

**COMMONWEALTH OF VIRGINIA  
CLEAN WATER REVOLVING FUND CAPITALIZATION GRANT REQUEST**

**INTENDED USE PLAN FOR FY 2022**

The Virginia Clean Water Revolving Loan Fund (Fund, VCWRLF) was created to provide a long-term, renewing source of financial assistance for water quality improvements. The Fund is separate, permanent, and perpetual, dedicated solely to wastewater and stormwater improvements at publicly-owned facilities and Section 319 (non-point source) activities as authorized by federal and state statutes. Money from the Fund is loaned to eligible recipients at or below current market rates, and principal and interest is paid back into the Fund.

The Water Quality Act of 1987 established and authorized a State Revolving Fund (SRF) on a national level and set forth a funding mechanism to capitalize state programs. The Water Quality Act of 1987 also set forth specific requirements for the administration and management of the states' clean water revolving loan programs.

The 1986 Virginia General Assembly began appropriating general funds for the state match in FY 1987 and continued to satisfy the 20% matching appropriation requirement need through FY 2009. Beginning in FY 2010, Virginia has used a combination of state appropriations, issuance of state match bonds, and administrative fee account funds to satisfy the matching appropriation requirement. The Department of Environmental Quality (DEQ), on behalf of the State Water Control Board (Board), was authorized to accept any federal funds appropriated and made available to the Fund pursuant to the Clean Water Act amendments.

On November 15, 2021, the Bipartisan Infrastructure Law (BIL) was signed into law. BIL provides additional appropriations for fiscal years 2022 through 2026 for state Clean Water State Revolving Funds (CWSRF), allows for states to utilize 2% of appropriated funds for technical assistance, and includes additional requirements to be applied to the new appropriations and to the program. To delineate the appropriations, the follow terminology will be used:

- Base capitalization (cap) grant – this is the annual capitalization grant appropriation not associated with BIL
- BIL supplemental funds – this is the additional appropriation provided by BIL each year for fiscal years 2022 through 2026 to be utilized for any CWSRF eligible project
- BIL emerging contaminant (EC) funds – this is the additional appropriation provided by BIL each year for fiscal years 2022 through 2026 to be utilized solely for CWSRF eligible projects to address emerging contaminants

The Clean Water Act base cap grant appropriation for FY 2022 assistance for Virginia totals \$23,680,000. This is to be matched by the state with approximately \$4.7 million in state match bonds. The BIL supplemental funds appropriation for FY 2022 assistance for Virginia totals \$36,424,000 and the BIL EC funds appropriation for FY 2022 assistance for Virginia

totals \$1,914,000.

Virginia plans to utilize its available and anticipated FY 2022 financial resources to finance approximately \$344.9 million in project loans, **approximately \$105.1 million of which will involve projects qualifying as eligible under the required green project reserve**, as identified in the Project Description column on the FY 2022 full Project Priority List.

Virginia's draft FY 2022 Intended Use Plan (IUP) and partial priority funding list, which targeted 16 projects totaling \$1.1 million, were submitted to the Director of DEQ and tentatively approved on July 26, 2021, subject to receipt of public comment. The public comment period for these projects ran from July 26 to August 26, 2021 and a public meeting was held on August 20, 2021. The FY 2022 partial Project Priority List, consisting of 16 projects totaling \$1.1 million, became effective upon approval by the State Water Control Board at its meeting on September 28, 2021.

Virginia amended its draft FY 2022 IUP and priority funding list to include the remaining projects received, targeting an additional 33 projects totaling \$345 million, submitted to the Director of DEQ and tentatively approved on September 24, 2021, subject to receipt of public comment. The public comment period for the project list ran from September 27 to October 29, 2021 and a public meeting was held October 29, 2021 with no comments received. Shortly after the public meeting, one application was withdrawn from consideration for funding. The FY 2022 IUP and full Project Priority List (PPL), consisting of 48 projects totaling \$344.9 million, became effective following approval by the State Water Control Board at its meeting on December 14, 2021.

Several changes to the program are required due to BIL and are included in this revised IUP and PPL. The requirements are to:

- Evaluate CWSRF affordability criteria;
- Evaluate CWSRF priority point system for project ranking commensurate with need;
- Develop a technical assistance program utilizing the newly available CWSRF 2% technical assistance set aside; and,
- Engage residents and community stakeholders in disadvantaged communities.

An evaluation of the CWSRF affordability criteria was conducted, and it was determined that the criteria meets the requirements of section 603(i)(2) of the Clean Water Act that criteria be based on income, unemployment data, and population trends. The CWSRF affordability criteria can be found in Attachment 1 of this document. Additionally, the priority point system was evaluated for project ranking commensurate with need. The CWSRF ranking categories are project type, environmental concerns, fiscal stress and readiness to proceed. The inclusion of a fiscal stress category in the ranking criteria ensures that applicant need is incorporated into the ranking system.

An overview of the CWSRF plan for technical assistance can be found on page 4 and the program's plan to engage disadvantaged communities can be found on page 13. The program recognizes the need to expand its evaluation of these items and plans to conduct an in depth analysis over the next year, then implement the resulting changes.

The revised FY 2022 IUP and PPL, including CWSRF affordability criteria, CWSRF priority point system for ranking, and the initial plan for technical assistance will be provided for a 30 day public review and comment period from June 15 through July 15, 2022.

Virginia intends to issue leverage bonds to meet existing and future program demand using a multi-year approach. Under Virginia's leveraging structure, the Virginia Resources Authority (VRA) plans to sell bonds to provide the necessary capital to fully fund the requests approved by the Board for clean water loan assistance. The leveraging structure and cash flow analyses (demonstrating repayment of the bonds) will be conducted and available prior to any bond issuance.

As permitted by Congress in legislation approved in 1999, Virginia cross-collateralized bonds sold for the Clean Water Revolving Loan Fund and the Drinking Water State Revolving Fund. The purpose is to enhance the security of bonds sold for both programs, thereby improving the credit rating and reducing the cost of funds. This allows both programs to meet program capacity demand and pass on the best possible interest rates to its borrowers. The revenues from loan repayments in each program are pledged first to the allocated portion of bonds for that program. After the revenues in each program have been used to make debt service payments on its portion funds, excess revenues may be used to cover a revenue deficiency in the other program. Given the loan portfolio quality, robust coverage in each program, and established financial management practices, it is highly unlikely that this cross-collateralization provision would be implemented.

## **VIRGINIA CLEAN WATER REVOLVING LOAN FUND GOALS**

The Virginia Clean Water Revolving Loan Fund's objective is to meet the yearly loan demands of Virginia's local governments as well as citizens and corporations, as appropriate, to facilitate needed wastewater collection and treatment facilities and non-point source improvements across the Commonwealth of Virginia. DEQ will manage the Board's financial assistance programs, assuring compliance with all applicable federal and state rules and regulations and in a manner that provides for program accountability and which continues federal support for Virginia's water quality improvement activities.

Virginia's goals for FY 2022 are to:

1. Implement the program in a manner that maximizes its ability to fund Virginia's pressing water quality needs;

2. Utilize the 20-year planning model to provide a relevant framework for decision making to maximize the program's capacity for funding;
3. Improve and expand the program's database system to more effectively and efficiently track and manage VCWRLF projects;
4. Maintain a program pace (ratio of cumulative assistance provided to cumulative funds available) of at least 90%, and work toward a program pace goal equal to the EPA Region 3 average; and,
5. Implement program changes required by BIL.

## **PROGRAM ADMINISTRATION**

The Water Quality Act of 1987 allows a state to set aside up to 4% of its SRF grant awards for administrative purposes. The Water Resources Reform and Development Act of 2014 (WRRDA) amended Section 603(d)(7) of the Federal Water Pollution Control Act to allow for two additional methods of calculating the maximum annual amount of CWSRF funds that may be used to cover the reasonable costs of administering the fund. The three options now include:

- 4% of all grant awards received by a State CWSRF;
- \$400,000; or
- 1/5% of the current valuation of the fund.

Virginia utilized the 4% calculation until the close of the FY 2019 capitalization grant and the opening of the FY20 grant in January 2021. Beginning with the FY 2020 grant, the program utilizes the 1/5% calculation to determine the maximum annual amount of program administration funds. DEQ continually reviews program operating expenses and only authorizes the drawdown of funds for activities that are reasonable and necessary for program administration and project management activities. For FY 2022, Virginia will utilize a portion of program administration funds to conduct a Southwest Virginia Regional Wastewater Study. Information from this study will be incorporated into EPA's Clean Watersheds Needs Survey.

## **EMERGING CONTAMINANTS**

BIL provides funding that must be distributed to communities to address emerging contaminants. Emerging contaminants refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. These substances, microorganisms or materials can include many different types of natural or manufactured chemicals and substances – such as those in some compounds of personal

care products, pharmaceuticals, industrial chemicals, pesticides, and microplastics.

The main categories of emerging contaminants include but are not limited to:

- Perfluoroalkyl and polyfluoroalkyl substances (PFAS) and other persistent organic pollutants (POPs) such as polybrominated diphenyl ethers (PBDEs; used in flame retardants, furniture foam, plastics, etc.) and other persistent organic contaminants such as perfluorinated organic acids, PFAS free foam flame retardants;
- Biological contaminants and microorganisms, such as antimicrobial resistant bacteria, biological materials, and pathogens;
- Some compounds of pharmaceuticals and personal care products (PPCPs), including a wide suite of human prescribed drugs (e.g., antidepressants, blood pressure medications, hormones), over-the-counter medications (e.g., ibuprofen), bactericides, fragrances, UV (ultraviolet) filters (sunscreen agents), detergents, preservatives, and repellents;
  - Insect Repellents, Cosmetics and UV filters: DEET, Methylparabens, Benzophenone
  - Fragrances: HHCB and AHTN (7-acetyl-1,1,3,4,4,6-hexamethyl-1,2,3,4-tetrahydronaphthalene; CAS 21145-77-7; Tonalide)
  - Cosmetic and food preservatives: BHA (butylated hydroxyanisole) and BHT (butylated hydroxytoluene)
  - Veterinary medicines such as antimicrobials, antibiotics, anti-fungals, growth promoters, investigational new animal drugs, and hormones;
  - Substances that illicit endocrine-disrupting chemicals (EDCs), including synthetic estrogens (e.g., 17 $\alpha$ -ethynylestradiol, which also is a PCPP) and androgens (e.g., trenbolone, a veterinary drug), naturally occurring estrogens (e.g., 17 $\beta$ -estradiol, testosterone), as well as many others (e.g., organochlorine pesticides, alkylphenols)
- Nanomaterials such as carbon nanotubes or nano-scale particulate titanium dioxide, of which little is known about either their environmental fate or effects.
- Microplastics/Nanoplastics: synthetic solid particle or polymeric matrix, with regular or irregular shape and with size smaller than 5 mm, of either primary or secondary manufacturing origin, or larger plastic materials that degrade into smaller pieces, including from tire wear (such as 6PPD), which are insoluble in water. Primary microplastics include particles produced intentionally of this very small dimension, like pre-production pellets used as intermediate in plastic production, microbeads for abrasive functions or microfibers that form from synthetic textiles.

For a project or activity to be eligible under this appropriation, it must be otherwise eligible under section 603(c) of the CWA and the primary purpose must be to address emerging contaminants. One project type that meets the eligibility criteria for emerging contaminant funding is upgrade or installation of UV equipment at a wastewater treatment plant. For FY 2022, Virginia plans to provide BIL EC funding to a UV project on the existing PPL.

## **TECHNICAL ASSISTANCE**

BIL allows for states to utilize 2% of appropriated funds for technical assistance (TA). Specifically, it states may, “use an additional 2% of the funds annually awarded to each State under this title for nonprofit organizations or State, regional, interstate, or municipal entities to provide technical assistance to rural, small, and tribal publicly owned treatment works...in the State.” As outlined in EPA’s Implementation Memo, Virginia’s technical assistance may include, community outreach, technical evaluation of wastewater solutions, application preparation, preliminary engineering reports, and financial documents necessary for SRF assistance. If Virginia does not utilize the full amount of the technical assistance funds allowed under the FY 2022 cap grant, it reserves the right to utilize the unused portion at a later date.

In FY 2022, Virginia will set aside 2% of the base cap grant and BIL supplemental funds, or approximately \$1.2 million, in technical assistance funds. The objective of the first year of funding will be to conduct outreach and craft a technical assistance program that meets communities’ needs and is sustainable beyond BIL funding.

The first step is to conduct outreach, especially to small and disadvantaged communities, to better understand the barriers they experience and the technical assistance needed to address their unique challenges. This effort will also include outreach to larger utilities and localities that do not meet Virginia’s affordability criteria to identify small, disadvantaged communities’ needs within their service areas and investigate how to target additional assistance to them.

Following outreach, Virginia will analyze the information provided to craft a technical assistance program that dovetails our allocated TA funding with any technical assistance provided through EPA directly. Ideally, combining these resources may shepherd small and disadvantaged communities from technical evaluation to loan application preparation and through to responsible operations and maintenance – essentially creating a known pathway that offers support along the way.

Virginia will use a stakeholder engagement process to solicit feedback on its technical assistance program and publish it for a public review and comment period. In subsequent years, public engagement on the technical assistance program will follow the same public participation process it uses for its PPL and IUP.

## **ANNUAL WASTEWATER ADMINISTRATIVE FEE**

The State Water Control Board approved the implementation of an annual administrative fee to be placed on all VCWRLF interest bearing loans. The annual fee is 0.2% and is intended to help support the administrative costs of the program. The fee is exclusive of the subsidy provided for interest bearing loans such that loan recipients do not pay an effective rate of interest greater than the established rate. In that way, the program essentially

absorbs the impact of the fee and borrowers do not incur additional costs. The fee is collected as part of the normal loan payment process. Revenue generated by the fee is accounted for separately and is subject to the same accountability requirements established for the existing administrative funds. DEQ must review and authorize all disbursements from this fee account.

## **WASTEWATER PROJECT LOAN INTEREST RATES AND LOAN TERMS**

The wastewater part of the program is designed to provide financial assistance to localities for public wastewater facility improvement projects at interest rates ranging from a no-interest loan to the current bond market rate, based on an individual community's financial situation. No-interest loans are considered if financial conditions warrant and at least 75% of the project cost is applicable to solving mandated water quality problems, and/or an imminent or urgent public health concern is documented. Based on permanent authority to authorize up to 30 year loans in Section 603(d) of the 2014 Water Resources Reform and Development Act (WRRDA) and after consultation with the Virginia Resources Authority (VRA), the State Water Control Board, similar to previous years, approved changes to the program whereby the ceiling rate calculation will vary depending on the term of the loan: 20-year ceiling loan rates are set at 1.5% (150 basis points) below market rate, 25-year ceiling loan rates are 1.25% (125 basis points) below market rate, and 30-year ceiling loan rates are 1.0% (100 basis points) below market rate. Market rates are based on VRA's evaluation of market conditions that exist the month prior to each loan closing or the all-in cost of leverage bonds. For projects such as wastewater treatment plant upgrades and pump stations that involve significant mechanical equipment, the maximum loan term would be 25 years, whereas projects that primarily involve wastewater conveyance piping installation or improvements could be up to 30 years. Longer terms may be considered for extreme hardship situations to make a project feasible. Loan terms for projects using programmatic financing could extend to 30 years depending on project type and weighted average useful life. Interest rates are based on the financial impact to residential users and achieving an affordable and reasonable monthly residential sewer charge. The median household incomes used to determine affordable monthly residential sewer charges were updated to reflect current conditions.

***Additional Subsidization*** The 2014 Water Resources Reform and Development Act (WRRDA) amended certain sections of the Federal Water Pollution Control Act relating to the State Clean Water Revolving Fund program. Section 603(i) now includes the permanent authority for the states to provide up to a certain percentage of each year's capitalization grant (starting with the FY 2015 grant) as additional subsidization to recipients in the form of principal forgiveness, negative interest loans, or grants, under certain circumstances. On an annual basis, Virginia identifies planned additional subsidy amounts between the maximum and minimum amounts based on Virginia's affordability criteria. Virginia may use additional subsidy authority from older grants even if those grants have been closed.

BIL provided expanded additional subsidization amounts associated with the BIL

supplemental funds and BIL EC funds. A total of 49%, or \$17,847,760, of BIL supplemental funds, and 100%, or \$1,914,000, of BIL EC funds must be provided as additional subsidization for FY 2022.

DEQ intends to award additional subsidization in the form of principal forgiveness to projects which may otherwise be unaffordable based on the following two priorities: (1) high water quality benefits and (2) hardship (based on the affordability criteria in Attachment 1). The WRRDA amendments require states to develop affordability criteria to assist in identifying applicants that would have difficulty financing projects without additional subsidization. They also require the states to provide an opportunity for public comment. The affordability criteria are included in this Intended Use Plan for the purpose of meeting those requirements.

For FY 2022, DEQ is implementing three supplementary uses for additional subsidization: 1) to offset the 0.5% hardship interest rate (made up of 0.2% admin fee and 0.3% interest) for applicants that formerly would have been eligible for 0% interest, 2) to provide 75% principal forgiveness to Southwest Virginia Pilot Program Phase 1 Step 1 projects, and 3) to provide principal forgiveness to Southwest Virginia Pilot Program Phase 1 Step 2 projects.

**Affordability Criteria** All recipients whose projects provide high water quality benefits and that are authorized to receive a VCWRLF loan at the hardship interest rate qualify to be evaluated by Virginia's Affordability Criteria, which is attached (Attachment 1).

DEQ will evaluate eligible recipients and the total number of points received by each will establish the priority for providing principal forgiveness to the recipients. DEQ will then use best professional judgment, including the impact of providing principal forgiveness on the sustainability of the Fund, the need for principal forgiveness in order to make projects affordable, alignment with program strategic initiatives, and other extenuating factors in determining the amount(s) of principal forgiveness (if any) that should be provided. For agricultural BMP projects, affordability will be determined based on financial need of the applicant. Additionally, the program provides 50% principal forgiveness to Soil and Water Conservation Districts (SWCDs) toward the purchase of a no-till drill that will be utilized throughout the district.

**Loan Authorization** Loan authorization and subsequent interest rates and loan terms are subject to receipt of a favorable credit and financial capability recommendation from the Virginia Resources Authority. Funds loaned under the revolving loan program will be secured by the locality's pledge of its water and/or sewer system revenue, general obligation bond, or other appropriate security as deemed necessary. Principal and interest payments will be made in semiannual or yearly installments beginning no later than one year after the date of completion of construction. Payment terms and the beginning date of loan payment will be negotiated on a case-by-case basis depending on the community's financial situation.



The following document is made a part of Virginia's Intended Use Plan for FY 2022 funding consideration. This document contains the necessary measures to be taken by the State to administer the wastewater portion of the Fund.

*Virginia's Wastewater Revolving Loan Fund Program Design Manual, updated May 16, 2001*

The Wastewater Program Design Manual sets the policy aspects for administration of the Fund for wastewater projects, identifies SRF program requirements, identifies all applicable rules and regulations, and specifies the criteria to be utilized in the distribution of funds. Program design criteria were taken to public hearing and have been formally adopted by the Board. As deemed necessary, the program's design criteria and funding policies have been amended and revised, through public participation and Board action, to maintain the loan program's effectiveness and efficiency.

### **Section 319 - SRF EXPANDED USES**

In order to reduce agricultural nonpoint source pollution of Virginia waters, the Virginia General Assembly amended Chapter 22 of the *Code of Virginia* in 1999 by expanding the activities of the Virginia Clean Water Revolving Loan Fund to allow low-interest loan financing to Virginia producers for the implementation of certain types of agricultural best management practices. This code section was amended in 2019 to add the option for principal forgiveness and to expand the list of eligible applicants and eligible practices.

**Agricultural BMP** The following documents contain the policy aspects and loan procedures for managing loans to Virginia's Producers who implement agricultural best management practices. This document was revised in 2019, adopted by the State Water Control Board at its meeting on June 27, 2019, and became effective on July 1, 2019. Since restarting the program in 2019, a number of necessary revisions to the guidelines were identified to improve program effectiveness. The guidelines were revised with stakeholder involvement and adopted by the State Water Control Board at its meeting on December 9, 2020.

*Virginia's Agricultural BMP Loan Program Guidelines, updated May 9, 2012, updated July 1, 2019, updated December 9, 2020; and The Program's Banking Services Participation Agreements*

Virginia's AgBMP loan eligibility criteria have been structured to comply with statutory requirements and provide the greatest water quality benefit. Twenty-two (22) of the State's established agricultural best management practices had been incorporated into DEQ's AgBMP loan program as eligible activities since they require the construction of structures or facilities and/or focus on water quality protection. The eligible practice list was expanded in 2019 to include 14 additional practices, and again in 2020 to include 4 additional practices, for a total of 40 practices.

DEQ began soliciting loan applications in January 2000. Applications received from Virginia

producers (farmers and growers) were being evaluated and approved on a monthly cycle. DEQ opened the AgBMP loan program up to no-till planting equipment in February 2006 and, based on the results of the pilot program, made it a permanent part of the program. This open application period and submittal process continued through FY 2016 and resumed on July 1, 2019.

**Brownfields** In 2001, the Virginia General Assembly amended the Clean Water Revolving Loan Program legislation to make loan assistance available for the remediation of contaminated Brownfield properties across the Commonwealth. The purpose of the Brownfield remediation financing initiative is to encourage the cleanup and reuse of contaminated properties.

At its meeting in March 2002, the State Water Control Board tentatively adopted guidelines to implement this funding initiative in 2003, subject to public review. Subsequently, public meetings were held throughout the state and all comments received were positive.

The following document contains the policy aspects and loan procedures for managing loans to borrowers that implement Brownfield remediation projects.

*Virginia's Brownfields Remediation Loan Program Guidelines, revised May 2003*

DEQ plans to only solicit applications once a year, during the June/July annual solicitation period, and will continue to review and revise procedures as the program evolves.

**Land Conservation** In 2003, the Virginia General Assembly again amended the Clean Water Revolving Loan Program legislation to make loan assistance available for the conservation of land. The purpose of the Land Conservation Loan Program is to encourage land conservation, through financing the acquisition of fee simple title or other rights to real property, when the Board is satisfied that the action will protect or improve water quality and prevent pollution of state waters. According to the enabling legislation, VCWRLF financing for land conservation can only be made available in fiscal years when there is a balance remaining after the Fund has satisfied all eligible loan requests from local governments.

At its meeting in June 2003, the State Water Control Board tentatively adopted guidelines to implement the land conservation funding initiative in 2004, and included the solicitation of applications during this funding cycle, subject to public review. Subsequently, a public meeting was held and all comments received were positive. On October 28, 2003, the Board accepted the final version of the guidelines, which included minor modifications made in response to public comments.

The following document contains the policy aspects and loan procedures for managing loans to borrowers that implement land conservation projects.

*Virginia's Land Conservation Loan Program Guidelines, accepted October 2003*

**Stormwater** During their 2010 session, the Virginia General Assembly further expanded the activities of the Virginia Water Facilities Revolving Fund by allowing the State Water Control Board to authorize low interest loans from the Fund for construction of facilities or structures or implementation of best management practices that reduce or prevent pollution of state waters caused by stormwater runoff from impervious surfaces. According to the enabling legislation, VCWRLF financing for stormwater projects can only be available in fiscal years when loan requests for eligible wastewater treatment facilities designed to meet the state's water quality standards have first been satisfied, unless otherwise required by law.

At its meeting in December 2010, the State Water Control Board tentatively adopted guidelines to implement the stormwater funding initiative in 2011. Subsequently, a public meeting was held and all comments received were positive. On April 14, 2011, the Board accepted the final version of the guidelines, which included minor modifications made in response to public comments. DEQ began implementing this program during the FY 2012 funding cycle.

The following document contains the policy aspects and loan procedures for managing loans to borrowers that implement stormwater best management practices.

*Virginia's Stormwater Loan Program Guidelines, accepted April 2011*

**Living Shorelines** During their 2015 session, the Virginia General Assembly further expanded the activities of the Virginia Water Facilities Revolving Fund by allowing the State Water Control Board to authorize low interest loans from the Fund to a local government for establishing living shorelines or to a local government that has developed a funding program to individual citizens for the purpose of establishing living shorelines to protect or improve water quality.

At its meeting in January 2016, the State Water Control Board tentatively adopted guidelines to implement the living shorelines funding initiative in 2016. Subsequently, a public meeting was held and all comments received were positive. On April 1, 2016, the Board accepted the final version of the guidelines, which included minor modifications made in response to public comments. DEQ began implementing this program during the FY 2017 funding cycle. This document was revised in 2019, adopted by the State Water Control Board at its meeting on June 27, 2019, and became effective on July 1, 2019.

The following documents contain the policy aspects and loan procedures for managing loans to borrowers that implement living shorelines projects.

*Virginia's Living Shorelines Loan Program Guidelines and Local Plan Guidelines, accepted April 2016, updated July 1, 2019*

## **TARGETED LOAN RECIPIENTS FOR FY 2022 LOAN ASSISTANCE**

The Board's loan recipients for FY 2022 funding through its SRF have been identified. Application solicitation information was provided by email to all Virginia governmental entities, as well as potential land conservation applicants, Brownfield remediation clientele, and living shorelines applicants. All wastewater applications received were evaluated according to the approved "Yearly Loan Distribution Criteria" (Loan Priority System) contained in the *Virginia Wastewater Revolving Loan Program Design Manual*.

For FY 2022 funding consideration as part of the Southwest Virginia Pilot Program, DEQ received 16 applications for Sewer System Evaluation Survey projects requesting a total of approximately \$1.1 million in loan assistance. Virginia's draft FY 2022 IUP and partial priority funding list, which targeted all 16 projects for a total of \$1.1 million, received tentative approval from the Director of DEQ on July 26, 2021.

The staff conducted initial meetings with the FY 2022 targeted recipients and finalized the associated user charge impact analyses in accordance with the Board's guidelines. The FY 2022 IUP and partial PPL, identifying 16 projects totaling \$1.1 million, became effective following approval by the Board at its meeting on September 28, 2021.

Additionally, for FY 2022 funding consideration, DEQ received 28 wastewater applications, four stormwater applications, and one living shoreline/on-site combined application, requesting a total of \$445 million. Of the wastewater applications, seven were Phase 1, Step 2 Southwest Virginia Pilot Program construction projects. Virginia's draft FY 2022 IUP and priority funding list, which targeted all 33 projects for a total of \$345 million after reducing one application from \$200 million to \$100 million in order to maintain program capacity, received tentative approval from the Director of the Department of Environmental Quality on September 24, 2021. Subsequent to this tentative approval, one applicant informed DEQ of their decision to withdraw their application, reducing the project total to \$344.9 million.

The staff conducted initial meetings with the FY 2022 targeted recipients and finalized the associated user charge impact analysis in accordance with the Board's guidelines. The FY 2022 IUP and PPL, identifying 32 projects totaling \$344.9 million, became effective following approval by the Board at its meeting on December 14, 2021. DEQ determined that six of the FY 2022 list of projects, totaling \$105 million, will meet the criteria as green reserve projects, exceeding the 10% green project reserve requirement for FY 2022. Since becoming effective, the FY 2022 IUP and PPL have been revised based on requirements set forth in the BIL. The funding authorizations provided by the State Water Control Board remain in effect, the revisions include determining the funding source and principal forgiveness amounts for each project. The revised FY 2022 PPL is attached (Attachment 2).

## **PUBLIC PARTICIPATION**

The Board has made public participation an integral part of the process of developing and implementing all policies, procedures, and guidelines impacting activities of the Virginia Clean Water Revolving Loan Fund Program. For FY 2022, a Notice of the Public Meeting on the initial funding list and IUP was posted on the Virginia Regulatory Town Hall and DEQ's Clean Water Financing and Assistance Program website. The Notice provided the public with updated information on the loan program and the list of potential FY 2022 funding recipients, the staff's evaluation of the applications received, and the State's intended use of available FY 2022 funds. The public meeting was held on October 29, 2021 for the priority funding list and no comments were received.

BIL included additional requirements associated with each state's CWSRF public participation process. When seeking public review, states should include a diverse set of potential interested parties, including community groups, neighborhood associations, environmental organizations, environmental justice organizations, and public health groups, that represent a broad spectrum of community interests and extend beyond those on existing mailing lists and traditional participants in the SRF process.

In addition, states should strive to achieve the following objectives when seeking public review: (1) assure that the public has the opportunity to understand official programs and proposed actions, and that the state fully considers the public's concerns; (2) assure that the state does not make any significant decision on any SRF activity without consulting interested and affected segments of the public; (3) assure that the state action is as responsive as possible to public concerns; (4) encourage public involvement in implementing the SRFs; (5) keep the public informed about significant issues and proposed project or program changes as they arise; (6) foster a spirit of openness and mutual trust between the state and the public; and (7) use all feasible means to create opportunities for public participation, and to stimulate and support public participation. States should make a particular effort to identify and engage organizations that work in disadvantaged communities.

Virginia's CWSRF mailing lists and traditional participants include counties, cities, towns, regional commissions, watershed groups, the private sector and environmental organizations that represent a broad spectrum of community interests. In addition to our mailing lists and traditional participants, Virginia's CWSRF has collaborated with our Office of Environmental Justice to ensure fair and meaningful involvement of all Virginians. Other interest groups contacted and invited to participate in the program changes required by BIL and review of the revised FY 2022 IUP and PPL include community-based environmental and justice organizations and networks. A 30 day public review and comment period will be held from June 15 through July 15, 2022.

## **ASSURANCES, PROPOSALS AND CERTIFICATIONS**

## Environmental Review

All “treatment works” projects financed through the Fund are subject to the State's Environmental Review Process as approved by EPA. Each of those projects must result in one of the following documents: Categorical Exclusion from the review, Statement of Environmental Review, or Environmental Impact Statement with a Record of Decision issued prior to loan closing. The State's procedure for conducting, processing, noticing, and approving Environmental Review documents is contained in the *Procedural Guidelines for Virginia's Wastewater Revolving Loan Fund*, as amended. All appropriate environmental issues must be addressed and measures taken to prevent or mitigate adverse environmental impacts. One procedural change was implemented in January 2008. Public notification of the issuance of categorical exclusions will no longer be done. Projects receiving categorical exclusions will still undergo all other public notification requirements, including the issuance of this IUP and the attached PPL. The State's environmental review process is not applied to projects that are not classified as “treatment works”.

## Program Requirements

Demonstrated compliance with the provisions of applicable program requirements and state statutes and regulations continues to be a prerequisite to receiving loan closing authorization and is required before payment can be authorized from loan proceeds for any work accomplished. No loan will be closed until the applicant has demonstrated to the satisfaction of DEQ that it has complied with all program planning and design requirements and has, through the Financing Agreement, agreed to comply with all other applicable provisions as a condition to being reimbursed for such work.

Virginia's Wastewater Revolving Loan Program Design Manual and Procedural Guidelines, Virginia's Agricultural BMP Loan Program Guidelines, Virginia's Brownfield Remediation Loan Program Guidelines, Virginia's Land Conservation Loan Program Guidelines, Virginia's Stormwater Loan Program Guidelines and Virginia's Living Shorelines Loan Program Guidelines and Local Plan Guidelines set forth all applicable program requirements for each respective loan program. Through the implementation of these guidelines, various provisions of the Operating Agreement between EPA and the State, and through the use of internal review checklists and operating procedures, the State will assure compliance with all applicable program requirements.

## Equivalency Compliance

For purposes of EPA review, DEQ will designate loan projects as an “equivalency” loan and will apply the DBE, single audit, and other federal requirements to at least the amount of projects within this loan for which the total dollar value is at least equal to the amount of the FY 2022 Capitalization Grant and BIL supplemental funds.

### Timely Expenditures

Virginia will obligate and expend all funds in its SRF accounts in an expeditious and timely manner.

### Binding Commitments

Binding commitments (financing agreements) will be executed with recipients in an amount equal to 120% of each quarterly capitalization grant payment into Virginia's Automated Standard Application for Payments (ASAP) within one (1) year after receipt.

### Davis Bacon Act / American Iron and Steel / Fiscal Sustainability Plan Compliance / Build America, Buy America

To the extent required by the Water Resources Reform and Development Act and the Bipartisan Infrastructure Law, DEQ agrees to include the Davis Bacon, American Iron and Steel, Fiscal Sustainability Plan, and Build America, Buy America provisions in applicable loan agreements.

## **ANNUAL REPORT AND REPORTING REQUIREMENTS**

### Annual Report

The EPA Regional Administrator's formal review of the State's management of the SRF Program will be through review of the Annual Report as submitted by DEQ. The Report will provide information on loan recipients, loan amounts, and loan terms in which the State has entered into binding commitments, as well as a detailed accounting of the use of its 2% technical assistance funds. The Annual Report will also establish that the State has reviewed all SRF "treatment works" projects in accordance with the approved procedures, deposited its match on or before the date on which each quarterly grant payment was made, made binding commitments to provide assistance equal to 120% of the amount of each grant payment (ASAP) within one year of receipt, and complied with the program requirements.

The report will be submitted no later than 90 days after the end of the state fiscal year and will indicate the extent to which the goals and objectives, as set forth in this agreement and in each previous year's SRF Intended Use Plan, were met. It is agreed that the fiscal year will be from July 1 to June 30.

### Environmental Results Reporting

Virginia agrees to complete the Environmental Results Reporting form on all projects funded through the Virginia Clean Water Revolving Loan Fund.

### Other Reporting Requirements

Virginia has developed and will continue to refine a project tracking system similar to and compatible with EPA's SRF Historical Data Information to provide project tracking necessary to satisfy required milestone reporting, and financial and fiscal accounting data in order to fulfill its commitments under this agreement. Individual and specialized reports and data requests will be subject to subsequent agreements by and between the DEQ and EPA.



## Attachment 1

### CWFAP VCWRLF Affordability Criteria

Virginia's Clean Water Revolving Loan Fund has established the following affordability criteria, used to evaluate applications to the program. Applications are assigned a score out of a maximum of 100 points.

**Median Household Income (maximum 80 points)** – DEQ has established guidelines for determining a reasonable sewer cost per household based on the median household income<sup>1</sup> (MHI) of the applicant. The reasonable sewer cost is calculated by multiplying the applicant's MHI by the appropriate percentage in the chart below:

Median Household Income of Applicant	Percentage of MHI Devoted to the Sewer Bill
\$0 - \$43,099	0.75%
\$43,100 - \$54,999	1.00%
\$55,000 - \$76,999	1.25%
\$77,000 and above	1.50%

Projects with existing sewer costs in excess of the reasonable cost will be given points under this affordability criterion as shown below:

Sewer Cost per Household Relative to Reasonable Cost	# Points
< 100%	0
100% to 125%	20
125% to 150%	40
150% to 175%	60
>175%	80

**Unemployment Rate (maximum 10 points)** – For all project types, the unemployment rate<sup>2</sup> (UR) will be determined for each qualified applicant and each applicant will be given points as follows:

Locality's Unemployment Rate	# Points
UR < Virginia UR	0
UR 0-3% above Virginia UR	5
UR > 3% above Virginia UR	10

**Population Trends (maximum 10 points)** – For all project types, population data<sup>3</sup> for the previous 3-year period will be evaluated for each qualified applicant and each applicant will be given points as follows:

Change in Population	# Points
>+3%	0
0 to +3%	5
<0%	10

<sup>1</sup> Median Household Income for the applicant can be found on the U.S. Census Bureau website, <https://www.census.gov/quickfacts/fact/table/US/PST045219>

<sup>2</sup> Unemployment rate for the applicant can be found on the website for the U.S. Bureau of Labor Statistics, <https://data.bls.gov/lausmap/showMap.jsp>

<sup>3</sup> University of Virginia Weldon Cooper Center, Demographics Research Group. (2020). Virginia Population Estimates. Retrieved from <https://demographics.coopercenter.org/virginia-population-estimates>

Attachment 2

Virginia Clean Water Revolving Loan Fund Projects Authorized in FY 2022 & Not Closed									
Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	
<b>Wastewater - Southwest Virginia Pilot Program Phase 1 Step 2 Projects</b>									
Town of Saltville	\$ 349,800.00	This loan will fund a sewer line rehabilitation project identified in Phase I of the Southwest Pilot Initiative. The project will include sewer lining, sewer rehabilitation, and an aerial crossing replacement to address point defects instead of a total line replacement. These improvements are needed to prevent line failure, which would be catastrophic for the town.	2022	424.79	Summer 2022	\$ 87,450.00	Fund	\$ 262,350.00	
Town of Abingdon	\$ 3,336,800.00	This loan will fund a phase one of a collection system rehabilitation identified in Phase I of the Southwest Pilot Initiative. The current system has experienced frequent inflow and infiltration during rainfall events due to structural defects and equipment that has exceeded its useful life. The rehabilitation will address these defects through the rehabilitation of 41 manholes, 11,900 linear feet of pipe, and 119 laterals and prevent sanitary sewer overflows.	2022	408.98	Summer 2022	\$ 834,200.00	Fund	\$ 2,502,600.00	
Town of Big Stone Gap	\$ 2,965,566.00	This loan will fund sewer line rehabilitation within the Hospital sewershed within the Big Stone Gap sewer system. Presently the sewer system routinely overflows due to excess inflow and infiltration. The replacement of 30 manholes, rehabilitation of 5 additional manholes, and replacement of 7,000 LF of 8-inch PVC sewer line for a severely deteriorated portion of the system. The Town anticipates the repairs will free up capacity within the system, reduce overflows, and have a positive impact on the environmental and economic viability of the Town.	2022	386.97	Winter 2022	\$ 741,391.50	Fund	\$ 2,224,175.00	
Town of Chilhowie	\$ 2,069,974.00	This project consists of rehabilitation of the collection system in the Town of Chilhowie to correct I&I issues.	2022	349.79	Spring 2023	\$ 517,493.50	Fund	\$ 1,552,481.00	
Wythe County	\$ 1,209,000.00	This project focuses on the most critical repairs identified in the SSES report of May 2021. The repairs consist of repairs in the Fort Chiswell collection system to reduce I&I.	2022	313.48	Summer 2022	\$ 302,250.00	Fund	\$ 906,750.00	
Town of Wytheville	\$ 1,967,137.00	This project is Phase 1 of the repairs proposed improvements resulting from the SSES. It will include improvements to the collection system: WWTP drainage basin, Pump Station #6 collection area, and Pump Station #1 collection area.	2022	313.48	Spring 2023	\$ 491,784.25	Fund	\$ 1,475,353.00	
Town of Independence	\$ 1,010,840.00	This project consists of CIPP lining of sewer line along N. Independence Ave, along with rehabilitation of 29 manholes.	2022	293.53	Fall 2022	\$ 252,710.00	Fund	\$ 758,130.00	
<b>SWVAPP Phase 1 Step 2 Projects</b>						<b>\$ 3,227,279.25</b>		<b>\$ 9,681,839.00</b>	
<b>Subtotal: \$ 12,909,117.00</b>									
<b>Wastewater Projects</b>									
South Central Wastewater Authority (NPDES/VPDES #VA0025437)	\$ 30,626,407.00	Various improvements to the South Central Wastewater Treatment Plant in order to comply with permit requirements.	2022	419.66	Summer 2022	\$ 30,626,407.00	CAP grant base	\$ -	
BVU Authority	\$ 9,532,000.00	Beaver Creek Interceptor Rehabilitation Project Phase 1: This project will focus on the first phase of improvements in the Beaver Creek sewershed identified in BVU Authority's SSES report.	2022	412.94	Summer 2022	\$ 8,578,800.00	Fund	\$ 953,200.00	

VCWRLF FY22 Project Priority List (PPL)

Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
Stafford County (NPDES/VPDES #VA0076392)	\$ 26,326,000.00	This project consists of upgrades at the Little Falls Run plant. The upgrades contain 5 components: preliminary treatment, biological treatment, effluent treatment, biosolids management, and the chemical feed system.	2022	408.82	Fall 2022	\$ 26,326,000.00	BIL	\$ -
City of Lynchburg	\$ 6,500,000.00	CSO 70 Improvement: Replace regulator with a new structure and replace interceptors and sewer with larger structures to decrease overflows. CSO 14 Improvement: Install a new CSO regulator and new 60" sewer to provide inline storage of combined sewage along the existing alignment.	2022	408.60	Winter 2022	\$ 5,850,000.00	Fund	\$ 650,000.00
City of Fredericksburg (NPDES/VPDES #VA0025127)	\$ 60,000,000.00	This project consists of the expansion and upgrade of the Fredericksburg Wastewater Treatment Plant.	2022	358.42	Winter 2023	\$ 60,000,000.00	BIL	\$ -
Wise County Public Service Authority	\$ 8,424,060.00	This project consists of replacement and/or relocation of the interceptor system of the Town of Pound and refinancing of existing debt.	2022	354.97	Summer 2023	\$ 8,002,857.00	Fund	\$ 421,203.00
Town of Marion (NPDES/VPDES #VA0086304)	\$ 295,240.00	WWTP Improvements Project: This project will replace critical components at the Town's existing WWTP.	2022	354.79	Summer 2022	\$ 265,716.00	Fund	\$ 29,524.00
Town of Marion (NPDES/VPDES #VA0086304)	\$ 442,000.00	Hollow Road Sewer Replacement: This project will replace the existing sewer line to reduce I&I and sewer blockages.	2022	349.79	Summer 2022	\$ 397,800.00	Fund	\$ 44,200.00
Town of Lebanon (NPDES/VPDES #VA0020745)	\$ 6,715,000.00	This project will focus on needed improvements at the Town's WWTP, replacement of the Industrial Park pump station, and substantial renovations of the Big Cedar pump station.	2022	344.16	Summer 2023	\$ 6,043,500.00	Fund	\$ 671,500.00
Middlesex County	\$ 2,550,000.00	This project consists of construction of a new collection system in the Topping service area, connecting to HRSD's interceptor.	2022	338.89	Summer 2022	\$ 2,550,000.00	Fund	\$ -
City of Portsmouth	\$ 509,458.00	Piedmont Avenue Water and Sewer Replacement: This project will replace sanitary sewer along Piedmont Avenue between Watts Avenue and Jefferson Street.	2022	337.85	Summer 2022	\$ 407,566.00	Fund	\$ 101,892.00
City of Portsmouth	\$ 865,368.00	Florida Avenue Infrastructure Improvements: This project consists of replacement of sanitary sewer along Florida Avenue between London Boulevard and Queen Street.	2022	337.85	Spring 2022	\$ 692,294.00	Fund	\$ 173,074.00
City of Portsmouth	\$ 761,673.00	Ericsson Street Sewer Replacement: This project will replace sanitary sewer along Ericsson Street between Gillis Road and Dahlgren Avenue.	2022	337.85	Spring 2022	\$ 609,338.00	Fund	\$ 152,335.00
City of Portsmouth	\$ 2,104,545.00	Kirby Street Utility Replacement: This project will replace the sanitary sewer along Kirby Street between Maupin Avenue and Deep Creek Boulevard.	2022	337.85	Spring 2022	\$ 1,683,636.00	Fund	\$ 420,909.00
City of Portsmouth	\$ 1,499,963.00	Carney Farms Water and Sewer Replacement: This project will replace 1,300 linear feet of sanitary sewer, service laterals, and manholes along Carney Farms Lane.	2022	337.85	Spring 2022	\$ 1,199,970.00	Fund	\$ 299,993.00
City of Norfolk Dept of Public Utilities	\$ 6,000,000.00	This application includes three projects: Ballentine Place Ph 1 Sewer Replacement, River Forest Shores Ph 1 Pump Station Upgrade, and Wards Corner Ph 7 Sewer Replacement.	2022	336.49	Winter 2022	\$ 4,800,000.00	Fund	\$ 1,200,000.00
City of Petersburg	\$ 16,760,000.00	This project will replace the Poor Creek Force Main in a new alignment. The project will also include pump station improvements.	2022	294.26	Summer 2022	\$ 15,922,000.00	Fund	\$ 838,000.00

**Wastewater Projects Subtotal:** \$ 179,911,714.00 \$ 173,955,884.00 \$ 5,955,830

**Stormwater Projects**

City of Norfolk Dept. of Public Works	\$ 4,513,868.00	This project consists of construction of the first phase of the St. Paul's Blue-Greenway.	2022	561.49	Winter 2022	\$ 3,385,401.00	Fund	\$ 1,128,467.00
City of Lynchburg	\$ 10,000,000.00	Removal of the College Lake Dam and stream restoration through the impoundment area and upstream tributaries.	2022	540.60	Winter 2022	\$ 7,500,000.00	Fund	\$ 2,500,000.00
City of Norfolk Dept. of Public Works	\$ 400,000.00	This project consists of 2 projects: Mason Creek Outfall Repair and Replacement and Riverside Memorial Park Shoreline Management	2022	536.49	Spring 2022	\$ 300,000.00	Fund	\$ 100,000.00
Fairfax County	\$ 30,000,000.00	This project will provide additional funding to dredge Lake Accotink.	2022	466.66	Summer 2023	\$ 30,000,000.00	Fund	\$ -

**Stormwater Projects Subtotal:** \$ 44,913,868.00 \$ 41,185,401.00 \$ 3,728,467.00

VCWRLF FY22 Project Priority List (PPL)

Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
<b>Living Shoreline/On-Site Projects</b>								
Middle Peninsula PDC	\$ 3,000,000.00	This project proposes to combine the existing Living Shoreline and On-Site programs as well as recapitalize them with additional funds.	2022	N/A	Spring 2022	\$ 2,700,000.00	Fund	\$ 300,000.00
<b>Living Shoreline/On-Site Project Subtotal:</b>						\$ 2,700,000.00		\$ 300,000.00
<b>Total</b>		\$ 240,734,699.00						

## Attachment 2

Virginia Clean Water Revolving Loan Fund Projects Authorized between FY2014 - FY2021 & Not Closed								
Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
Castlewood/Russell Co. PSA	\$ 4,682,800.00	This project will install sewer line between the existing Dante WWTP and the Town of St. Paul. It will enable the abandonment of existing Dante WWTP and provide sewer service to residential areas between Dante and St. Paul. It is necessary to connect failing septic systems and straight pipes to public wastewater treatment in order to protect the water quality of Lick Creek, whose confluence with the Clinch River is adjacent to the project boundary. Beyond serving to protect and prevent septage related pollution to Lick Creek, the proposed regionalization component of the project services to eliminate an existing municipal discharge and its associated regulatory monitoring requirements and enforcement issues.	2014	291.23	Summer 2023	\$ 4,682,800.00	Fund	\$ -
Town of Pound (VPDES/NPDES #VA0061913)	\$ 3,386,135.00	This project entails repair, replacement and upgrades at the Town of Pound WWTP plus installation of a large flow equalization basin. This project is required to meet the terms under a consent order issued to the Town for excessive flows and loss of solids due to high levels of inflow and infiltration.	2016	386.4	Winter 2022	\$ 1,586,135.00	Fund	\$ 1,800,000.00
Town of White Stone	\$ 750,000.00	This project will install a new force main collection system in downtown area and the adjacent residential areas to new 40,0000 gpd WWTP. The collection system will replace aging septic systems, of which most have already failed at least once. The existing septic systems drain into the tributaries of Carters Creek, Pleasant Banks Cove, or Antipoison Creek, which are all tidal bodies that are located within 1/4 mile of the Town and pose negative impacts to public health and the environment.	2016	291.7	Summer 2023	\$ 750,000.00	Fund	\$ -
Town of Pennington Gap (VPDES/NPDES #VA0029599)	\$ 1,652,791.00	This project will upgrade Town's existing Wastewater Treatment Plant with new equipment and technologies to replace outdated and worn out equipment and meet regulatory requirements. Various improvement include, but are not limited to, installation of a pump station mechanical screen, a pump station emergency generator, monitoring equipment, replacement of digester No. 2's aeration system, a new roof, and updated laboratory equipment.	2017	263.16	Summer 2023	\$ 952,791.00	Fund	\$ 700,000.00
Town of Pound	\$ 711,651.00	This project replaces the existing Bold Camp Creek 8" line that has deteriorated beyond repair. The current condition of the line has been impacted by heavy rains and debris that have caused manholes to surcharge and release raw sewages into the Creek. The project will replace the existing 8" section of the line with new 10" PVC lines and new manholes, as well as repalce the aerial crossings to the line's extension to the Red Onion State Prison.	2018	317.5	Winter 2022	\$ 356,651.00	Fund	\$ 355,000.00

VCWRLF FY14-21 Project Priority List

Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
City of Richmond	\$ 8,994,513.00	This project will replace the trunk sewer and permanently stabilize the hillside below historic Chimbarazo Park. This project will prevent potential failure of the trunk sewer, avoiding risks of sewage discharge which is detrimental to environmental and human health.	2018	265.41	Summer 2023	\$ 8,994,513.00	Fund	\$ -
City of Richmond	\$ 4,092,126.00	This project will replace the Almond Creek Interceptor Creek Crossing, which is exposed to the damaging forces of the flowing creek water. The project is designed to prevent failure of the interceptor sewer, which would result in significant sewage spills into the Almond Creek at a point close to its discharge in the James River. The project will lower the creek crossing by replacing approximately 1,000 linear feet of pipe.	2018	265.41	Summer 2023	\$ 4,092,126.00	Fund	\$ -
Town of Coeburn	\$ 1,869,028.00	This project addresses inflow and infiltration issues contributing to overflows impacting public health and safety. The main trunk line in the Banner Area is located in a low lying area and experiences a significant amount of I/I during rainfall events. A complete system replacement is needed. The Bondtown area experiences consistent overflow issues that also require a complete system replacement.	2018	244.5	Summer 2023	\$ 1,869,028.00	Fund	\$ -
City of Portsmouth	\$ 2,574,741.00	This loan includes several stormwater projects, including construction of a "green street" with a series of BMPs, wet pond retrofits, BMP retrofits, and a wet swale retrofit. All projects are intended to reduce phosphorus, nitrogen, and sediment to meet Chesapeake Bay TMDL milestones.	2018	532.03	Spring 2023	\$ 2,574,741.00	Fund	\$ -
Town of Tazewell (VPDES/NPDES #VA0026298)	\$ 10,656,046.00	This project will rehabilitate the Town's 2.0 MGD tertiary wastewater treatment plant due to operation beyond expected service life and unavailability of replacement parts. The rehabilitation efforts will enable the WWTP to sustainably meet VPDES permit requirements and minimize impact on the Clinch River, which is included on the 303(d) list as a Category 5A impaired stream due to fecal coliform impacts on recreation.	2019	258.09	Spring 2023	\$ 7,459,233.00	Fund	\$ 3,196,813.00
Town of Honaker (VPDES/NPDES #VA0026387)	\$ 1,152,736.00	This project entails improvements to the existing WWTP equipment to continue daily routine operations. These include the installation of new influent pumps, clarifier rehabilitation, RAS and digester improvements. Beyond the need to continue daily operations, these improvements are necessary to meet the facility's VPDES permit and address effluent discharge to Lewis Creek, a 303(d) listed stream for e. coli and fecal coliform in the Clinch River Basin.	2019	241.54	Fall 2022	\$ 1,152,736.00	Fund	\$ 345,820.00
Lee County PSA (VPDES/NPDES #VA0075515)	\$ 1,156,300.00	The Cross Creek wastewater plant's treatment components have reached or exceeded their useful life. Several components are severely deteriorated and despite currently meeting effluent limits in the past, the age of the equipment and deterioration of the metallic surfaces is expected to lead to operational and structural component failures, which will negatively impact effluent quality. Failure of the treatment facility would severely impact the Powell River and the associated environmental habitats as well as create public health threats from untreated sewerage discharges to the river.	2019	235.71	Spring 2023	\$ 809,410.00	Fund	\$ 346,890.00
Wise County PSA	\$ 815,441.00	This project will connect the Banner Community with the existing Coeburn-Norton-Wise Wastewater Treatment plant by installing gravity-fed sewer and force mains. The community currently does not have access to public wastewater treatment and relies on on-site septic tanks and drainfields. Several of the existing septic systems are in poor condition and discharges from the systems are negatively impacting the Guest River, which has a bacteria (e coli) impairment as listed in the State's 305(b)/303(d) Integrated Report.	2019	235.71	Summer 2023	\$ 815,441.00	Fund	\$ -

VCWRLF FY14-21 Project Priority List

Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
James City County	\$ 2,687,800.00	This loan includes two living shoreline projects: Chickahominy Waterfront Park & James City County Marina. The Chickahominy Waterfront Park project will address nearly vertical, eroding banks that results in a significant amount of sediment and nutrient pollution downstream, including the James River. The James City County Marina is also experiencing significantly eroded shorelines that are contributing sediment and pollution.	2019	N/A	Summer 2023	\$ 2,687,800.00	Fund	\$ -
BVU Authority	\$ 7,294,000.00	This project will construct a 2.0 MGD equalization basin and replacement of undersized sewer interceptor lines to address a bottleneck effect at an intersection in Bristol that Causes the system to back up and discharge sewage into Beaver Creek during period of heavy rainfall. This project is needed to address a potential public health hazard caused by the reoccurring discharge of raw sewage into Beaver Creek and to comply with a Consent Order from DEQ.	2020	399.36	Spring 2023	\$ 5,466,634.00	Fund	\$ 1,827,366.00
Wise County PSA	\$ 315,805.00	This project will construct the Bruce Straight Sewer System, Phase 1, which installs of 1,805 linear ft. of new 8 inch gravity lines, 11 service connections and 880 linear ft. of 4 inch service lateral lines. The project area is currently using on-site septic that are in poor condition due to their age, lack of maintenance, and soil conditions. Connecting to public sewer and abandoning septic systems will help address e. coli impairment in the Guest River.	2020	285.75	Summer 2023	\$ 236,686.00	Fund	\$ 79,119.00
Wise County PSA	\$ 404,132.00	This project consists of a sewer line extension into the community of Glamorgan, whose residents are not served by public wastewater collection and/or treatment. A majority of Glamorgan community residents' properties lack satisfactory soil conditions and sufficient land area for individual septic systems and thus some are discharging their waste directly to adjacent streams. Phase one of the planned extension will provide public wastewater service to 71 residences and two businesses.	2020	285.75	Summer 2023	\$ 302,885.00	Fund	\$ 101,247.00
Town of Richlands (VPDES/NPDES #VA0021199)	\$ 10,916,316.00	This project is a rehabilitation and upgrade of the Town's 4.0 MGD Wastewater Treatment Plant, with no increase in treatment capacity planned. Much of the existing plant equipment has remained in operation beyond its expected service life. Replacement of much of the plant's existing equipment is required for it sustainably meet VPDES permit requirements, especially the upcoming stringent ammonia discharge limits, and minimum impact on the Clinch River.	2020	268.83	Spring 2023	\$ 8,181,452.00	Fund	\$ 2,734,864.00
City of Norton	\$ 303,200.00	This project includes the installation of emergency generator sets for the Josephine Pump Station, which is a vital component of the greater Norton-Wise County wastewater system. Currently there are no measures in place for the pump station to operate if/when power is interrupted. If it were to lose power, it would result in direct discharges of raw sewage to Benges Branch, a tributary of the Powell River and home to several endangered species of aquatic life.	2020	263.26	Summer 2023	\$ 227,239.00	Fund	\$ 75,961.00
Town of Iron Gate	\$ 6,315,723.00	This project will replacement approximately 20,800 linear feet of sewer line to address infiltration and inflow problems. This replacement, along with manhole and lateral rehabilitation will eliminate an estimated 80% of inflow and infiltration issues in the project area.	2020	263.03	Summer 2023	\$ 4,733,445.00	Fund	\$ 1,582,278.00

VCWRLF FY14-21 Project Priority List

Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
Scott County PSA (VPDES/NPDES #VA0029564)	\$ 303,500.00	This project entails additional improvements to the Duffield Wastewater Treatment Facility, which is currently undergoing an upgrade. The project will add blowers to the improved aeration system and replace the fiberglass roof over the sludge drying building and chlorination building. These additional improvements were necessary to meet the service area needs for the next 30 years based on normal growth projections.	2020	239.17	Spring 2023	\$ 288,101.00	Fund	\$ 30,287.00
								\$ 15,399.00
City of Norfolk	\$ 11,981,864.00	This loan will fund the construction of nine stormwater and living shoreline project: four living shoreline sites, two design and build stormwater wetlands and three replacement/retrofit stormwater practices. All practices are meant to reduce pollutant and sediment loads to the Elizabeth River and the Chesapeake Bay.	2020	561.61	Spring 2023	\$ 11,376,420.00	Fund	\$ 605,444.00
Town of Coeburn	\$ 2,070,845.00	This project is the third phase in three phases of construction to address inflow and infiltration issues within the Town's collection system. Due to recent overflows and a warning letter from DEQ, the Town has upgraded the priority for this project to correct infiltration and inflow issues on four streets: Quillen Avenue, Grand Street, Meadows Street, and Centre Street. These four locations were identified as the source of infiltration and inflow to the collection system.	2021	416.97	Summer 2023	\$ 1,448,494.00	Fund	\$ 622,351.00
City of Norfolk DPU	\$ 6,000,000.00	This loan includes four projects within the City of Norfolk to correct sewer overflow concerns and structural integrity of the wastewater system: two sewer replacements and two water and sewer replacements. These projects stem from the City's Long-Term Control Plan to reduce the amount of infiltration and inflow into the sewer collection system and cause sanitary sewer overflows.	2021	416.49	Winter 2022	\$ 5,696,820.00	Fund	\$ 303,180.00
Town of Exmore	\$ 10,000,000.00	This project consists of a new collection system that will connect to a new regional force main to deliver wastewater to the Onancock WWTP which is under utilized. The current collection system is undersized and leads to high system pressures. The project will replace the aging collection system pipes and expand collection to reach the entire town.	2021	408.19	Summer 2023	\$ 6,994,700.00	Fund	\$ 3,005,300.00
City of Richmond	\$ 24,871,250.00	This project consists of replacement of the Trash Rake and Disposal System at the Shockoe Diversion Structure; Shockoe Crest Gate Improvements; and ASEG House Improvements. These projects are designed to meet requirements of the City of Richmond's Consent Order and are in phase three of the City's CSO Control Plan to reduce combined sewer overflows into the James River.	2021	352.18	Summer 2023	\$ 23,614,506.00	Fund	\$ 1,256,744.00
Bedford Regional WA	\$ 12,520,000.00	This project consists of construction of two new sections of the Ivy Creek Sewer Interceptor. It will also decommission the Lake Vista Pump Station and construct new sewer lines in the City of Lynchburg and in Bedford County. The project is necessary to address challenges with the Lake Vista Pump Station and continued growth expected.	2021	366.70	Summer 2022	\$ 11,887,364.00	Fund	\$ 632,636.00
Middlesex County	\$ 1,550,000.00	This project will construct a sewer collection system in the Cooks Corner area of Middlesex County. Sewer collection is needed in this area to support economic development efforts.	2021	238.89	Spring 2023	\$ 1,550,000.00	Fund	\$ -



VCWRLF FY14-21 Project Priority List

Applicant	Amount Requested	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount
City of Norfolk DPW	\$ 1,567,700.00	This project includes design and construction support for stormwater BMP retrofits and one living shoreline: Meadow Lake Retrofit construction, Lake Whitehurst Retrofit design, and east ocean view recreation center living shoreline design. The projects support enhancement of water quality in three major watersheds in Norfolk, as well as the Chesapeake Bay to which they drain.	2021	561.49	Spring 2023	\$ 1,488,484.00	Fund	\$ 79,216.00
Fairfax County	\$ 30,500,000.00	This project will dredge sediment from the Lake Accotink dam for water quality and recreational benefits. The dam's 30 square mile drainage area was heavily developed in the late 20th century, leading to an estimated annual sediment load of about 46,000 cubic yards. Dredging Lake Accotink may assist Fairfax County meeting its allocated sediment loan reduction targets under the Accotink Creek TMDL.	2021	466.66	Fall 2022	\$ 30,500,000.00	Fund	\$ -
Westmoreland County	\$ 550,000.00	This project will construct a living shoreline in the Glebe Harbor-Cabin Point area of Westmoreland County in order to address erosion and protect wetlands near the area. The County has undertaken temporary measures to prevent beach erosion, but a living shoreline is necessary to prevent water from the Lower Machocdoc Creek from breaching the wetlands behind the beach, thereby destorying them, the creek behind the wetlands, and the inlet channel adjacent to the beach.	2021	N/A	Spring 2023	\$ 522,208.00	Fund	\$ 27,792.00
						\$ 153,298,843.00		\$ 19,723,707.00
<b>Total \$ 172,646,443.00</b>								

**Attachment 3**

**Virginia Clean Water Revolving Loan Fund  
Sources and Uses Chart - Funds Availability for FY2022  
Projects As of March 1, 2022**

Local Government Investment Pool reserves	\$ 158,150,870	
EPA Wastewater Checking Account	10,515,406	
Externally Managed Investments - Water Facilities Fund	241,898,561	
Bond Proceeds	-	
CW Support Account	16	
	<hr/>	
<b>Cash and Investments Available</b>		\$ 410,564,853
Plus: Prior Years Federal Cap Grant (net of admin)		\$ -
Plus: Prior Years State Match		-
Plus: FY22 BIL Supplemental Funding and State Match (net of fees)		38,609,440
Plus: FY22 Emerging Contaminates Funding		1,914,000
Plus: FY22 Federal Cap Grant and State Match (net of admin)		27,468,800
		<hr/>
<b>Subtotal Funds Available</b>		\$ 478,557,093
Funds Committed for Closed Projects Through FY21 Projects (35):	\$ (316,800,961)	
Funds Committed for Unclosed Projects:	<hr/> (202,855,516)	
Total Committed Through FY21 Projects	\$ (519,656,477)	
FY 2022 Projects to be Funded (32)	<hr/> (343,745,944)	
<b>Total Committed Including FY20 Projects</b>		<hr/> (863,402,421)
	<b>Net Funds Available</b>	\$ (384,845,328)
	<b>Availability of funds as of March 1, 2022</b>	<hr/> <hr/> (384,845,328)