

Virginia Drinking Water State Revolving Fund Program (DWSRF)

Submitted to:
**U.S. Environmental Protection Agency
Office of Infrastructure & Assistance**

**State Fiscal Year 2024
July 1, 2023, through June 30, 2024
Under CFDA 66.468**



109 Governor Street, 6th Floor
Richmond, VA 23219
(804) 864-7500



This project is funded wholly or in part by the United States Environmental Protection Agency under assistance agreement 66.468 to VDH. The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the EPA endorse trade names or recommend the use of commercial products possibly mentioned in this document.

2024 Table of Contents

Table of Contents

Cover Page	1
I. INTRODUCTION	3
A. Highlighted Projects	4
II. GOALS AND ACCOMPLISHMENTS	6
B. Long-Term Goals	6
C. Progress Toward Long-Term Goals	6
D. Short-Term Goals	10
E. Progress Toward Short-Term Goals	10
III. DWSRF PROGRAM SET-ASIDE AND LOAN PROJECTS ACTIVITIES	12
A. Sources of DWSRF Program Funds	12
B. Uses of DWSRF Program Funds	13
1. Allocation of DWSRF Program Funds	13
2. Set-Aside Activity Status	13
3. Construction Project Loan Assistance Status	17
4. Coalfield Water Development Fund	19
IV. FINANCIAL SUMMARY	19
A. Status of Loans	19
B. Loan Disbursements/Cash Draw Proportionality	19
C. Set-Aside Disbursements	19
D. Annual Repayment/Aging of Account	19
E. Financial Statements	19
V. COMPLIANCE WITH AGREEMENTS	19
A. Binding Commitments within One Year	20
B. Deposit State Matching Funds	20
C. Submit Biennial SRF Report and Annual Audit	20
D. Assure That Borrowers Have Dedicated Source of Repayment	20
F. Conduct Environmental Reviews	20
G. Implement Capacity Development Strategy	21

I. APPENDICES AND TABLES

- Appendix A: Table 1: Allocation of Funds – DWSRF
- Appendix B: Table 2: Disbursed DWSRF Program Funds by State Fiscal Year
- Appendix C: Financial Status Reports –FFR 425s
- Appendix D: Set Aside Utilization Report
- Appendix E: DWSRF Audited Financial Reports, FY 2023
- Appendix F: Loans Closed during the Reporting Period
- Appendix G: Current FCAP Structure

I. INTRODUCTION

This report covers July 1, 2023, through June 30, 2024 (Virginia Fiscal Year 2024). The Virginia Department of Health (VDH) Office of Drinking Water (ODW) activities for this year build on prior success. Virginia received the first Drinking Water State Revolving Fund (DWSRF) loan offer in June 1998 and the U.S. Environmental Protection Agency (EPA) has awarded 26 capitalization grants (excluding the American Recovery and Reinvestment Act of 2009, or “ARRA”) since then. The Commonwealth of Virginia supports the program with the required 20% state matching dollars. This report highlights the status of the DWSRF Program by detailing progress made toward long-term and short-term goals, the sources and uses of funds, financial status of the DWSRF Program, and compliance with federal requirements.

ODW made significant progress with program objectives as approved in the annual Intended Use Plan that funds construction projects and other set-aside activities. ODW closed 25 SRF construction projects totaling \$22.0 million during this reporting period. As of June 30, 2024, Virginia’s program has closed funding/financing agreements for 491 projects, which total \$547,873,199.

Year	State Fiscal Year	# of Binding Commitments	Amount
1	1998	1	\$ 4,000,000
2	1999	3	\$ 8,000,000
3	2000	15	\$ 15,114,517
4	2001	20	\$ 24,584,781
5	2002	30	\$ 33,827,968
6	2003	19	\$ 19,875,065
7	2004	16	\$ 11,667,041
8	2005	17	\$ 10,654,508
9	2006	17	\$ 16,833,000
10	2007	15	\$ 12,124,046
11	2008	12	\$ 6,193,126
12	2009	18	\$ 13,707,176
13	2010	17	\$ 13,503,089
13	2010 (ARRA)	17	\$ 20,138,170
14	2011	16	\$ 15,496,322
15	2012	16	\$ 18,330,972
16	2013	15	\$ 26,077,006
17	2014	19	\$ 28,182,614
18	2015	20	\$ 16,262,052
19	2016	24	\$ 16,912,070
20	2017	20	\$ 17,435,147
21	2018	23	\$ 26,938,449
22	2019	34	\$ 19,256,987
23	2020	20	\$ 12,142,839
24	2021	16	\$ 87,052,223
25	2022	12	\$10,960,861
26	2023	14	\$20,584,189
27	2024	25	\$22,018,981
	Grand Total	491	\$547,873,199

ODW's set aside activities enhance the ability of waterworks in Virginia to provide safe water. ODW contracts with various organizations to provide technical assistance and source water protection. ODW scholarships for operator and management training, professional development seminars, and other training efforts provide knowledge at the local level to increase technical, managerial, and financial capacity to successfully operate waterworks over the long term.

Virginia has reduced the number of waterworks with a health violation to less than 1.12% of all the systems across the Commonwealth, which can be attributed to the proactive work of ODW, and the financial support provided by the DWSRF and Public Water System Supervision grants. Staff continue to use the Enforcement Targeting Tool (ETT) to identify any waterworks in need of capital improvements. The ETT score remains a factor in the scoring and ranking of project reviews for funding. ODW knows to apply additional subsidy, minimum loan amount requirements to grants within one year of the grant award.

ODW continues to address staffing challenges. The program has a new Financial and Construction Assistance Program Division Director this year, Anthony Hess. Additionally, two new Environmental Engineers/Project Managers are currently being recruited to replace Mr. Hess's position prior to moving to the Director role, and one more Environmental Engineer/Project Manager that left the program. These staff will be onboard by the end of calendar year 2024 and should be able to be effective right away. In 2023 the Shared Business Services or "SBS." was reorganized as part of the Office of Financial Management "OFM". In 2024 further reorganization occurred resulting in the recreation of the Office of Drinking Water Business Operations Manager role and moving an accountant and fiscal technician from the Office of Financial Management back to the Office of Drinking Water program. This has resulted in much improvement in communication and timely business processes. The program has almost completely caught up on the backlog of Reimbursement Requests to the EPA.

ODW submitted its application for the 2024 capitalization grant on October 16, 2024. EPA's award for the 2024 grant is still pending approval, which will be after the end of State Fiscal Year (SFY) 2024 (this reports' covered period). ODW uses these funds to protect public health by ensuring drinking water provided to consumers by waterworks complies with water quality and quantity standards and is sustainable over the long run. Below are two examples of the public health benefits that Virginia provided:

A. Highlighted Projects

The Virginia Department of Health Office of Drinking Water highlights the Bristol Virginia Utilities Authority's District Meter and Pressure-Reducing Valve Improvements project (an FY2021 DWSRF Project), and the Western Virginia Water Authority's Roanoke Area Water Distribution System Improvements – Phase 1 project (an FY 2022 BIL Project), both of which closed during the reporting period.

WSL-012-21 – Bristol Virginia Utilities Authority's District Meter and Pressure-Reducing Valve Improvements Project

The BVA Authority (BVUA) provides electricity, water, and wastewater services and is located in Washington County, Virginia. BVUA serves more than 16,300 homes and businesses in the City of Bristol, Virginia; Washington County, Virginia; Scott County, Virginia, and Sullivan County, Tennessee.

The water distribution system in the downtown area of Bristol, Virginia, is comprised of severely aged piping and experiences significant water loss (estimated at 38%) through leaks and breaks. Without having a sufficient network of meters on the distribution system, the BVUA has not been able to accurately determine where leakage is occurring.

In May of 2020, BVUA applied for \$711,780 in funding from the Financial & Construction Assistance Programs (FCAP) within the Office of Drinking Water at the Virginia Department of Health (VDH). The requested funding would allow BVUA to install a network of meters that would carve the downtown distribution system into discreet zones and more easily locate where leakage is occurring.

The funding will also allow BVUA to install 6 pressure reducing valves (PRVs) at strategic locations within the downtown distribution system. These PRVs will enable BVUA to demolish an aging water storage tank and take its associated booster pump station out of service. Once installed, the new PRVs will increase the pathways for routing water to customers that previously relied on a single feed and improve the working pressures within the system.

In addition to 15 district meters and 6 PRVs, the system improvements include 400 linear feet of 8-inch diameter water line and associated appurtenances.

The VDH and the Virginia Resources Authority (VRA) closed the loan on this project on November 17, 2023, for the requested amount of \$711,780 at 3.3% for a term of 20 years.

FCAP approved BVUA's request to conduct the construction work by force account on February 6, 2023, and BVUA is only requesting reimbursement for the construction materials. As of September 18, 2024, BVUA has requested a total of \$687,187.85 in reimbursement, representing 96.6% of the total funding. The funding also covers preparation of an Asset Management Plan for BVUA's entire water system, which will enhance their ability to effectively serve their customers and maintain their system.

Overall, this project is expected to reduce BVUA's operation costs, improve water service to customers, and significantly reduce water losses.

BIL-09S-22A – Western Virginia Water Authority's Phase 1A of Roanoke Area Distribution Improvements Project

The Western Virginia Water Authority (WVWA) provides drinking water for residents and businesses in the City of Roanoke, the Counties of Roanoke, Franklin and Botetourt and the Towns of Boones Mill, Iron Gate, and Vinton. Sanitary wastewater service is provided for the greater Roanoke Valley. Through a contractual agreement, water and wastewater service is provided in the Town of Fincastle.

The WVWA applied to the Financial & Construction Assistance Programs (FCAP) within the Office of Drinking Water at the Virginia Department of Health (VDH) for their Phase 1 of Roanoke Area Distribution Improvements project in April 2022. Their Construction Application stated that much of the water distribution system in the City of Roanoke is undersized galvanized steel or cast-iron piping. The aging and deteriorated piping has caused numerous leaks, breaks and water quality issues. The Melrose Avenue area is Phase 1 of multiple phases to address the failing infrastructure. The 2-inch and smaller galvanized piping is undersized, limits flow and pressure, and has insufficient looping, all contributing to documented issues with resiliency, reliability and two hundred and twenty-nine breaks, as of April 2022, since 2005.

The project that the WVWA originally applied for consists of replacement of the highest-risk piping including galvanized steel (12,100 linear feet), pre-1930's cast iron (22,500 linear feet), and other cast iron piping with known issues (1,790 linear feet) for a total replacement of approximately 36,400 linear feet. All replacement piping is 8-inch ductile iron pipe, as required per Western Virginia Regional Design and Construction Standards (2014). To improve system reliability, approximately 1,000 linear feet of new 8-inch ductile iron pipe will be installed to provide consistent looping.

As the design and associated engineering cost estimate progressed, it became apparent that the WVWA may not have enough allocated funding to accommodate the entire scope of work that they proposed in the VDH Construction Application. As a result, they decided to break the project up into a base bid plus multiple bid alternate items. The base bid items were considered a higher priority than the bid alternate items. The WVWA awarded the contractor the base bid which included the installation of 7,124 linear feet of 12-inch diameter water line, 16,057 linear feet of 8-inch diameter water line, 260 linear feet of 6-inch diameter water line, 25 linear feet of 4-inch diameter water line, 10 linear feet of 2-inch diameter water line, and all associated appurtenances. In all, this includes the installation of 23,476 linear feet of water line. The contractor agreed to hold their bid prices on the bid alternate items while the WVWA pursued additional funding for this work. As a side note, VDH was able to fund this additional water line replacement work at a later date as project

BIL-09S-22B.

On February 29, 2024, the Virginia Department of Health and the Virginia Resources Authority closed the loan on this project (BIL-09S-22A) for \$10,432,961. The funding package consists of \$6,447,700 as principal forgiveness and a \$3,985,261 loan for a term of 20 years and an interest rate of 2.30%. Since this project area in the City of Roanoke is considered “disadvantaged,” VDH was able to provide principal forgiveness to the WVWA.

The contractor received a Notice to Proceed on March 18, 2024. This project is currently under construction and should be complete by April 2025.

The project is expected to significantly reduce waterline breaks in the area, water outages, water loss, and volume of customer complaints. The new properly sized replacement piping, along with looping improvements will improve system flows and reliability. As a result, this disadvantaged area within the City of Roanoke will benefit from a more reliable water distribution system.

II. GOALS AND ACCOMPLISHMENTS

ODW developed the long-term goals discussed below for the Intended Use Plan (IUP). The long-term goals provide a framework that guide management decisions for the DWSRF Program. The short-term goals support the implementation of the program’s long-term goals. The overall goal of ODW in administering the capitalization grant is to provide a comprehensive and integrated technical and financial assistance program to waterworks owners through a balanced approach of using set-aside funding and construction loan funds.

B. Long-Term Goals

- a. Protect the public health and welfare by supporting activities that ensure waterworks provide adequate water quality and quantity to their end users,
- b. Ensure the sustainability of the DWSRF program and related funding to benefit Virginians and establish best management practices to maintain the Fund in perpetuity,
- c. Assist waterworks owners in complying with federal and state mandated drinking water regulations through programmatic, technical, and construction assistance,
- d. Assist waterworks owners to develop long-term strategies for sustainable infrastructure (managerial, technical, and financial capability) to provide safe drinking water,
- e. Assist waterworks owners in the protection of their source waters by supporting source water protection programs, and,
- f. Provide technical and financial assistance to waterworks owners and educate consumers through effective outreach programs.

C. Progress Toward Long-Term Goals

Progress Toward Long-Term Goals 1, 2, and 3: ODW developed a Program that utilizes the capitalization grant in two distinct categories; (i) non-project funds, or set asides, and (ii) project funds to be used for construction of public drinking water systems (waterworks). Set-aside funds were used to enhance the ability of the state and owners of waterworks to ensure a waterworks’ long-term capacity to produce safe drinking water and to protect construction loan investments. Specific set-asides are discussed later in this report.

Construction funds for waterworks are targeted to address public health problems and to ensure compliance with the provisions of the SDWA.

ODW prioritizes construction projects in accordance with an EPA-reviewed and approved methodology that gives the highest priority in the following order: acute, chronic, public health, then all other eligible projects last. ODW affords the public the opportunity to review and provide meaningful comment on the prioritization methodology and project lists. ODW has noted that the number of applications related to acute and chronic public health issues have declined over the past few years. This is also coincident with the decline in the number of Virginia systems on the Enforcement Targeting Tool (ETT) list (formerly referred to as the *significant non-compliers* list).

Starting in CY 2018, ODW implemented a Capacity Building Program and Expedited Loan Closing Program. Construction projects may be eligible for an additional interest reduction of up to **0.25%** under either program. To qualify for the Capacity Building Program, VDH required a commitment to adjust rates to ensure minimum compound revenue increases of 2%¹ each year for the next five years. To qualify for the Expedited Closing Program, VDH required loan closings completed within 12 months of the award letter. Since starting this Expedited Loan Closing Program only three projects have been able to take advantage of it. However, many others strive for this discount which aligns their priorities with the ODW's Timely and Expeditious Use priorities. ODW believes the Capacity Building Program will help to build financial capacity at waterworks and the Expedited Loan Closing Program will help to speed up the loan closing schedules.

In addition, the SDWA authorized Virginia to establish a special demonstration project to loan funds to a regional endowment to "...finance new drinking water facilities..." in Southwest Virginia. The Coalfield Water Development Fund, Inc. (CWDF) was established for this purpose and a total of \$10 million has been provided to the endowment.

Progress Toward Long-Term Goal 2: To ensure the long-term financial sustainability of the Program ODW adopted three initiatives in 2015. These were:

- Increased the admin fee on interest bearing loans from fifty to one hundred fifty basis points. Revised its policy of providing zero-percent interest on all loans to disadvantaged waterworks.
- Zero-percent interest loans will only be provided in extreme situations. The interest rate on the 20-year loan will be set equal to 1.0% below the 20-year market rate in the month before loan closing, and the interest rate shall not be less than 1.0%. The interest rate on the 30-year loan will be set 0.50% below the 30-year market rate in the month before closing, and the interest rate shall not be less than 1.5%.
- Began charging a \$6,000 closing fee on all interest-bearing loans to waterworks that are not considered disadvantaged to help defray the upfront loan costs.

In the long term, these actions reduced the reliance on the 4% set-aside for funds to administer the Program and promote the long-term sustainability of the Program. Through these initiatives, ODW was able to move VRA charges from the 4% Set-Aside funding (subject to the grant amount) to the Admin Fee funding that is longer term and less volatile.

Progress Toward Long-Term Goal 3: ODW Assists waterworks owners in complying with federal and state mandated drinking water regulations through programmatic, technical, and construction assistance. Construction funds for waterworks are targeted to address public health problems and to ensure compliance with the provisions of the SDWA. ODW prioritizes construction projects in accordance with an EPA-reviewed and approved methodology that gives the highest priority in the following order: acute, chronic, public health, then all other eligible projects last. Set-aside funds were used to enhance the ability of the state and owners of

waterworks to ensure a waterworks' long-term capacity to produce safe drinking water and to protect construction loan investments.

Progress Toward Long-Term Goal 4: ODW continues to provide technical, managerial, and financial (TMF) assistance to waterworks owners. This assistance is focused on priority waterworks identified through several tools, such as: EPA Enforcement Targeting Tool (ETT), state violations list, recommendations from Field Offices, new waterworks operations permitting, and the triennial assessment. Capacity Development is primarily delivered to waterworks serving less than 10,000 persons. The Division of Training, Capacity Development, and Outreach (TCDO) works closely with the Financial and Construction Assistance Program (FCAP) Division to assure that all applicants are eligible for funding by either having capacity or utilizing funds to develop capacity. Assistance is provided by the development of Waterworks Business Operation Plans, Small Project Engineering assistance, on-site technical assistance, Planning and Design Funding Agreements, classroom training, and financial assistance provided through TCDO, other Technical Assistance Providers (TAPs) or one of EPA's TAPs. ODW continues to fully implement its Capacity Development Strategy. Please refer to the Annual Capacity Development Report for more detailed information regarding this Goal.

Building Financial Sustainability (Implemented in CY2016). To promote financially sustainable waterworks, ODW recommended waterworks self-evaluate their financial positions using a Building Financial Sustainability/Financial Health Indicators guide developed by ODW to ensure they were able to provide for financial sustainability. As part of the application/offer process, VDH recommended all owners use the guidance information to evaluate the current financial health of their waterworks, to evaluate their

ability to accept new debt, and to affect changes needed to grow revenues. The guide is available on our website: <https://www.vdh.virginia.gov/content/uploads/sites/14/2019/01/I-Building-Financial-Sustainability.docx>

1 Alternatively owners may commit to using an inflationary linked index such as the Consumer Price Index (CPI) or the Personal Consumption Index (PCE)

Building Financial Sustainability (Implemented CY2018): One of the DWSRF Program Requirements is for waterworks to build long-term financial sustainability and have adequate financial capacity for additional debt for needed projects. As a condition of funding, VDH reserved the right to require the implementation of rate changes including but not limited to annual rate increases in an effort to build long-term financial sustainability at the waterworks. To build waterworks financial capacity, VDH offered reduced interest rates (up to 20 basis points) for recipients that commit to compound annual rate increases of at least 2% a year for five years as long as any additional funds generated are for the use of the waterworks.

Readiness to Proceed and Timely Use of Funds (Implemented CY2018): To promote readiness to proceed and timely use of funds ODW, offered reduced interest rates of up to 25 basis points for recipients that can close loans within 12 months of ODW's award letter date.

Progress Toward Long-Term Goal 5: ODW has the responsibility to conduct assessments of public water sources, which includes: source water protection area delineations, inventories of potential sources of contamination (PSC), and susceptibility determinations. ODW has been refining the GIS database layers and toolset to improve the Source Water Assessment Reports to waterworks.

ODW continued to manage contract services and grants to assist small community waterworks and localities with development and implementation of source water protection plans. ODW continued to provide well development data of new public wells to DEQ for use in their groundwater characterization and management programs.

The Source Water Protection Program (SWPP) utilizes contract services, Source Water Protection Implementation Projects Grants, and technical assistance from ODW staff to assist small community waterworks and localities (serving fewer than 50,000 people) in developing and implementing source water protection plans. These plans empower waterworks to safeguard their drinking water sources by managing and mitigating activities that could affect water quality or quantity.

ODW actively participates in key regional initiatives, such as the Drinking Water Source Protection Partnership (DWSPP), the Interstate Commission on the Potomac River Basin (ICPRB), and Virginia's forest and water collaborations. These partnerships enhance our capacity to protect water resources through collaborative, multi-agency efforts.

In addition, ODW hosts an annual webinar to promote the Source Water Protection funding program and educate community water systems and other eligible waterworks on the significance of source water protection measures and funding opportunities.

This comprehensive approach is part of Virginia's multi-barrier strategy for ensuring safe drinking water, bolstered by interagency environmental reviews that minimize the environmental impact of proposed projects while protecting Virginia's water resources and public health.

Source water protection contractor, Tetra Tech, coordinated with the Town of Round Hill about potential implementation options. The Town has an existing SWPP developed by Rural Water. Tetra Tech can assist with implementation of action items in the existing plan. Further assistance will be explored. Tetra Tech anticipates providing implementation assistance to the Town of Luray now that their plan is formally approved.

ODW issued the 2024 Wellhead Protection Implementation Projects Request for Applications in April 2024. The Grant program received a total of 4 applicants, which is an increase from the past few years. After evaluating each application, the panel selected to fully fund the Town of Middleburg and partially fund the Town of Onancock. The town of Middleburg plans to conduct Sewer Line Visual Inspections with video and report. The town of Onancock plans to build and replace control panel, replace pumps, install reinforced fences and bollards. In summary the Town of Middleburg is awarded \$50,000 and the town of Onancock is awarded \$11,250. Together the two projects will use \$61,250 of the funded budgets for this grant program.

Additionally, ODW continued to collaborate with source water protection partners. Examples include the Department of Environmental Quality's (DEQ) Non-Point Source (NPS) Management Plan and Report, and our Interagency Environmental Review (IER) process. The purpose of the IER process is to evaluate projects for potential environmental and public health risks. VDH, DEQ, the Virginia Department of Transportation (VDOT) and other state agencies participate in this process. VDH's review focused on potential public health impacts; ODW continued to concentrate on potential impacts to public drinking water sources.

Progress Toward Long-Term Goal 6: In addition to the annual postings of applications/application announcement for construction funds and set-aside suggestions, the Planning and Design Funding Agreements and the 1452(K) grants for source water protection applications were posted. All of the Planning District Commissions (PDCs) are provided information concerning the program and other forums (VRA conference, etc.) are used to promote the program. In addition, a publicly available on-line presentation on the agency website explains the eligibilities of the DWSRF and details of applying to the program. This presentation also includes information about Planning and Design Grants, providing information to the regulated community about the options available to them.

ODW field offices provided information on specific waterworks to target for various aspects of the Program. EPA's ETT was also used to identify specific waterworks that may benefit from the program. The FCAP and TCDO staff make additional outreach efforts during conferences and training events to ensure waterworks are aware of the many opportunities available to them under the DWSRF programs.

ODW placed the various applications, checklists, and related items web site:
<https://www.vdh.virginia.gov/drinking-water/fcap/drinking-water-funding-program/>

D. Short-Term Goals

- a. Allocate DWSRF Program funds efficiently so that Virginians may realize a prompt benefit.
- b. Assist waterworks owners through innovative and effective technical assistance programs.
- c. Promote consolidation and regionalization of water supplies and waterworks through both programmatic and construction assistance.
- d. Provide a source of low-cost financing for drinking water needs.
- e. Require that all new Community and Non transient Noncommunity water systems beginning operation after October 1, 1999, demonstrate the technical, financial, and managerial capacity required to operate a waterworks.
- f. Ensure that state operator certification regulations meet EPA national requirements.
- g. Ensure training courses provided meet the needs of classifications of licensed operators at small waterworks.
- h. Demonstrate compliance with the Federal Capacity Development Program, Virginia's Capacity Development Strategy and operator certification program provisions in order to avoid withholdings.
- i. Maintain unliquidated obligations (ULOs) at or below the national average. The ULO is the unexpended balance remaining from the amount of federal funds EPA obligated to an individual state/recipient which has not yet been "drawn down".
- j. Program pace is a ratio of the dollar value of closed loans/binding commitments to the total dollars available for projects in the Fund. VDH will commit to no less than 90% for a pace target for this fiscal year.
- k. Enter into binding commitments for projects that will proceed to construction or award of construction contracts within twelve months of initial offers of assistance.

E. Progress Toward Short-Term Goals

Progress Toward Short-Term Goals 1 and 8: ODW timely submitted its 2023 grant application to EPA on October 16, 2024, for \$6,581,000. Additionally on October 16, 2024, ODW applied for \$49,339,000 Bipartisan Infrastructure Law (BIL) grants for Lead Service Lines with \$9,871,122 in projects already identified on the Project Priority List (PPL), BIL Emerging Contaminants of \$10,789,000, and BIL Supplemental of \$32,458,000. To promote efficient fund utilization ODW reserves the right to by-pass any project that has not executed the assistance agreements/initiated construction within 12 months of the original award letter.

Workshop by PowerPoint (Implemented CY 2018): VDH updated the DWSRF informational PowerPoint Presentation on our website in February 2023. ODW staff recorded the presentation for future reference. This allowed waterworks the ability to review the information at their convenience.

Progress Toward Short-Term Goal 2: ODW continued the Planning and Design Award Program. The Planning dollars have benefited the small, rural, financially stressed waterworks or waterworks in need of small amounts of grant money (up to \$45,000 per project) to develop preliminary engineering reports, plans and specifications, and source water studies. Many of these grants have allowed them to expedite the preparation of applications for DWSRF Program, USDA Rural Development, and other construction funding programs.

ODW continued our Small Project Engineering Services: ODW solicits for engineering services through consulting engineering firm(s) to provide small scope (each approximately \$20,000 or less) project engineering directly to small water systems that do not have the financial, technical, and or managerial capacity to retain an engineer. These projects address compliance and/or capacity issues of small public community systems serving less than 10,000 persons.

Progress Toward Short-Term Goal 3: The DWSRF Program’s construction assistance was designed to encourage regionalization by providing points for projects that consolidate waterworks. The Waterworks Business Operations Plan encourages waterworks to consider consolidation in the planning process. Preliminary Engineering Reports (PERs) require that feasible alternatives be evaluated to ensure the possibility of consolidation has been considered. Regional waterworks that consolidate to eliminate smaller, failing waterworks are eligible for 50% principal forgiveness and special reduced interest rates, not available to standard project owners.

Progress Toward Short-Term Goal 4: ODW designed a loan package where the maximum interest rate is 1% below the market rate in the month before loan closing. ODW incorporated affordability criteria into the construction assistance ranking system. Special consideration is given for disadvantaged communities. Under the proposed project priority list, a range of a minimum of 20% and a state option to add an additional maximum of 35% principal forgiveness will be provided to eligible projects serving disadvantaged communities. The Planning and Design awards will further reduce the municipalities’ financial burden for projects proceeding to construction.

Progress Toward Short-Term Goal 5: ODW developed a Capacity Development Strategy originally in May 2000 and subsequently revised in May 2014, later approved by EPA, which described the authority and procedures used to ensure new Community and Nontransient Noncommunity waterworks have TMF capacity prior to beginning operation. New waterworks are required to develop a Waterworks Business Operations Plan to demonstrate full TMF capacity prior to the issuance of an Operation Permit. The Commonwealth of Virginia Capacity Development Strategy is published on the Virginia Department of Health’s website at: <http://www.vdh.virginia.gov/drinking-water/capacity-development/>. An updated Capacity Development Strategy was submitted to EPA pursuant to the AWIA requirements. At this time, EPA has not approved Virginia’s revised Strategy.

Progress Toward Goal 6: Virginia’s Operator Certification Program (OCP) for 2022 is posted on the ODW Website at the following link: [Virginia-OpCert-Annual-Report-2022_final_bem.pdf](#) . VDH continued to successfully implement Virginia’s OCP under the SDWA Section 1419(b) guidelines. ODW submits an annual OCP report for EPA’s review and approval as required.

Progress Toward Short-Term Goal 7: EPA’s review and approvals of ODW’s Program/reports confirms compliance with the Federal Capacity Development Program, Virginia’s Capacity Development Strategy and operator certification program provisions. Where appropriate ODW has leveraged funding offers with rate adjustments in an effort to build financial capacity for waterworks. Starting in 2018 ODW is recommending asset management plans (AMPs) from all DWSRF construction funding recipients that do not have one. ODW believes the AMPs will help waterworks determine the condition of their assets and a schedule for replacement. This will further advance Virginia’s response to the issue of aging infrastructure.

Progress Toward Short-Term Goal 8: ODW has applied for the full amount appropriated for Virginia under the DWSRF Grant in the first year for all recent grant appropriations.

Progress Toward Short-Term Goal 9: An ongoing concern of EPA’s has been the national amount of unliquidated obligations (ULOs) under the DWSRF Program. DWSRF ULOs are unspent capitalization grant

funds provided by EPA measured as the ratio of funds provided to funds available. These include all project and set-aside funds. As of June 30, 2024, ODW achieved a ULO of 52% for the DWSRF program. This included set-aside funds and project funds. EPA has encouraged states to reduce and maintain their ULOs to as low a level as feasibly possible. The unusually high ULO was due to the influx of unprecedented levels of additional Bipartisan Infrastructure Law funding awarded at the same time the DWSRF program remains on EPA Reimbursement that slows the drawdown of funding that would reduce the ULOs. Additional project disbursements were paid from repayment funds and were not yet submitted through the EPA reimbursement process. This reimbursement process is now working much more efficiently without long delays between disbursement from repayment funds and reimbursement from the EPA reimbursement process. Additionally, through funding several large projects in the next SFY, ODW believes we will reduce our ULOs significantly below the RIII average.

Progress Toward Short-Term Goal 10: Program Pace data is specific to project funds and is calculated/derived from the DWNIMS Database. The program calculates pace as a ratio of cumulative binding commitments to total funds available for construction projects. It can be an indication of how well/quickly a program makes funds available for projects. For the reporting period, ODW achieved a program pace (funds provided to funds available) of 75.6%. On a cumulative basis, ODW closed the dollar value of loans shown in the Introduction, which is 75.6% of \$695.2 million in DWSRF Funds available for Projects.

ODW believes the following two program revisions will add more flexibility for applicants looking to fund projects.

PER Requirement Revised (Implemented CY 2017): ODW revised the requirement to have a Preliminary Engineering Report (PER) drafted and submitted with the construction application in 2017. The submission (or waiver) of the PER may be made a condition of the award. VDH believes this will allow greater flexibility in the Program and may allow the funding of the PER as part of the construction award. A Field Office Scope Review Meeting is required for all projects. VDH expects waterworks to schedule this meeting at least one month prior to the Application Deadline.

Design Build (Implemented CY 2017): The DWSRF Program has made revisions to accommodate Design-Build and other alternative project delivery methods in an effort to better serve our waterworks owners.

III. DWSRF PROGRAM SET-ASIDE AND LOAN PROJECTS ACTIVITIES

A. Sources of DWSRF Program Funds

As of June 30, 2024, ODW has received capitalization grants totaling \$582,423,822. The 2024 capitalization grant was excluded as a source of funds in this report since it was not received during the reporting period.

ODW is required to provide state matching funds equal to 20% of each SRF capitalization grant. ODW has a cumulative state match appropriation of \$89,699,407 million. Beginning with the 2004 capitalization grant, administrative loan fees are being collected on projects with an interest rate greater than zero. The administrative loan fees are currently one-hundred and fifty basis points (1.50%) per annum and are included as part of the interest rate. This table presents the activity for the reporting period.

Admin Fee Account Activity from Cash Flow Statement		
FY2024 Beginning Balance	\$	3,219,567

FY2024 Admin Fee Cash Collections	\$	1,318,412
FY2024 Interest Earnings	\$	149,361
FY2024 Admin Fee Expensed	\$	(1,607,499)
<hr/>		
FY2024 Ending Balance	\$	3,079,841

Appendix A - Table 1 shows the capitalization grant awards, and other sources of funding received during this reporting period.

B. Uses of DWSRF Program Funds

1. Allocation of DWSRF Program Funds

EPA allocates the capitalization grant between two categories: (1) project loan funds, which are to be used for construction of public drinking water systems, and (2) non-project funds, or set asides. For each capitalization grant award, ODW develops an Intended Use Plan (IUP) which describes how Virginia intends to use the available DWSRF program funds for the year. The IUP also describes the amount of funds that will be used for these various activities. The IUPs were made available to the public for review and comment prior to being submitted to the EPA.

The SDWA established the capitalization grant percentage limits that can be spent for project loans and the four individual set-aside activity areas. The 20% state match is for use in awarding project loans. Up to 31% of the capitalization grant can be allocated to the four set-aside activities. The set-aside activities include up to 4% for administrative expenses, up to 10% for state program management, up to 2% for small system technical assistance, and up to 15% for local assistance and other state programs.

Appendix B – Table 2 shows the actual Virginia Fiscal Year 2024 disbursements and cumulative disbursements.

2. Set-Aside Activity Status

4% DWSRF Administration and Technical Assistance

The administrative expense set-aside is used for administration of the DWSRF Program and general technical assistance. ODW has ten employees, eight full time and two hourly, to assist in administering the DWSRF Program; however, four of these employees are paid from the 10% set-aside funds.

The administration of the DWSRF Program activities also includes: banking type services of the project loans performed by the Virginia Resources Authority (VRA), annual audits performed by the State Auditor or their agent, and travel/training costs. The State’s Auditor of Public Accounts (APA) conducts an annual statewide single audit for the Commonwealth of Virginia in accordance with OMB Circular A-133.

VRA was reimbursed in the amount of \$616,599.26 for credit evaluation, loan servicing, and loan monitoring in accordance with the VRA-VDH cost allocation agreement. ODW charged VRA funding to the administration fee account. A private CPA firm engaged by the State’s APA performs an annual audit of the Construction State Loan Fund. Clifton Larson Allen, LLP Certified Public Accountants conducted an independent audit of VRA financial records for the year ending June 2024. The draft version expressed an unmodified opinion, disclosed no audit finds, no instances of noncompliance, and no significant deficiencies.

The auditors determined VRA was a low-risk auditee. The VRA Board of Directors accepted the FY2024 Comprehensive Annual Financial Report (CAFR) as presented in September 2024. The Attorney General's Office has provided legal advice on agreements and contracts.

During this reporting period, ODW and VRA have completed the following administrative activities:

- Solicitation of applications, through public announcements and ODW Field Office input,
- Conduct online funding workshops and met with prospective recipients,
- Project evaluation, selection, and prioritization in accordance with the Program Design Manual,
- Development of comprehensive list of projects, and Intended Use Plan,
- Evaluation of waterworks for TMF capacity,
- Establish the terms of the offers and award funding assistance,
- Ensure completion of all required activities required for loan closing and close loans,
- Monitor/Administer project construction,
- Credit Analysis, Loan Servicing, and Fund Administration, and
- Preparation of Capitalization Grant Application.

2% Small Systems Technical Assistance

ODW used these funds to support one (1) part-time data keying and five (5) full-time inspector positions in field offices.

10% PWSS State Program Management

ODW used 10% SA funds to supplement the State Public Water Supply Supervision (PWSS) Program. A total of fourteen environmental inspector positions were supported by the 10% SA during FY 2023.

a. State Program Management: Source Water Protection Program Administration

ODW's Special Project Engineer continued to coordinate the efforts needed by the state to oversee source water activities. Contracts are in place to provide groundwater and surface water community systems serving less than 50,000 persons with technical assistance for developing and implementing Source Water Protection Plans. Surface water systems receive technical assistance through the Capacity Development 15% set-aside. For the reporting period July 1, 2023 – June 30, 2024, ODW will present the collective efforts of the source water protection in the Annual Capacity Development Report due in November 2024. A summary is provided below:

ODW continued to manage contract services and grants to assist small community waterworks and localities with development and implementation of source water protection plans.

ODW's source water protection contractors interacted with 15 waterworks during the reporting period regarding current development of Source Water Protection Plans. The contractors participated in several meetings where Virginia source water representation and expertise were needed, including the Virginia Forests and Water Partners meeting and the NRCS SWPA Subcommittee meeting.

The following waterworks reached milestones during this period with ODW's contractor:

- Isle of Wight Waterworks – finalized Source Water Protection Plan (SWPP)
- Trails End Waterworks – conducted Local Advisory Committee Meeting to review draft plan
- Town of Onancock - draft Source Water Protection Plan submitted to the waterworks for review
- GCWSA – Town of Jarratt – finalized Source Water Protection Plan
- City of Martinsville
- Washington Country Service Authority

- Town of New Kent- updating the towns SWPP
- Town of Hamilton - Developing new SWPP

During the 2024 reporting period, the contractors continued their efforts to assist water systems with maintaining and implementing Source Water Protection Plans (SWPPs). Using a Microsoft Form survey, the contractors evaluated waterworks across Virginia to determine if they have a Strategy in Place (SIP) and meet the definitions of Substantial Implementation (SI) from both 2014 and 2021.

Out of 488 eligible systems, 230 responded, with 71 (15%) actively participating in the survey. The survey identified that:

- 84 systems reported having a SIP, including 49 YCPC systems, which meet SIP requirements by default due to construction classifications.
- 66 systems met the 2014 definition of SI, including 17 systems with a SIP and 49 YCPC systems.
- 9 systems met the 2021 definition of SI.

Additionally, 30 systems requested further assistance with SWPP development or implementation, of which most had not previously collaborated with the contractors on this task. The contractors plan to reach out to these systems to assess their needs and facilitate SWPP development.

b. State Program Management: Public Water Supply Supervision (PWSS) Program
See statistics from the PWSS Semiannual Reports submitted.

c. State Program Management: Capacity Development
ODW completed the following activities in ensuring a successful implementation of the Capacity Development Strategy:

- Completed Field Office Reviews – FY 2025 DWSRF projects
- Completing Capacity (TMF) Reviews – FY2025 DWSRF projects (in-progress)
- Conducting SRF Debarment Searches – FY2025 DWSRF projects (in-progress)
- On-going review of waterworks through sanitary surveys (monthly)
- Reviewing SRF cash flow worksheets – FY2025 DWSRF projects (in-progress)
- Collaborating on SRF Initial Meetings (in-progress)
- A total of 26 eligible staff salaries are funded through the DWSRF 10% set-aside budget, with 8 of those positions vacant in FY2024. Please refer to the IUP 10% budget and work plan.
- Further details will be addressed in the Commonwealth of Virginia’s Capacity Development Annual Implementation report that will be submitted to the EPA in November 2024.

15% Local Assistance and Other State Programs

ODW used these funds to supplement the State Public Water Supply Supervision (PWSS) Program. During FY 2024, the 15% SA supported six environmental inspector positions, the GIS technician, and statistical analyst positions. These were necessary due to a continuing shortfall in the PWSS program budget.

Virginia used funds from its local assistance set-aside for capacity development.

a. Local Assistance and Other State Programs - Source Water Delineation and Assessment
ODW continued maintaining and refining the GIS database layers and the VDH ArcGIS toolset to

render a better product for waterworks and their consultants. ODW contracted a vendor and completed redevelopment of the toolset to provide lower maintenance, compatibility with new versions of ArcGIS, and new functionality. ODW has implemented and maintains a web map application to help the field offices view and analyze source water data in real time.

b. Local Assistance and Other State Programs - Operator Certification

Virginia has had a waterworks operator licensure law and regulations since 1971. Licensure is generally accepted as being more stringent than certification. The Department of Professional and Occupational Regulation administers the licensure program for the Board for Waterworks and Wastewater Works Operators and Onsite Sewage System Professionals. The Director of the Office of Drinking Water is a member of this licensure Board. Through the 15% set asides, the Operator Training Coordinator continued to be funded this year. For information on Virginia's Operator Certification Program, VDH's operator training, and other provider's trainings, please refer to the current Annual Operator Certification Report submitted to EPA in June 2024.

c. Local Assistance and Other State Programs – Capacity Development

ODW continues to offer planning and design funding agreements to private and public owners of community waterworks as part of the general technical assistance. Funding is for up to \$45,000 per project. This program is for small, rural, financially stressed, community waterworks serving fewer than 10,000 persons. Eligible costs may include preliminary engineering reports, design of plans and specifications, performance of source water quality and quantity studies, drilling test wells to determine source feasibility, or other similar technical assistance projects.

For details regarding the Capacity Development Program, please refer to the Annual Capacity Development Report submitted in November 2024. The next Annual Capacity Development Report will be submitted to EPA in November 2025.

Through the funding in the 15% set asides, the Capacity Development Program also accomplished the following:

- Continued funding of a full time Training and Capacity Development Manager position.
- Funding one Capacity Development Supervisor who supervises three Sustainability Coordinator positions, all of whom provide direct technical assistance on Technical, Managerial, and Financial issues with waterworks across the Commonwealth.
- Additional staffing support includes funding the ODW Security Officer who provides emergency management assistance and support to waterworks.
- Fund Planning and Design Grants as described above.
- Continued to fund and implement the Small Project Engineering Program.
- In 2024, VDH-ODW and Virginia Tech offered courses in person and virtually in order to reach a wider audience. Please refer to the Annual Operator Certification Report for the Commonwealth of Virginia, submitted to the EPA in June 2024, for additional details on these courses.

d. Local Assistance and Other State Programs - Land Acquisition for Source Water Protection

No funding from this set-aside was provided for loans to public water systems for the purchase of land or conservation easements and for incentive-based voluntary protection measures.

e. Local Assistance and Other State Programs – Source Water Protection

Efforts of the source water protection are presented in the current Capacity Development Report. Staffing support for this program is provided through funding for one Special Project Engineer who manages the Source Water Assessment and Protection programs, one Statistical Analyst who evaluates potential impacts to public drinking water sources, and one Human Services Program Consultant who

develops, maintains and supports GIS for Source Water Protection.

3. Construction Project Loan Assistance Status

Binding Commitments:

ODW entered into loan agreements (binding commitments) with 25 public water systems totaling \$22,018,981 during this reporting period. The typical loan terms range from 20 to 30 years, with interest rates from 1.00 to 3.30 percent. The loan term may be reduced to match the life of the asset being funded or at the request of the recipient. **Appendix F** lists the new loan agreements for this reporting period and provides a brief description of each project.

SRF – Program Pace

For the report period ODW achieved a program pace (funds provided to funds available) of 75.6%. On a cumulative basis, ODW closed the dollar value of loans shown in Part I, which is 75.6% of \$695.2 million in DWSRF Funds available for Projects.

Disbursements for Projects:

For this reporting period, ODW disbursed \$13,835,227.00 for projects in Federal and State funds. A total of \$1,471,617.77 in state matching funds is included in the disbursements. Repayment dollar disbursements totaled \$1,305,516.69 during this period.

H T

Project By-pass:

In response to our DWSRF FY2024 solicitation which included applications for the Bipartisan Infrastructure Law (BIL) funding, ODW received and evaluated 93 construction projects requesting a total of \$384,447,604 million. Of these, 18 applications were for small projects less than \$300,000.

ODW completed our preliminary review of these small projects and made the following determination based on project readiness. ODW will not be offering funding to any waterworks owner with more than two open/incomplete DWSRF projects.

ODW requested that the applicants focus their efforts on completing the open DWSRF projects that were already awarded to them. ODW also reminded the applicants that we reserve the right to by-pass any open project that has not executed the assistance agreements/initiated construction within 12 months of the original award date. Finally, ODW urged them to pursue a timely completion of their existing open DWSRF Projects and consider re-applying next year for the by-passed projects.

ODW agreed to award by-passed projects if the applicant took actions to reduce the number of open projects to less than three by completing the open projects or withdrawing already awarded projects to pursue the new application if they consider it a higher priority. ODW subsequently by-passed no projects, as projects within the 12-month period completed program requirements.

Small Systems That Will Benefit:

ODW awarded approximately \$34,714,549 million of the Additional Subsidy project funds from the 2024 IUP to small disadvantaged systems. The status of assistance to disadvantaged waterworks has been provided below:

STATUS OF DISADVANTAGED ASSISTANCE AS OF JUNE 30, 2022

Fiscal Year	Total Cap Grant Award	Amount of Max Subsidy for Disadvantaged Systems	Percent of Cap Grant for Disadvantaged Systems	Amount of Disadvantaged Subsidy Provided	Percentage of Cap Grant as Additional Subsidization
1997	\$ 29,442,400	\$ 8,832,720	30% Maximum	\$ 8,467,947	28.8%
1998	\$ 13,895,300	\$ 4,168,590	30% Maximum	\$ 4,168,500	30.0%
1999	\$ 14,563,600	\$ 4,369,080	30% Maximum	\$ 4,369,080	30.0%
2000	\$ 15,135,800	\$ 4,540,740	30% Maximum	\$ 4,540,740	30.0%
2001	\$ 15,198,400	\$ 4,559,520	30% Maximum	\$ 4,559,520	30.0%
2002	\$ 11,127,600	\$ 3,338,280	30% Maximum	\$ 3,338,280	30.0%
2003	\$ 11,060,700	\$ 3,318,210	30% Maximum	\$ 3,318,210	30.0%
2004	\$ 11,473,900	\$ 3,442,170	30% Maximum	\$ 3,442,170	30.0%
2005	\$ 11,449,600	\$ 3,434,880	30% Maximum	\$ 2,845,909	24.9%
2006	\$ 8,761,500	\$ 2,628,450	30% Maximum	\$ 2,379,730	27.2%
2007	\$ 9,841,124	\$ 2,952,337	30% Maximum	\$ 2,221,208	22.6%
2008	\$ 8,679,899	\$ 2,603,970	30% Maximum	\$ 2,034,068	23.4%
2009	\$ 8,672,999	\$ 2,601,900	30% Maximum	\$ 2,521,764	29.1%
2010	\$ 23,008,000	\$ 6,902,400	30% Minimum	\$ 11,090,720	48.2%
2011	\$ 15,965,000	\$ 4,789,500	30% Minimum	\$ 7,326,717	45.9%
2012	\$ 15,215,000	\$ 4,564,500	30% Maximum	\$ 3,104,412	20.4%
2013	\$ 14,275,000	\$ 4,282,500	30% Maximum	\$ 3,531,344	24.7%
2014	\$ 14,654,000	\$ 4,396,200	30% Maximum	\$ 3,901,000	26.6%
2015	\$ 14,557,000	\$ 4,367,100	30% Maximum	\$ 3,411,210	23.4%
2016	\$ 13,771,000	\$ 4,131,300	30% Maximum	\$ 2,754,200	20.0%
2017	\$ 13,654,000	\$ 4,096,200	30% Maximum	\$ 3,680,222	27.0%
2018	\$ 18,123,000	\$ 9,061,500	50% Maximum	\$ 8,286,745	45.7%
2019	\$ 17,954,000	\$ 9,874,700	55% Maximum	\$ 7,307,247	40.7%
2020	\$ 17,965,000	\$ 8,802,850	49% Maximum	\$ 7,720,794	43.0%
2021	\$ 18,114,000	\$ 9,962,700	55% Maximum	\$ 4,391,518	32.4%
2022	\$ 99,374,000	\$ 48,693,260	49% Maximum*	\$ 22,222,690	23.1%
2023	\$ 96,376,000	\$ 47,224,240	49% Maximum*	\$ 34,714,546	34.9%
Total	\$ 562,307,822	\$ 221,939,797		\$ 171,650,546	30.1%

Figures in Table do not include ARRA funding or the FY2024 grant award as it was received after the reporting period.

*FY2022 & FY2023 49% Maximum applies to the DWSRF Base Funding as well as Bipartisan Infrastructure Law (BIL) funding for Lead Service Lines and Supplemental projects. BIL Emerging Contaminants funding is 100% Principal Forgiveness.

4. Coalfield Water Development Fund

The Coalfield Water Development Fund, Inc. (CWDF) is a non-profit charitable organization that provides grant assistance for waterworks construction in Planning Districts 1 and 2 which includes the counties of: Lee, Scott, Wise, Dickenson, Russell, Tazewell, Buchanan, and the City of Norton. Four loans totaling \$10 million have been made to the CWDF to set up a regional endowment using funds from Virginia’s DWSRF Program. The loans to CWDF are at an interest rate of 0% for 30 years with a balloon payment of principal due at the end of the period. The loan principal is held in trust to earn dividends and interest and the endowment income is used to make construction grants (principal forgiveness) in Planning Districts 1 and 2 of Southwest Virginia. An independent audit was completed for the fiscal year ending June 30, 2024. The audit report contained unqualified opinions with no audit findings.

ODW performed a review of the CWDF on October 24th, 2024, covering the reporting period ending June 30, 2024. ODW determined the CWDF was operating in compliance with the Program for Implementation for the fiscal year. ODW is scheduled to perform the next on-site review in the Fall of 2025.

IV. FINANCIAL SUMMARY

The following information is provided to delineate the financial health of Virginia’s DWSRF program.

A. Status of Loans

ODW closed 25 SRF construction projects in amounts shown in Part I in SRF loans as of June 30, 2024.

B. Loan Disbursements/Cash Draw Proportionality

ODW expended \$2,861,801.70 in state match during this reporting period.

C. Set-Aside Disbursements

ODW disbursed \$3,657,029 million in SRF set-aside funds during this reporting period. **Appendix D** breaks out the disbursements by set-aside activity.

D. Annual Repayment/Aging of Account

The DWSRF program received \$3,263,598 in principal repayments, \$1,127,317 in interest repayments, and \$1,373,339 in administrative fees during this reporting period. The DWSRF program received \$7,174 in investment income, net of fees for the period ended June 30, 2024.

E. Financial Statements

The 2024 audited financial statements of our “State Loan Fund,” the Virginia Water Supply Revolving Fund, which is maintained at the Virginia Resources Authority, was issued in September 2024. **Appendix E** illustrates the DWSRF Financial Statements from that audit. The Fiscal Year 2023 VRA CAFR was submitted electronically in September 2024.

V. COMPLIANCE WITH AGREEMENTS

ODW has complied with the conditions in the Grant Agreement, unless noted otherwise. ODW has met and continues to be in compliance with the following conditions:

- Establish and maintain state authority,
- Comply with applicable state laws and procedures,

- Review technical, financial, and managerial capacity of assistance recipients,
- Establish State Loan Fund account, set-aside account, and administration account,
- Deposit all funds in appropriate accounts,
- Follow state accounting and auditing procedures,
- Require loan recipient accounting and auditing procedures,
- Submit IUP and use all funds in accordance with the plan,
- Comply with enforceable requirements of the Act,
- Establish capacity development authority,
- Implement/maintain system to minimize risk of waste, fraud, abuse, and corrective action, and
- Develop and submit project priority ranking system.

A detailed discussion of the following conditions includes:

A. Binding Commitments within One Year

ODW entered into binding commitments within one year of receipt of the Automated Clearing House payments for all four quarters during this reporting period.

B. Deposit State Matching Funds

ODW contributed \$4,367,800 in state match during this reporting period. Cumulative state match appropriation as of June 30, 2024, was \$89,699,407.

C. Submit Biennial SRF Report and Annual Audit

ODW has submitted all required reports. For ease of reporting ODW has elected to submit its report annually. The State’s Auditor of Public Accounts conducts an annual statewide single audit for the Commonwealth of Virginia in accordance with OMB Circular A-133. There were no reported findings pertaining to the DWSRF program the audit report issued for the fiscal year ending June 30, 2023. The State’s Auditor of Public Accounts has not yet published the single audit for 2024. Those audits can be accessed at the following weblink [Auditor of Public Accounts](#)

D. Assure That Borrowers Have Dedicated Source of Repayment

Detailed financial analyses and credit summaries are performed for each applicant prior to entering into a loan commitment. Each loan recipient must also establish one or more dedicated sources of revenue for repayment of the loan. Dedicated sources of revenue can be water and/or sewer revenue pledges, general tax pledges, or a combined pledge of revenues and full faith and credit.

E. Ensure Recipients Compliance with Applicable Federal Cross-Cutting Authorities

VDH has established monitoring methods to ensure compliance with federal cross-cutting requirements. In addition, administrative/financial reviews are conducted during the course of each project at specified intervals. ODW continues our routine monitoring efforts to ensure compliance.

For the 1998 grant award, the MBE goal was 2% and the WBE goal was 1.5%. Beginning with the 1999 grant award, ODW studied the availability of contractors in this field to establish the MBE and WBE goals. ODW approved goals are in the range from 0.9% to 3.5% for MBE and 0.2% to 1.9% for WBE effective October 1, 2024, through September 30, 2027. The results of ODW performance in this area are captured in our MBE quarterly reports. ODW will reconvene the MBE/WBE state workgroup in January 2027 to update our goals for the next three-year period.

F. Conduct Environmental Reviews

The 16 public water systems receiving assistance during Virginia Fiscal Year 2024 were reviewed and approved using the state’s environmental review procedures. It was determined that no Environmental

Impact Statements were necessary.

G. Implement Capacity Development Strategy

ODW continues to implement the EPA approved Capacity Development Strategy. This strategy includes requirements for new waterworks, existing waterworks, and potential DWSRF recipients. In accordance with reporting requirements, ODW submitted the 2024 Capacity Development Report to EPA in November 2024. ODW submitted a revised Capacity Development Strategy pursuant to the requirements of the America's Water Infrastructure Act of 2018 (AWIA) on March 2, 2021. In January 2022, the EPA approved the revised Strategy. Details can be found in the triennial report to the Governor: Efficacy of Virginia's Waterworks Capacity Development Strategy. The report covers the period from July 1, 2020, - June 30, 2023. It was sent to the Governor of Virginia with a copy to the EPA in September, 2023.

APPENDIX A

DWNIMs #	Table 1: ALLOCATION OF FUNDS - DWSRF			
I. SOURCES OF FUNDS		2023	Previous Cumulative	Current Cumulative
14	Capitalization Grant	\$99,374,000	\$386,838,822	\$486,212,822
34	20% State Match	\$2,286,800	\$80,109,107	\$82,395,907
	State Funds - Deferred Match	\$0	\$5,888,480	\$5,888,480
	Additional State Funds	\$0	\$5,053,720	\$5,053,720
281	Principal Repayments	\$8,394,451	\$128,134,993	\$136,529,444
282	Interest Repayments	\$1,116,465	\$21,300,985	\$22,417,450
296	Interest Earned on Investments	\$1,389,609	\$8,270,952	\$9,660,561
43 & 44	Transfer from Water Facilities Revolving Funds (CWSRF)	\$0	\$1,000,000	\$1,000,000
VRA AUDIT	Administrative Loan Fees, Interest & Earnings	\$1,444,098	\$5,527,968	\$6,972,066
	Total:	\$114,005,423	\$642,125,027	\$749,158,384
	EPA In-Kind Amount:	\$0	\$480,000	\$480,000
	EPA In-Kind Recapture Amount:	\$0	\$8,596	\$8,596
II. USES OF FUNDS				
A. DWSRF LOAN ACCOUNT BINDING COMMITMENTS				
137, 138, 139 - disadvantaged	Small Systems 1452a (2) Standard	\$18,160,329	\$47,251,322	\$65,411,651
185	Disadvantaged Communities 1452d	\$19,882,255	\$289,778,884	\$309,661,139
	Small Systems Subtotal	\$38,042,584	\$337,030,206	\$375,072,790
140 + 141	Large Systems (Standard & Disadvantaged)	\$2,423,860	\$59,591,911	\$62,015,771
	Endowment - Coalfield Water Development Fund	\$0	\$10,000,000	\$10,000,000
	Subtotal Loan Funds:	\$40,466,444	\$406,622,117	\$447,088,561
III. SET-ASIDE ACCOUNT WORK PLAN COMMITMENTS		2023	Previous Cumulative	Current Cumulative
	1. Administration and Technical Assistance (max 4%) 1452(g)2			
45	Administration	\$785,978	\$12,715,946	\$13,501,924
	Technical Assistance	\$0	\$1,869,428	\$1,869,428
48	Administration and Technical Assistance Subtotal:	\$785,978	\$14,585,374	\$15,371,352
55	2. Technical Assistance (max 2%) 1452(g) 2	\$422,723	\$6,008,703	\$6,431,426
	3. State Program Management (max 10%) 1452(g)2			
65	PWSS Program	\$2,800,504	\$28,463,782	\$31,264,286
	Source Protection	\$0	\$650,624	\$650,624
	Operator Certification	\$0	\$756,058	\$756,058
	Capacity Development	\$0	\$215,594	\$215,594
	State Program Management Subtotal:	\$2,800,504	\$30,086,058	\$32,886,562
	4. Local Assistance/Other State Programs (max 15%) 1452(k)			
	Source Water Delineation and Assessment	\$0	\$2,944,240	\$2,944,240
	Source Water Land Acquisition	\$0	\$0	\$0
	Capacity Development	\$3,069,069	\$24,855,652	\$27,924,721
	Wellhead Protection	\$230,000	\$3,261,468	\$3,491,468
84	Local Assistance/Other State Programs Subtotal:	\$3,299,069	\$31,061,360	\$34,360,429
111	Set-Asides Subtotal	\$7,308,274	\$81,741,495	\$89,049,769
	Total (S/A subtotal plus Loan Funds subtotal)	\$47,774,718	\$488,363,612	\$536,138,330

APPENDIX B

Table 2: DISBURSED DWSRF PROGRAM FUNDS BY STATE FISC				
DWNIMs #		2024	Previous Cumulative	Current Cumulative
USES OF DISBURSED FUNDS				
I. PROJECT LOAN ACCOUNT				
	1. Large Systems			
	Standard Loans 1452(a)	\$3,625,520	\$37,257,700	\$40,883,220
	Disadvantaged Communities 1452 (d)	\$11,467,961	\$13,129,905	\$24,597,866
140+141	<i>Large Systems Subtotal:</i>	\$15,093,481	\$50,387,605	\$65,481,086
	2. Small Systems			
	Standard Loans	\$0	\$66,199,124	\$66,199,124
	Disadvantaged Communities 1452 (d)	\$6,925,500	\$292,549,299	\$299,474,799
137+138+139	<i>Small Systems Subtotal:</i>	\$6,925,500	\$358,748,423	\$365,673,923
	3. Endowment - Coalfield Water Development Fund	\$0	\$10,000,000	\$10,000,000
142	Project Loan Subtotal:	\$22,018,981	\$419,136,028	\$441,155,009
II. SET-ASIDE ACCOUNT				
	1. Administration and Technical Assistance 1452(g)2			
50	Administration	\$51,951	\$12,458,036	\$12,509,987
51	Technical Assistance	\$0	\$1,631,544	\$1,631,544
52	<i>Administration and Technical Assistance Subtotal:</i>	\$51,951	\$14,089,580	\$14,141,531
	2. State Program Management (max 10%) 1452(g)2			
70	PWSS Program	\$2,023,513	\$28,204,015	\$30,227,528
72	Source Water Protection	\$0	\$379,486	\$379,486
76	Operator Certification	\$0	\$862,796	\$862,796
74	Capacity Development	\$0	\$185,857	\$185,857
78	<i>State Program Management Subtotal:</i>	\$2,023,513	\$29,632,154	\$31,655,667
	3. Local Assistance/Other State Programs (max 15%) 1452(k)			
96	Source Water Delineation and Assessment	\$0	\$2,940,313	\$2,940,313
90	Source Water Land Acquisition	\$0	\$0	\$0
102	Capacity Development	\$1,247,186	\$21,430,826	\$22,678,012
98	Wellhead Protection	\$67,042	\$2,668,575	\$2,735,617
	<i>Local Assistance/Other State Programs Subtotal:</i>	\$1,314,228	\$27,039,714	\$28,353,942
	Set-Asides Subtotal: (may vary slightly due to rounding)	\$3,389,692	\$70,761,448	\$74,151,140
	Grand Total (S/A subtotal + Project Loan Funds subtotal)	\$25,408,673	\$489,897,476	\$515,306,149

APPENDIX C: FINANCIAL STATUS REPORTS

(Federal Financial Reports will be provided separately at a later date,
and can be found at this weblink to the Commonwealth of Virginia

Auditor of Public Accounts when available:

[Auditor of Public Accounts](#)

APPENDIX D: Set Aside Utilization Report

2022 BIL Supplemental GRANT AWARD (4D95307001)					
	2% Technical Assist. (DE)	4% Program Admin. (DD)	10% Program Man. (DF)	15% Local Assist. (DG)	Total
ALLOCATED	\$422,723	\$785,978	\$2,800,504	\$3,299,069	\$7,308,274
OBLIGATED	\$422,723	\$785,978	\$2,800,504	\$3,299,069	\$7,308,274
% OBLIGATED	100%	100%	100%	100%	100%
EXPENDED	\$282,846	\$0	\$187,835	\$0	\$470,681
% EXPENDED	66.9%	0%	6.7%	0%	6.4%

2021 GRANT AWARD (FS99358321)					
	2% Technical Assist. (DE)	4% Program Admin. (DD)	10% Program Man. (DF)	15% Local Assist. (DG)	Total
ALLOCATED	\$375,299	\$727,852	\$1,811,400	\$2,717,100	\$5,631,651
OBLIGATED	\$375,299	\$727,852	\$1,811,400	\$2,717,100	\$5,631,651
% OBLIGATED	100%	100%	100%	100%	100%
EXPENDED	\$374,712	\$437,598	\$1,811,400	\$1,046,395	\$3,670,105
% EXPENDED	99.8%	60.0%	100%	38.5%	65.2%

2020 GRANT AWARD (FS99358320)					
	2% Technical Assist. (DE)	4% Program Admin. (DD)	10% Program Man. (DF)	15% Local Assist. (DG)	Total
	\$359,300	\$718,600	\$1,915,592	\$2,694,750	\$5,688,242
OBLIGATED	\$359,300	\$718,600	\$1,915,592	\$2,694,750	\$5,688,242
% OBLIGATED	100%	100%	100%	100%	100%
EXPENDED	\$359,300	\$717,662	\$1,913,486	\$2,683,694	\$5,674,142
% EXPENDED	100%	99.9%	99.9%	99.6%	99.8%

2019 GRANT AWARD (FS99358319)					
	2% Technical Assist. (DE)	4% Program Admin. (DD)	10% Program Man. (DF)	15% Local Assist. (DG)	Total
ALLOCATED	\$359,080	\$718,161	\$2,708,279	\$2,499,739	\$6,285,259
OBLIGATED	\$359,080	\$718,161	\$2,708,279	\$2,499,739	\$6,285,259
% OBLIGATED	100%	100%	100%	100%	100%
EXPENDED	\$359,080	\$718,161	\$2,708,279	\$2,499,739	\$6,285,259
% EXPENDED	100%	100%	100%	100%	100%

2018 GRANT AWARD (FS99358318)					
	2% Technical Assist. (DE)	4% Program Admin. (DD)	10% Program Man. (DF)	15% Local Assist. (DG)	Total
ALLOCATED	\$312,515	\$572,023	\$2,329,511	\$2,462,192	\$5,676,241
OBLIGATED	\$312,515	\$572,023	\$2,329,511	\$2,462,192	\$5,676,241
% OBLIGATED	100%	100%	100%	100%	100%
EXPENDED	\$312,515	\$572,023	\$2,329,511	\$2,462,192	\$5,676,241
% EXPENDED	100%	100%	100%	100%	100%

Cumulative (2018 to 2022) Grant Award					
	2% Technical Assist. (DE)	4% Program Admin. (DD)	10% Program Man. (DF)	15% Local Assist. (DG)	Total
ALLOCATED	\$1,828,917	\$3,522,614	\$11,565,286	\$13,672,850	\$30,589,667
OBLIGATED	\$1,828,917	\$3,522,614	\$11,565,286	\$13,672,850	\$30,589,667
% OBLIGATED	100%	100%	100%	100%	100%
EXPENDED	\$1,688,453	\$2,445,444	\$8,950,511	\$8,692,020	\$18,119,399
% EXPENDED	92.3%	69.4%	77.4%	63.6%	59.2%

*2018 and 2019 Grant years included because funds were added back after EPA Reimbursement Status

APPENDIX E: DWSRF FINANCIAL STATEMENTS, FY 2024

Available on Virginia Resources Authority Webpage [Financial Reports - Virginia Resources Authority](#)

Virginia Resources Authority
Combining Schedule of Net Position
Virginia Revolving Loan Fund Accounts - Water Supply
June 30, 2024

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Assets						
Current assets						
Cash	\$ 1,685,109	\$ -	\$ 81,534	-	\$ 767,565	\$ 2,534,208
Cash equivalents	23,530,791	309,818	111,394	-	2,312,276	26,264,279
Investments	3,476,619	-	-	-	-	3,476,619
Loans receivable - current portion	8,701,657	3,271,843	-	-	-	11,973,500
Receivables:						
Investment interest	786,096	-	-	-	-	786,096
Loan interest	426,994	365,431	-	-	-	792,425
Loan administrative fees	-	-	-	-	436,147	436,147
Federal funds	12,277,438	-	-	-	-	12,277,438
Other	1,462,043	-	-	-	-	1,462,043
Total current assets	52,346,747	3,947,092	192,928	-	3,515,988	60,002,755
Noncurrent assets						
Investments - non-current	86,591,132	-	-	-	-	86,591,132
Loans receivable - non-current	141,850,404	78,379,946	-	-	-	220,230,350
Total noncurrent assets	228,441,536	78,379,946	-	-	-	306,821,482
Total assets	\$ 280,788,283	\$ 82,327,038	\$ 192,928	-	\$ 3,515,988	\$ 366,824,237
Liabilities						
Current liabilities						
Bonds payable - current	-	1,183,558	-	-	-	1,183,558
Accrued interest	-	375,259	-	-	-	375,259
Due to (from) other accounts	(386,703)	-	-	-	236,827	(149,876)
Agency funds	102,935	-	-	-	-	102,935
Accounts payable and other liabilities	473,284	-	-	-	-	473,284
Total current liabilities	189,516	1,558,817	-	-	236,827	1,985,160
Noncurrent liabilities						
Bonds payable - noncurrent	-	47,455,958	-	-	-	47,455,958
Total noncurrent liabilities	-	47,455,958	-	-	-	47,455,958
Total liabilities	189,516	49,014,775	-	-	236,827	49,441,118
Net position						
Restricted:						
Loan programs	280,598,767	33,312,263	192,928	-	3,279,161	317,383,119
Total net position	280,598,767	33,312,263	192,928	-	3,279,161	317,383,119
Total liabilities and net position	\$ 280,788,283	\$ 82,327,038	\$ 192,928	-	\$ 3,515,988	\$ 366,824,237

Virginia Resources Authority
Combining Schedule of Revenues, Expenses, and Changes in Net Position
Virginia Revolving Loan Fund Accounts - Water Supply
Year Ended June 30, 2024

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Operating revenues						
Interest on loans	\$ 1,158,091	\$ 1,262,196	\$ -	-	\$ -	\$ 2,420,287
Investment income	5,621,598	16,447	7,174	-	149,361	5,794,580
Loan administrative fees	-	-	-	-	1,373,339	1,373,339
Total operating revenues	<u>6,779,689</u>	<u>1,278,643</u>	<u>7,174</u>	<u>-</u>	<u>1,522,700</u>	<u>9,588,206</u>
Operating expenses						
Interest on bonds and loans	-	1,056,540	-	-	-	1,056,540
Principal forgiveness loans to local governments	5,338,184	-	-	-	-	5,338,184
Personnel services	-	-	-	451,223	-	451,223
General operating	67,947	-	1,087	54,938	-	123,972
Contractual services	-	-	-	1,268,438	-	1,268,438
Total operating expenses	<u>5,406,131</u>	<u>1,056,540</u>	<u>1,087</u>	<u>1,774,599</u>	<u>-</u>	<u>8,238,357</u>
Operating income (loss)	<u>1,373,558</u>	<u>222,103</u>	<u>6,087</u>	<u>(1,774,599)</u>	<u>1,522,700</u>	<u>1,349,849</u>
Nonoperating revenues						
Contributions from other governments	13,966,102	-	-	-	-	13,966,102
Income (loss) before transfers	<u>15,339,660</u>	<u>222,103</u>	<u>6,087</u>	<u>(1,774,599)</u>	<u>1,522,700</u>	<u>15,315,951</u>
Operating transfers	<u>2,024,054</u>	<u>(2,149,076)</u>	<u>-</u>	<u>1,774,599</u>	<u>(1,649,577)</u>	<u>-</u>
Change in net position	<u>17,363,714</u>	<u>(1,926,973)</u>	<u>6,087</u>	<u>-</u>	<u>(126,877)</u>	<u>15,315,951</u>
Total net position - beginning	<u>263,235,053</u>	<u>35,239,236</u>	<u>186,841</u>	<u>-</u>	<u>3,406,038</u>	<u>302,067,168</u>
Total net position - ending	<u>\$ 280,598,767</u>	<u>\$ 33,312,263</u>	<u>\$ 192,928</u>	<u>-</u>	<u>\$ 3,279,161</u>	<u>\$ 317,383,119</u>

Virginia Resources Authority
Combining Schedule of Cash Flows
Virginia Revolving Loan Fund Accounts - Water Supply
Year Ended June 30, 2024

	Non-Pledged Accounts	Trust Estate Accounts	State SRF Accounts	Administrative Accounts	Administrative Fee Accounts	Total
Cash flows from operating activities						
Cash payments to localities for loans	\$ (8,718,413)	\$ (1,084,147)	\$ -	\$ -	\$ -	\$ (9,802,560)
Principal repayments from localities on loans	9,421,972	3,263,598	-	-	-	12,685,570
Interest received on loans	1,168,994	1,273,317	-	-	-	2,442,311
Loan administrative fees received	-	-	-	-	1,318,412	1,318,412
Cash payments for salaries and related benefits	-	-	-	(451,223)	-	(451,223)
Cash payments for general operating expenses	-	-	-	(54,938)	-	(54,938)
Cash payments for contractual services	-	-	-	(1,268,438)	-	(1,268,438)
Cash payments for principal forgiveness loans	(5,338,184)	-	-	-	-	(5,338,184)
Interest paid on bonds and loans	-	(1,517,900)	-	-	-	(1,517,900)
Interfund activity	(386,703)	-	-	-	42,078	(344,625)
Net cash provided by (used in) operating activities	(3,852,334)	1,934,868	-	(1,774,599)	1,360,490	(2,331,575)
Cash flows from noncapital financing activities						
Contributions from other governments	13,947,451	-	-	-	-	13,947,451
Cash received (paid) from other accounts	2,024,054	(2,149,076)	-	1,774,599	(1,649,577)	-
Net cash provided by (used in) noncapital financing activities	15,971,505	(2,149,076)	-	1,774,599	(1,649,577)	13,947,451
Cash flows from investing activities						
Purchase of investments	(48,497,071)	-	-	-	-	(48,497,071)
Proceeds from sales or maturities of investments	45,851,702	505,000	-	-	-	46,356,702
Interest received on investments - net	4,166,713	16,639	6,087	-	149,361	4,338,800
Net cash provided by (used in) investing activities	1,521,344	521,639	6,087	-	149,361	2,198,431
Net increase (decrease) in cash and cash equivalents	13,640,515	307,431	6,087	-	(139,726)	13,814,307
Cash and cash equivalents						
Beginning of year	11,575,385	2,387	186,841	-	3,219,567	14,984,180
End of year	\$ 25,215,900	\$ 309,818	\$ 192,928	\$ -	\$ 3,079,841	\$ 28,798,487
Reconciliation to the Statement of Net Position						
Cash	\$ 1,685,109	\$ -	\$ 81,534	\$ -	\$ 767,565	\$ 2,534,208
Cash Equivalents	23,530,791	309,818	111,394	-	2,312,276	26,264,279
	\$ 25,215,900	\$ 309,818	\$ 192,928	\$ -	\$ 3,079,841	\$ 28,798,487
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities						
Operating income (loss)	1,373,558	222,103	6,087	(1,774,599)	1,522,700	\$ 1,349,849
Interest on investments	(5,553,651)	(16,447)	(6,087)	-	(149,361)	(5,725,546)
Interest, amortization and accretion - net	-	(461,360)	-	-	-	(461,360)
Effect of changes in operating assets and liabilities:						
Loans receivable	703,559	2,179,451	-	-	-	2,883,010
Loan interest receivable	10,903	11,121	-	-	-	22,024
Loan administrative fee receivable	-	-	-	-	(54,927)	(54,927)
Due to other funds	(386,703)	-	-	-	42,078	(344,625)
Net cash provided by (used in) operating activities	\$ (3,852,334)	\$ 1,934,868	\$ -	\$ (1,774,599)	\$ 1,360,490	\$ (2,331,575)
Schedule of non-cash activities						
Change in fair value of assets	\$ 2,007,100	\$ -	\$ -	\$ -	\$ -	\$ 2,007,100

APPENDIX F: LOAN AGREEMENTS FOR REPORTING PERIOD *Projects Funded by Capitalization Grant Only*

Priority Ranking	Project Name	Binding Commitment Date	Loan Amount	Grant Amount	Total Amount	Interest Rate	No. of Years	Project Description	Pop Served	Comm unity System	Disad. Comm	Private PWS	Create New PWS
Projects Identified in 2020 IUP													
003	Pennington Gap, Town of,	10/16/19	\$265,950		\$265,950	2.5	20	Town Side Water Meter Replacement	1840	Yes	Yes	No	No
Projects Identified in 2021 IUP													
012	Bristol Virginia Utilities Authority,	10/30/20	\$711,780		\$711,780	3.3	20	System Wide District Meter and PRV Improvements Project	4255	Yes	Yes	No	No
Projects Identified in 2022 IUP													
02C	Western Virginia Water Authority	05/29/24		\$285,000	\$285,000			PER – study the removal of PFAS from Spring Hollow Reservoir	180,000	Yes	Yes	No	No
03S	City of Galax	12/21/2023	\$2,340,000	\$660,000	3,000,000	3.15	20	City of Galax Water System Improvements	2,222	Yes	Yes	No	No
03L	City of Radford	1/02/24		\$250,000	\$250,000			City of Radford Lead Service Line Inventory	12,757	Yes	Yes	No	No

Priority Ranking	Project Name	Binding Commitment Date	Loan Amount	Grant Amount	Total Amount	Interest Rate	No. of Years	Project Description	Pop Served	Community System	Disad. Comm.	Private PWS	Create New PWS
Projects Identified in 2022 IUP													
04L	City of Lynchburg	06/07/24	\$700,000	\$775,000	\$1,475,000	1	20	Water Service Line Inventory	79,400	Yes	Yes	No	No
07L	Town of Chihowie	4/29/24		\$250,000	\$250,000			Water System Improvements Project	6,990	Yes	Yes	No	No
08L	Town of Pulaski	2/21/24	\$285,000	\$465,000	\$750,000	1	20	Lead Service Line Inventory and Replacement	8,985	Yes	Yes	No	No
09S	Western Virginia Water Authority	2/29/24	\$6,447,700	\$3,985,261	\$10,432,961	2.3	20	Phase 1A of Roanoke Area Distribution Systems Improvements	286,064	Yes	Yes	No	No
10L	Town of Hillsville	11/14/2023		\$250,000	\$250,000			Lead Service Line Inventory	2,884	Yes	Yes	No	No
14L	Campbell County Utilities & Service Authority	12/01/2023		\$188,740	\$188,740			Lead Service Line Inventory	19,337	Yes	Yes	No	No
16L	Bedford County	10/31/2023		\$250,000	\$250,000			Lead Inventory Project	78,997	Yes	Yes	No	No
18L	City of Charlottesville	4/23/24		\$250,000	\$250,000			Lead Service Line Inventory	47,096	Yes	Yes	No	No
19L	Town of Blacksburg	11/13/2023		\$250,000	\$250,000			Lead Inventory Project – Phase 1	3,352	Yes	Yes	No	No
024L	City of Covington	02/05/24		\$250,000	\$250,000			Lead Service Line Inventory	5,545	Yes	Yes	No	No

Priority Ranking	Project Name	Binding Commitment Date	Loan Amount	Grant Amount	Total Amount	Interest Rate	No. of Years	Project Description	Pop Served	Community System	Disad. Comm	Private PWS	Create New PWS
Projects Identified in 2022 IUP													
25L	Town of Altavista	05/1/24		\$125,000	\$125,000			Lead Service Line Inventory	5,121	Yes	Yes	No	No
34L	Town of Rocky Mount	4/29/24		\$250,000	\$250,000			Lead Service Line Inventory	4,968	Yes	Yes	No	No
36L	Wise County Regional LSL	12/20/23		\$250,000	\$250,000			LSL Inventory Project	13,702	Yes	Yes	No	No
44L	Town of Hurt	06/12/24		\$92,550	\$92,550			Lead Inventory List	1,317	Yes	Yes	No	No
51L	Carroll County	06/20/24		\$250,000	\$250,000			LSL Inventory Project	29,239	Yes	Yes	No	No
56L	Nelson County SA	4/16/24		\$150,000	\$150,000			LSL Inventory Project	14,705	Yes	Yes	No	No
<u>2023</u>													
03C	Town of Purcellville	5/23/24		\$226,000	\$226,000			Nature Park PFAS Pilot Study	8,924	No	No	No	No

18S	Town of Blackstone	12/13/2023		\$566,000	\$566,000			Nottoway Reservoir Diffused Aeration System Replacement	3,352	Yes	Yes	No	No
006	City of Richmond	4/05/24		\$750,000	\$750,000			Lead Service Line	226,000	Yes	Yes	No	No
009	Rye Valley Water Authority	03/11/24		\$500,000	\$500,000			Lead Service Line	4,688	Yes	Yes	No	No

APPENDIX G: FCAP Structure

