

ODW Funding Programs

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Drinking Water State Revolving Loan Fund (DWSRF)

Construction/Project Funds:

- Correcting public health problems and ensuring compliance with the Safe Drinking Water Act and state regulations
- Replacing Aging Infrastructure & Critical Assets
- Other

Non-Construction(Set Asides):

- Enhance long term capacity to produce safe drinking water
- Program admin, planning & design funds, direct technical assistance, & more

Drinking Water State Revolving Loan Fund

Construction

- Drinking Water State Revolving Fund (DWSRF) Program

Non-Construction

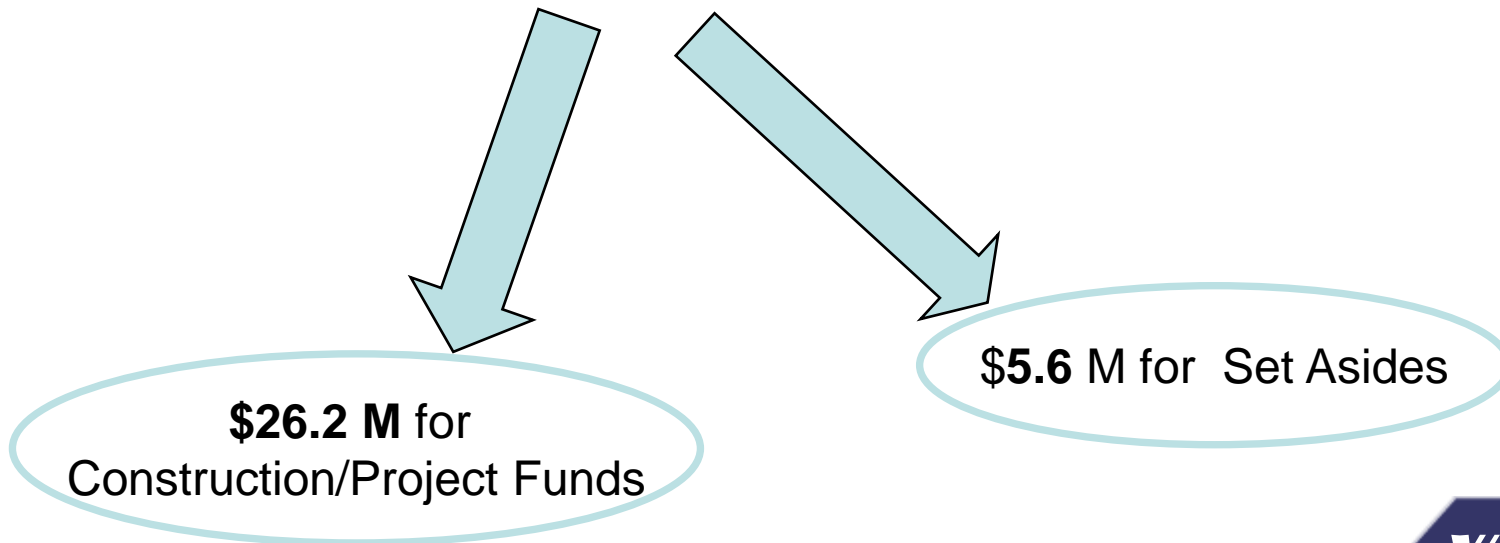
- Refinancing
- Planning Grants
- Small Project Engineering Services



Drinking Water State Revolving Loan Fund (DWSRF)

2019 Example:

EPA grant =	\$18.1 M	(Determined by Feds, VDH applies annually)
State Match =	\$3.6 M	(20% required by each state)
Repayments =	<u>\$10.1 M</u>	(repayments on past loans)
Total =	\$31.8 M	



Construction Funding

- ~20 projects annually
- Average project size \$1-2 M.
- Largest projects = \$13 M (complete), \$35 M (in design stage)
- Typical timeline is 3.5 yrs from application to completion
- Many repeat applicants
- Virginia Procurement Act requirements apply



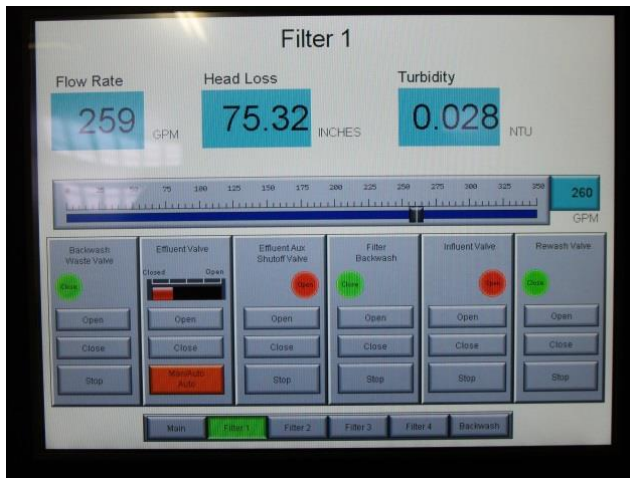
Construction - Eligible Projects

New Construction, repair, replacement or improvement of:



Source, Treatment

Construction – Eligible Projects



Monitoring/Control, Distribution,
Emergency Power, Security...

Construction - Eligible Activities

- Preliminary Engineering Reports
- Development of Plans and Specifications
- Leak Detection Studies / Water Audits
- Asset Management Plans/WBOPs - Required
- Well Drilling and Development

These eligible activities can be included as part of the overall Construction Project!



Construction Funding

DWSRF Capitalization Grant Amount

- Can fund large capital improvement projects (upwards of \$10 M)
 - Phased approach for very large projects.
- Typical interest rates range from 1.5% to 2.5% with a 20 year term and 2.3% to 3.0% for a 30 year term

Construction Funding

Disadvantaged

- Partial or full forgiveness of principal
- Allow waterworks to undertake projects they could not otherwise construct
- Coupled with Waterworks Business Operations Plan (WBOP) - CapDev
- 30 Year Loan = Have or will have monthly user rates that *exceed* the target rate(s)
 - For 2020 1% of MHI
- Principal Forgiveness = Exceed *after* construction
- Consolidation/Regionalization

DWSRF Funding Eligibility and Program Details



Construction Loan Eligibility Criteria

Applicants:

- Current or Future waterworks owners
- Community type waterworks
- Non-Profit Non-Community (NTNC)
- Political Subdivisions (towns, cities, counties) & Public Service Authorities
- Private/investor owned waterworks

Any sized waterworks that meets the above criteria is eligible to apply



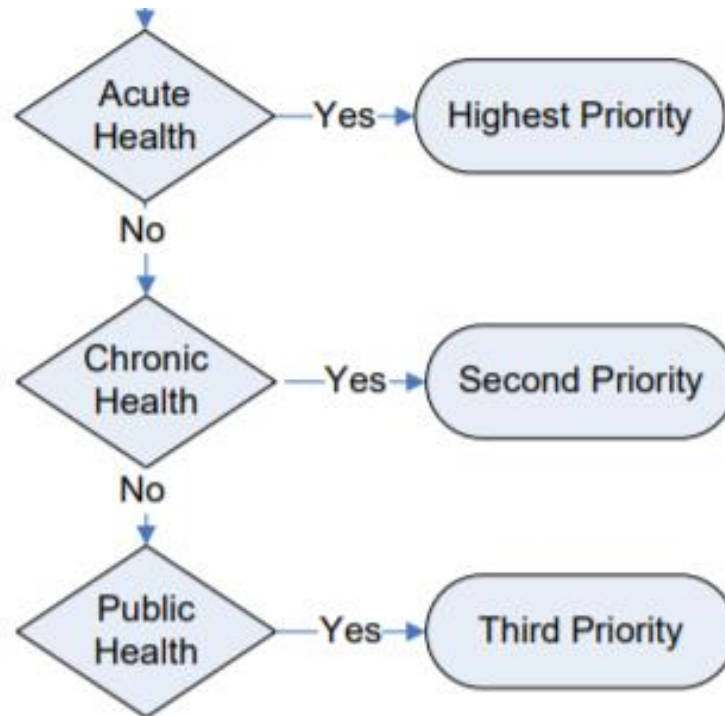
Construction Loan Eligibility Criteria

Not Meant For:

- State, Tribal, Federal
- Water systems that lack adequate technical, managerial, and financial (TMF) capacity or that cannot achieve adequate TMF capacity are ineligible for financial assistance from DWSRF funds.



Construction Loan Prioritization



Refinancing

- Same requirements as Construction
 - Community, NTNC, <10,000, etc.
- Generally 20 years or less
- Construction after July 1, 1993
- Davis-Bacon wage requirements met
 - Construction initiated on or after October 30, 2009
- American Iron and Steel requirements met
 - Plans/specs approved on or after January 17, 2014



**American
Iron and Steel
Institute**

DWSRF Applications

Typical Annual Cycle:

January	ODW website updated
February	ODW Funding Webcast
April 1 st	Application deadline (construction, refinance, source water protection)
June/July	Funding offers made
Aug./Sept.	Award letters
Sept./Oct.	Initial meetings

***No Application Fee!**

***No Local Match for Most Applications!**

***Preliminary Engineering Conference must be scheduled ASAP**

On line at: <http://www.vdh.virginia.gov/drinking-water/financial-construction-assistance-programs/drinking-water-funding-program-details/>

Planning Grants

- Community and Non-profit NTNC
- <10,000 persons served
- Documented evidence of non-compliance with State and/or Federal Regulations
- Must show need based on existing rates, MHI, etc.
- Must be discrete areas of the waterworks



Planning Grants

- \$35,000 maximum grant
 - Local match of funds not required
- Applications - Year-round
 - Reset January 1
- If not funded immediately reviewed in September
- Planning on funding 6 -8 Grants for FY2019
- 15 Month project schedule *firm*
 - Starts after all paperwork is signed

Examples

- Preliminary Engineering Reports
- Hydraulic Evaluation - Distribution System
Improvements related to excessive water loss
- Asset Management Plan (as funding allows)
- Rate Studies (as funding allows)
- Leak Detection Study
- Drill exploratory well and test water quality

Small Project Engineering Services

Field Office staff can make referrals which include:

- Waterworks name and PWSID
- Administrative contact
- Telephone number
- E-mail address
- Reason for referral



Small Project Engineering Services

- Funding for those who otherwise could not afford services, or knowledge of grant processes
- Community and Non-profit NTNC
- < 10,000 persons served
- Supplemental to technical assistance
- \$15,000 per project
- Resets October 1
- Approx 9 across the State

Examples

- Small design
- Required as-built drawing and specifications
- Small chemical feed design for upgrades
- Design documents for sampling or injection points
- Waterworks Business Operations Plans
- Asset Management Plans



More information at:

<http://www.vdh.virginia.gov/drinking-water/>

Questions?

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