

### **What is the DWSRF Program ?**

The federal Drinking Water State Revolving Fund (DWSRF) Program was created by 1996 Amendments to the federal Safe Drinking Water Act (SDWA). One purpose of the Program is to provide assistance to public water systems to enable them to finance the costs necessary to ensure compliance with the SDWA and protect public health. The Program also places a strong emphasis on preventing contamination and enhancing water systems management by allowing States to Set Aside some of the DWSRF funds for items such as source water protection, capacity development, and operator certification programs.

### **Who administers the Virginia DWSRF?**

The Virginia Department of Health (VDH) administers and manages the entire Program. For the Construction portion, VDH receives assistance from the Virginia Resources Authority. For the Set Aside portions, VDH enlists assistance from federal and state agencies, colleges and universities, as well as individual private contractors.

### **Who are the primary beneficiaries of the Virginia DWSRF Program?**

Everyone in Virginia benefits in that the primary goal of the Program is to help assure Virginians will be the healthiest people in the nation, in regards to drinking water.

### **How is the Virginia Program funded?**

The federal DWSRF Program has authorized over \$22 billion through fiscal year 2015. Virginia, like other States, receives its share of this authorized funding annually in the form of a capitalization grant awarded by U. S. Environmental Protection Agency (EPA). States are required to make a 20% match to the capitalization grant.

### **How much funding has been made available for the Virginia Program?**

EPA and Virginia have made approximately \$405 million available for the Virginia Program as of Sept. 2015.

### **How are Virginia Program funds used?**

A majority of the funds is used to provide **Construction assistance** to address public health problems and ensure compliance with SWDA. A significant portion of the funds (up to 31% of capitalization grants) is **Set Aside** to fund programs and activities which 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.

### **Who is eligible for Construction funds?**

Any owner, public or private, of a community waterworks or nonprofit noncommunity waterworks who has the technical, managerial and capability to ensure compliance with national primary drinking water regulations and is in substantial compliance with such regulations. However, a waterworks

owner not in compliance may receive assistance if use of the funds will ensure compliance or if the waterworks owner agrees to undertake appropriate changes in operations to assure compliance.

### **What may Construction funds be used for?**

Generally, funds may be used for (1) direct loans for project planning and construction and (2) buying or refinancing of municipal debt obligations if construction was started and the debt was incurred after July 1, 1993.

### **What are some of the key Construction Loan features?**

Interest rates normally range from 1.5% to the ceiling rate which is 1% below the market rate for municipal 20 year AA revenue bonds. Loan funds are disbursed monthly on a cost reimbursement basis. Payments begin not later than one year after the completion of the project and the loan must be fully amortized over 20 years. *Disadvantaged waterworks* may qualify for special benefits.

### **What is a Disadvantaged waterworks?**

In addition to meeting other criteria, disadvantaged waterworks are those that will serve less than 10,000 people on a retail connection basis; have or may have, after the project is completed, monthly user rates that exceed target user rates based on Median Household Income; and, where the median household income is 80% or less than the state average. Larger waterworks may receive this designation if

taking over another waterworks which would be determined to be disadvantaged under this criteria, or by providing drinking water service to existing unserved areas with health problems.

**What benefits are considered for Disadvantaged waterworks?**

Benefits may include interest rates between zero and 3%, a repayment term of up to 30 years, and partial or full forgiveness of principal.

**What criteria is utilized in prioritizing Construction Projects for funding?**

The priority of project funding is based on a two-tiered system after considering eligibility. This priority system ensures that all eligible acute or chronic health/SWDA compliance projects are funded before any other eligible project.

**How can Set Aside funds help you?**

They provide funds for General Technical Assistance, Small System Technical Assistance, Assistance to State Programs, and Local Assistance.

**What does General Technical Assistance include?**

This category of Set Asides includes funds for project planning technical assistance grants and seminars.

**What types of technical assistance is available to small system waterworks?**

Types of assistance include research of new treatment technology to determine applicability, loaning equipment to

waterworks, hands-on assistance to small waterworks, specialty training for waterworks owners, and training scholarships for operators.

**What Set Aside activities are available for Local Assistance?**

Included are loans to acquire land or a conservation easement to protect source water, technical and financial assistance to a water system as part of a capacity development strategy, and funds to delineate and assess source water protection areas and to implement wellhead protection programs.

**What should I do to participate in the Virginia DWSRF Program?**

Announcements are mailed annually to waterworks owners and other interested parties to inform potential participants of funds available for the next fiscal year. The announcement includes a loan application and a request for set aside suggestions. VDH develops an annual Intended Use Plan by considering items submitted. Additionally, various mailings and web posting are made during the year to advise of new program elements being developed. You can reach us at

[http://www.vdh.virginia.gov/odw/financial/dw\\_fundingprogramdetails.htm](http://www.vdh.virginia.gov/odw/financial/dw_fundingprogramdetails.htm)

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