, such as water line extension projects**
- J5) Preliminary Engineering Conference (PEC) with the ODW Field Office documentation/notes or VDH-Office of Drinking Water (ODW) letter/email waiving this requirement. Include the Preliminary Engineering Report (PER) for this project, in addition to the VDH ODW PER Approval Letter **or** include a letter from the ODW Field Office waiving the PER. Any letter reports, design memos, or alternatives analysis should be included in this section. Regionalization should be considered as an option.
- J6) 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.
- J7) Supporting documentation used to determine the percent of leakage in the system. For this application, leakage is the amount of real water lost in the distribution system lines and tanks from cracks, leaks, and tank overflows divided by total water production. Should match Section F.2.b.
- J8) Current rate schedule to include connection fee for water and date of last increase.
- J9) Listing of 10 largest water & sewer users and estimated monthly consumption per user.
- J10) 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>
- J11) Outstanding debt amount and with whom
- J12) One copy of the latest interim (unaudited) financial statement. (Budget vs. Actual Expenditures).
- J13) One copy of the current year budget.
- J14) One copy of the most recent annual audits. Please note that an applicant should have a completed financial audit with no significant findings for at least one of the last three years prior to the application deadline. If you do not have this, then you may not be eligible to apply for funding. Please contact VDH’s Capacity Development Team for additional information on this. Please see the link for their contact information: [Capacity Development - Drinking Water](#)
- J15) Letter from VDH-ODW that the Asset Management Plan (AMP) has been accepted (if an AMP has been complete and accepted by ODW at this point). If AMP has been accepted by VDH-ODW, documentation that the proposed project is included.

Items may be submitted in PDF format.

Item J10 may be included in spreadsheet format. Please make note on the application that the information is included in the attached digital material.

