

Project Name: _____ Location (City/County) _____

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

**DIGITAL
APPLICATION SUBMISSIONS:**
leap.applications@vdh.virginia.gov
Subject: FY27 LEAP 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

LEAP Deadline August 7, 2026

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

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

TYPE OF PROPOSED LEAD SERVICE LINE (LSL) PROJECT

- Lead Service Line Replacement (LSLR) Other (Specify) _____

VDH still has Bipartisan Infrastructure Law (BIL) funding for BIL Lead Service Line Replacement (LSLR) Projects. For these LSLR projects, please use this application and NOT the “Application for Construction Funds.” **Please note that for a water system to be eligible to apply for this LEAP funding, they need to have documentation of lead service lines that need to be replaced.** Also note that there is no dollar limit on LSLR projects; however, the amount applied for needs to be supported with a budget. If the project has documented lead service lines that need to be replaced, then the LSLR project is eligible, and if additional work and associated expenses are needed to finalize the LSL inventory then these costs are also eligible. Please note, however, that LSL inventory only projects are NOT eligible.

The ODW Financial and Construction Assistance Program (FCAP) prioritizes the following LSL project activities in the numerical order below.

1. Replacing the service laterals, known to be made of lead.
2. Identifying and inventorying the service line material of all utility side and customer side service laterals.
3. Replacing all utility side and customer side lead service laterals discovered in the inventory process.

IS THIS AN INDEPENDENT LSL PROJECT?

Yes No.

If yes, and the scope of work for this project involves LSLR work, and potentially LSL Inventory 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 this LEAP application for the LSLR work and a separate “Application for Construction Funds” for the replacement of the water mains.

Construction Project Name: _____

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. Do you have documentation of **lead service lines** that need to be replaced? Yes No
3. Do you have a current LSL Replacement Plan **OR** will it be part of your proposed project? Yes No.

PRE-REQUIREMENTS FOR LEAP 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

4. If you have an active project (or more than one) administered by VDH FCAP, do you have any with a loan that has not closed? Yes No
 If you answered “No” please go to Question 5. 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 5. 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 5.

5. If you have an active project (or more than one) administered by VDH FCAP, do you have any which 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 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) = \$ _____.

ATTACHMENT H1: Provide funding documentation.

SECTION B – PROJECT, ORGANIZATIONAL, AND CONTACT INFORMATION

1. Project Name: _____ Location (City/County) _____
 2. Waterworks info: New Existing
 Community PWSID number: _____ System Name: _____
 Nonprofit noncommunity (NTNC) PWSID number: _____ System Name: _____
 Ownership Type: Publicly owned Investor/Privatey owned Other: Explanation: _____
 3. Legal Owner of Waterworks or Authorized Agent:
 a. Name: _____
 b. Address: _____
Street Address/P.O. Box Town/City State ZIP
 b. Contact Person: _____
Name Title
 c. Telephone Number: _____ Alternate Number: _____

- d. E-mail Address: _____ Alternate E-mail Address: _____
- e. Federal UEI #: _____
- 4. Engineering Consultant (If applicable):
 - a. Firm Name: _____
 - b. Address: _____

Street Address/P.O. Box
Town/City
State
ZIP
 - c. Preferred Contact Info:
 - Contact Person: _____

Name
Title
 - Telephone Number: _____ Alternate Number: _____
 - E-mail Address: _____ Alternate E-mail Address: _____

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.

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.)

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.)

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?

ATTACHMENT H2: 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 H2.

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 H3.

- 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.

- 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 H3.

ATTACHMENT H3: 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 H3.

D. Median Household Income

Use the census block or latest update for county/city/towns (<http://data.census.gov>). Include a printout in Attachment H3. 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.

III. Project Scope

- A. Please select the scenario most applicable to your project. If still undecided, please choose the model you are most likely to utilize.

<u>REBATE MODEL</u>	<u>CONTRACT MODEL</u>	<u>HYBRID MODEL</u>
<p>We plan to utilize VDH funding to set up training sessions for local plumbers and certify that they are approved to replace LSLs for our customers on the private side of the service line. We will utilize our own funding (or alternative source of funding outside of this VDH funding application) for LSL replacement on the public side.</p>	<p>We plan to utilize VDH funding to hire a contractor to perform LSL replacement on both the public and the private sides of the service lines. Procurement of these services will be treated in the same manner as traditional VDH (FCAP) construction projects.</p>	<p>We plan to utilize VDH funding to hire a contractor to perform LSL replacement on the public side of the service line. We also plan to use VDH funding to set up training sessions for local plumbers for local plumbers and certify that they are approved to replace LSLs for our customers on the private side of the service line.</p>

NOTE: LSL Replacement projects will NO longer be considered for Force Account Work. As such, we recommend selecting one of the alternative methods outlined above. Please note that due to Build America, Buy America (BABA) the rebate model may be challenging to use unless the total project cost is \$250,000 or less (and then we may be able to use a waiver to revert to American Iron & Steel requirements).

- B. Please elaborate on the scope of your potential project in detail below. If the proposed scope of work is Service Line Replacement, then this work should be consistent with your Service Line Replacement Plan. If it isn't, please explain.

- C. Briefly describe your LSL inventory. What information does it include and what methods were used to verify LSLs? Please describe the following: (1) plans used to identify and verify LSLs (ex: old records, building structure age, data extrapolation, excavation, scratch test, etc.), (2) plans, methods, and/or technology used to collect and maintain data LSL inventory, (3) If applicable, areas of water system still left to identify in order to complete the LSL inventory.

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). Please note that if you plan to perform Project Management tasks “in-house” (see first option below), then VDH does not reimburse for these expenses. If you plan to hire a consultant and ask VDH to reimburse for these expenses (see second option below), then VDH must review and approve the procurement documentation.
 - 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 H4.

<u>ACTIVITY</u>	<u>ANTICIPATED COMPLETION DATE</u>
Preliminary Engineering Report (PER)*	_____
Engineering Procurement	_____
Submit Plans & Specifications (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 ODW Field Office to confirm.

II. Lead Service Line (LSL) Replacement Plan

ATTACHMENT H4: 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 H4. 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 H4.

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

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

- 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 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** 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 H5**.

b. Provide the percent of water loss within the system. Unbilled authorized consumption (e.g., firefighting) should be excluded. Provide supporting documentation as ATTACHMENT H6
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 H7

- a. Existing monthly water charges (explain here): _____
- b. When were water rates last increased? Please provide dates and amount/percentage of increase in ATTACHMENT H7.
- 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. Number Of Existing Residential Connections	c. Number Of Project Residential Connections at Completion
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- d. Existing drinking water usage _____ gpd. _____ % Residential _____ % Nonresidential
- e. As ATTACHMENT H8, 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 H9 - 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:

Yes No

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.

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 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.

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 H10.

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. Please provide the following documents as attachments

- a. Latest interim (unaudited) financial statement (Budget vs. Actual Expenditures) as **ATTACHMENT H11**
- b. Current year budget as **ATTACHMENT H12**
- c. Most recent annual audits as **ATTACHMENT H13**. 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 F – PROJECT BUDGET INFORMATION

- 1. LSL Replacement \$ _____
- 2. LSL Inventory (can NOT be LSL Inventory Only – must have a LSLR component) \$ _____
- 3. Other - please specify _____ \$ _____
- 4. Contingencies (up to 10% of the construction costs for PLANNING ONLY*) \$ _____
- 5. Loan Closing Fee** \$ _____ 6,000
- 6. **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., H1, H2, etc.).

- H1) Other Funds Available, if applicable (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) Lead Service Line (LSL) Replacement Plan.
- **Required for Technical, Managerial, Financial (TMF) Review****
- H5) 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.
 - H6) 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.
 - H7) Current rate schedule for water connection fee for water and date of last increase.
 - H8) Listing of 10 largest water & sewer users and estimated monthly consumption per user.
 - H9) 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>
 - H10) Outstanding debt amount and with whom.
 - H11) One copy of the latest interim (unaudited) financial statement. (Budget vs. Actual Expenditures)
 - H12) One copy of the current year budget.
 - H13) 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](#)

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

Item H9 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.

