

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

DRAFT INTENDED USE PLAN FOR FY 2023

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

For FY 2023 Virginia's Clean Water Act base cap grant is \$15,352,000 and will be matched with \$3,070,400; its FY 2023 BIL supplemental funds grant is \$42,658,000 and will be matched with \$4,265,800; and its BIL EC funds appropriations for FY 2023 assistance is \$4,352,000 (no match required). State match funds will be fully disbursed prior to using

federal capitalization grant funds.

Virginia plans to utilize its available and anticipated FY 2023 financial resources to finance approximately \$307.5 million in project loans, **approximately \$25.6 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 2023 full Project Priority List.

Virginia's draft FY 2023 Intended Use Plan (IUP) and priority funding list, which targeted 64 projects totaling \$307.5 million, were submitted to the Director of DEQ and tentatively approved on September 14, 2022, subject to receipt of public comment. The IUP and priority funding list were published to DEQ's website on September 19. The public comment period for these projects ran from September 19 to October 21, 2022, during which no public comments were received. A public meeting held on October 21, 2022 also yielded no public comments. The FY 2023 Project Priority List, consisting of 64 projects totaling \$307.5 million, became effective upon approval by the State Water Control Board at its meeting on November 29, 2022.

Several changes to the program are required due to BIL and are included in this 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 5 and the program's plan to engage disadvantaged communities can be found on page 12. 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.

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 2023 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 equal to or exceeding 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 2023, Virginia will continue to 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 α ethynylestradiol, which also is a PCPP) and androgens (e.g., trenbolone, a veterinary drug), naturally occurring estrogens (e.g., 17 β -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 2023, Virginia plans to provide BIL EC funding to a 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 2023 cap grant, it reserves the right to utilize the unused portion at a later date.

In FY 2023, Virginia will set aside 2% of the base cap grant and BIL supplemental funds, in technical assistance funds. Virginia's objective with technical assistance funding is to craft a technical assistance program that meets communities' needs and will be sustainable beyond BIL funding. With the second year of funding Virginia will finalize its program, including using a stakeholder engagement process to solicit feedback 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.

Once Virginia has finalized the technical assistance program, additional outreach will be conducted to ensure communities are aware of the program and how to access technical assistance. Outreach will focus on primarily small and disadvantaged communities, but 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.

Lastly, Virginia is aware of EPA's national technical assistance efforts and aims to dovetail our allocated technical assistance funding with 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.

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%, of BIL supplemental funds, and 100%, of BIL EC funds must be provided as additional subsidization for FY 2023.

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 2023, DEQ is implementing two 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 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 2023 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, facilities, or activities that result in water quality protection. The eligible practice list was expanded in 2019 to include 14 additional practices, again in 2020 to include 4 additional practices, and again in 2022 to include 1 additional practice for a total of 41 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 2023 LOAN ASSISTANCE

The Board's loan recipients for FY 2023 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 2023 funding consideration, DEQ received 69 wastewater applications, two stormwater applications, and two land conservation applications, requesting a total of \$496 million. Of the wastewater applications, 15 were Phase 1, Step 2 Southwest Virginia Pilot Program construction projects. Virginia's draft FY 2023 IUP and priority funding list, which

targeted 64 projects for a total of \$307.5 million after reducing one application from \$100 million to \$50 million in order to maintain program capacity, received tentative approval from the Director of the Department of Environmental Quality on September 14, 2022.

The staff conducted initial meetings with the FY 2023 targeted recipients and finalized the associated user charge impact analysis in accordance with the Board's guidelines. The FY 2023 IUP and PPL, identifying 64 projects totaling \$307.5 million, became effective following approval by the Board at its meeting on November 29, 2022. DEQ determined that several projects totaling \$25.6 million, incorporated into one of the FY 2023 applications for a programmatic loan, will meet the criteria as green reserve projects, exceeding the 10% green project reserve requirement for FY 2023.

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.

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 review of the revised FY 2023 IUP

and PPL include community-based environmental and justice organizations and networks.

For FY 2023, a Notice of the Public Meeting on the initial funding list and IUP was posted on 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 2023 funding recipients, the staff's evaluation of the applications received, and the State's intended use of available FY 2023 funds. The public meeting was held on October 21, 2022 for the priority funding list. No comments were received during the public comment period or during the public meeting.

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 2023 Capitalization Grant and BIL supplemental funds.

Anticipated Cash Draw Ratio

State match funds are fully disbursed prior to using federal capitalization grant funds in order to prevent proportionality or improper payments of federal cash draws.

Timely Expenditures

Virginia will obligate and expend all funds in its SRF accounts in an expeditious and timely manner. See Attachment 4 for Virginia's FFY2023 Payment Schedule.

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 income¹ (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 rate² (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 data³ 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

¹ 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>

² 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>

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

Attachment 2: VCWRLF FY 2023 Project Priority List (PPL) - DRAFT
as of 6/28/2023

Virginia Clean Water Revolving Loan Fund Projects Authorized in FY 2023 & Not Closed												
Applicant	Amount Authorized	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Source
Wastewater - Southwest Virginia Pilot Program Phase 1 Step 2 Projects												
BVU Authority*	\$5,253,700	TN0023531	C-515772	No	BC-1568 Sewer Shed Improvements Project: The project includes rehabilitation and replacement work within the BC-1568 sewershed of BVU's system to reduce RDII entering the existing sewershed and increase available capacity in the system. By decreasing the sewershed's demand on the interceptor, there will be increased capacity downstream of the existing overflow point, reducing the likelihood of sanitary sewer overflows.	2023	421.76	Fall 2023	\$3,152,220	Fund	\$1,877,230	BIL - 2023
Town of Lebanon	\$2,921,700	VA0020745	C-515773	No	Lebanon System-Wide Sewer System Improvements: The project includes CIPP liner installation within the Gypsum Avenue and Carroll Street sewersheds, the point-repair of sewer/storm drain interconnections along Fincastle Road, manhole rehabilitations throughout the existing system, as well as manhole replacements for brick manholes. The project will improve the Town's existing system in terms of reducing RDII that is currently leading to sanitary sewer overflows and exceeding permitted capacity limits at the WWTP.	2023	419.05	Fall 2023	\$1,753,020	Fund	\$1,168,680	BIL - 2023
Town of Big Stone Gap*	\$11,869,198	VA0020940	C-515774	No	Cadet Sewershed Improvements Project: This project will replace 75 manholes and install UV-cured CIPP liner for approximately 6,000 LF of 10-inch gravity line, 31,600 LF of 8-inch gravity line, and 1,800 LF of 6-inch gravity line. Increasing capacity and efficiency of this portion of the system will improve flow conditions for the remaining system on the way to the WWTP and will reduce sanitary sewer overflows.	2023	416.91	Fall 2023	\$7,121,519	Fund	\$4,523,429	BIL - 2023
Town of Abingdon*	\$9,502,000	VA0026531	C-515775	No	Town of Abingdon System-Wide Sewer Improvements Project Phase II: This project includes the rehabilitation of defective manholes, including cleaning work, CCTV inspection, and CIPP lining of approximately 12,000 linear feet of 8- to 10-inch diameter line, as well as approximately 7,000 linear feet of 8-inch pipe bursting. The project is needed to reduce RDII from entering the system, which has experienced sanitary sewer overflows.	2023	396.84	Fall 2023	\$5,701,200	Fund	\$3,576,550	BIL - 2023
Bland County	\$810,000	VA0089583	C-515776	No	Sanitary Sewer Collection System Improvement Project: This project will reduce the amount of RDII that enters the sanitary sewer system by replacing manhole frames and covers, rehabilitation of defective pre-cast manholes, and rehabilitation of several pipe assets. The reduction in RDII entering the system will reduce or eliminate the SSO volumes that occur and enter Wolf Creek.	2023	388.79	Summer 2023	\$486,000	Fund	\$324,000	BIL - 2023
Town of Rural Retreat	\$430,224	VA0021326	C-515777	No	Northern Rural Retreat Sewer System Improvements Project: This project includes CIPP lining of the existing vitrified clay pipe gravity line along Chinquapin Avenue, as well as the frame and cover replacement of various manholes within the sewer system. Repair of these manholes and lining of the existing clay line will improve Rural Retreat's sewer system by reducing RDII currently entering the system.	2023	377.77	Summer 2023	\$258,134	Fund	\$172,090	BIL - 2023
Buchanan County PSA*	\$1,811,380	VA0090531	C-515778	No	Buchanan County PSA Sewer Rehabilitation and Replacement Project: This project funds Phase I of the Buchanan County PSA's Sewer Rehabilitation and Replacement project, specifically the following upgrades in the Slate Creek area to address inflow and infiltration: 47 sewer lateral replacements (up to 60 linear feet), 17,162 linear feet of CCTV inspection to confirm lateral connections to the main and identifying further issues contributing to I&I, and the installation of a manhole at the wye situated in the vicinity of hospital and YMCA.	2023	375.43	Spring 2024	\$1,086,828	Fund	\$500,302	BIL - 2023
Town of Chilhowie*	\$1,248,531	VA0026379	C-515779	No	Chilhowie Sewer System Evaluation Survey Phase 2 Design and Construction: This project will provide rehabilitation measures to correct inflow and infiltration issues in the town's sanitary sewer overflows and treatment plant bypass occurrences. The project will specifically address CIPP lining/manhole rehabilitation or replacing portions of the existing collection system within the existing trenches/rights-of-way.	2023	375.35	Spring 2023	\$749,119	Fund	\$275,162	BIL - 2023

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Lee County PSA*	\$739,200	VA0089397	C-515780	No	Dryden & Rosehill Sewershed Improvements: This project will rehabilitate the southwestern portion of the Dryden sewer system, downstream of Dryden PS and force main portion where the manholes have seen increased deterioration from exposure to the septic fumes related to the pumped sewage. The Rose Hill sewershed portion of the proposed project rehabilitates 16 vertical feet of manhole walls, replacement of manhole frames and covers, cleanout repairs, and a stormdrain/sewer disconnection. These projects were recommended in Lee County PSA's 2022 SSES funded through the SW Pilot Step 1.	2023	351.75	Summer 2023	\$443,520	Fund	\$71,430	BIL - 2023
Town of Saltville	\$1,476,000	VA0026808	C-515781	No	Saltville Government Road Sewershed Improvements Project: This project rehabilitates the Government Road sewershed of the Town's sewer system. It will entail CIPP lining of existing asbestos cement pipe, and locating, raising, and rehabilitating various manholes, in addition to the installation of a new sewer line to the Cedar Branch Road area.	2023	350.35	Fall 2023	\$885,600	Fund	\$590,400	BIL - 2023
Town of Marion*	\$1,300,488	VA00086304	C-515782	No	Marion Rt 16 Sewershed Improvements: This project will replace existing 8-inch gravity sewer line and manholes with 10-inch or 12-inch gravity sewer and new manholes with rims and covers throughout the portion of Marion's southwestern system along Route 16. These improvements will reduce RDII and increase capacity to better receive and convey flows from the Smyth County interconnection. The project also includes further field investigations for a residential area to determine point sources for recorded RDII.	2023	350.35	Fall 2023	\$780,293	Fund	\$295,945	BIL - 2023
Smyth County	\$500,600	VAG640016	C-515783	No	Staley Creek Sewershed Sanitary Sewer Evaluation: This project will complete projects from the County's SSES completed through the SW Pilot Step 1 process. In particular, it will fund emergency repairs, all priority 1 projects, some priority 2 projects, and the stream relocation and bank armoring projects in priority 3.	2023	350.35	Winter 2023	\$300,360	Fund	\$200,240	BIL - 2023
Tazewell County PSA*	\$3,520,690	VA0062561	C-515784	No	Falls Mills Pump Station Rehabilitation, Force Main Replacement, Manhole Rehabilitation and Wetwell Rehabilitation Project: This project addresses areas of the Falls Mills Sewer System in need of rehabilitation and replacement. A SSES report identified several portions of the system which continue to peak influent at the Falls Mills WWTP, which discharges to the Bluestone River (on Virginia's 2020 303(d) Impaired Waters list. This project includes Phase 1 improvements recommended in the SSES report, including rehabilitation of three pump stations, the WWTP wetwell, and 200 manholes, and replacement of 3,120 linear feet of force main.	2023	348.99	Spring 2024	\$2,112,414	Fund	\$1,184,026	BIL - 2023
Town of St. Paul	\$892,300	VA0026221	C-515785	No	St. Paul Sewer System Improvements Project: This project will install CIPP liner in 3,370 LF of existing 8-inch gravity sewer line, rehabilitate 421 vertical feet of manhole walls, replace 6 manhole frames and covers, and replace two manholes. These improvements will reduce rainfall derived infiltration and inflow (RDII) from entering the system.	2023	329.05	Fall 2023	\$535,380	Fund	\$356,920	BIL - 2023
Town of Hillsville	\$1,265,000	VA0089433	C-515786	No	Town of Hillsville Phase 1 Sewer Rehab Project: This project finances the rehabilitation of large portions of the Hillsville sanitary sewer system that contribute to peak influent at the WWTP due to inflow and infiltration. The average daily influent for the Town's WWTP is approximately 429,000 gpd over 2019 and 2020. The peak influent over that time averaged approximately 1,140,000 gpd and reached up to 1,875,000 gpd. Peak influent flows are expected to reduce by 10-20% as a result of the project.	2023	304.71	Fall 2023	\$759,000	Fund	\$506,000	BIL - 2023

**SWVAPP Phase 1 Step 2
Projects Subtotal:**

\$43,541,011

\$26,124,607

\$15,622,404

Total of loan + PF	\$41,747,011.00
Additional grant funding (OSG)	\$1,794,000.00
Total of loan + PF + additional grant funding	\$43,541,011.00

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Applicant	Amount Authorized	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Source
Wastewater Projects												
City of Martinsville	\$3,033,390	VA00250305	C-515787	No	Doe Run, Smith Lake Road and Martinsville Industrial Park Sewer Project: This project will rehabilitate sections of these three sewer line collector systems. All three have evidence of surface deterioration, corrosion in ductile iron sections, and cracking in some clay sections, which if not addressed will result in increasing I&I and manhole overflows. Therefore this project will entail upgrades such as point repairs, removal of roots and debris, line replacement, and CIPP lining. Manhole work will include root cutting, cleaning, and epoxy resurfacing.	2023	475.72	Spring 2023	\$2,639,049	Fund	\$394,341	BIL - 2023
City of Richmond	\$8,550,000	VA0063177	C-515788	No	CSO 4 & Chimborazo Phase 3: This project will replace the CSO 4 regulator with a new one further upstream to reduce CSO volumes by an average of approximately 5.1 MG per year. This project is listed in the City's CSO Interim Plan.	2023	456.62	Fall 2022	\$8,122,500	Fund	\$427,500	CAP grant base 2023
Buchanan County PSA	\$21,185,446	VA0074161	C-515789	No	Buchanan County PSA WWTP Upgrades: This project is intended to address consent orders for raw sewage discharge from the existing wastewater collection system due to an overwhelmed influent pump station at the Big Rock/Conaway WWTP. Loan funding will finance the replacement of the Big Rock/Conaway WWTP with a new moving bed biological reactor and ballasted sedimentation WWTP, increasing its capacity in order to address collection system overflows.	2023	430.43	Winter 2024	\$20,126,174	Fund	\$1,059,272	CAP grant base 2023
City of Richmond	\$6,150,000	VA0063177	C-515790	No	CSO Interim Plan Projects - Regulators 19A, 19B, 20, 21, 24, 39 & 40 #1: This project entails upgrades to and replacements for seven combined sewer regulators. The projects combined will reduce CSO volumes by an average of approximately 57.3 MG per year. All of these projects are listed in the City's CSO Interim Plan.	2023	426.62	Winter 2022	\$5,842,500	Fund	\$307,500	CAP grant base 2023
Henry County PSA	\$5,970,100	VA0025305	C-515791	No	Villa Heights Sewer Improvements Project: This project will replace sewer lines in the Villa Heights subdivision, where existing terra cotta collection lines serving approximately 260 residential customers are experiencing pipe blockages, overflows, and related issues. Construction is anticipated to include approximately 18,000 linear feet of 8" gravity sewer line and manholes to replace the existing system.	2023	424.56	Winter 2024	\$5,671,595	Fund	\$298,505	CAP grant base 2023
Town of Pennington Gap	\$2,341,709	VA0029599	C-515792	No	Town of Pennington Gap Wastewater Treatment Plant Improvements: This project focuses on replacement of pump station facilities and the installation of a pump station emergency generator to convey wastewater during power outages. This project also includes the following WWTP upgrades to: grit removal equipment, influent flow meters, oxidation ditch No. 2 drive with VFD, new oxidation ditch shaft, clarifier weir leveling & bridge caulking, sludge return pump station, digester No. 2 aeration system, blower building roof and vent, sludge dewatering press and feed pumps, sulfur dioxide system, chlorine system, plant drain pump and upgraded laboratory equipment.	2023	421.75	Fall 2023	\$2,224,624	Fund	\$117,085	CAP grant base 2023
HRSD	\$50,000,000	Multiple	C-515793E	Yes	Programmatic Loan: 37 projects within HRSD's CIP. Includes the James River and Nansemond River SWIFT facilities. Only a subset of these projects will be used to meet equivalency requirements.	2023	412.59	Winter 2023	\$50,000,000	BIL - 2023	\$0	
Washington County SA	\$11,381,096	VA0026531	C-515794	No	Lee Highway Corridor Sewer Improvements Project: This project will construct four new pump stations in order to redirect sewer flows from the BVUA sewer system to the Town of Abingdon Water Reclamation Plant for treatment. The project will also extend sewer service to approximately 140 residents currently on septic systems.	2023	406.84	Spring 2023	\$11,238,832	Fund	\$142,264	CAP grant base 2023
Henry County PSA	\$1,222,000	VA0025305	C-515795	No	Bassett-Walker Lagoon Closure Project: This project will close the Bassett-Walker Wastewater Lagoon, which has not been in operation since the early 1990s. The project is necessary to prevent it from collecting leaves and rainwater, and protect the Smith River and Roanoke River Basin from any unintended discharges.	2023	399.56	Summer 2023	\$1,160,900	Fund	\$61,100	CAP grant base 2023

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Applicant	Amount Authorized	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Source
Henry County PSA	\$3,971,000	VA0025305	C-515796	No	Piedmont Estates Lagoon Closure Project: This project will close the Piedmont Estates Wastewater Lagoon and replace it with a wastewater pump station and force main connecting to existing public gravity sewer and treated by regional wastewater treatment facilities. The project is needed to support regionalization and consolidation of wastewater treatment and increase protections for the waterway the lagoon discharges to, and, ultimately, the Roanoke River Basin.	2023	399.56	Summer 2023	\$3,772,450	Fund	\$198,550	CAP grant base 2023
Dickenson County PSA	\$1,810,094	VA0067571	C-515797	No	Haysi Sewer Replacement Project: This project consists of replacement of 3,119 linear feet of 10-inch ductile iron pipe with PVC pipe and 13 manholes from the intersection of Route 63 and 80 to the Haysi Sewage Treatment Plant that has deteriorated causing backup into nearby manholes resulting in overflows into the Russell Fork River and infiltration into the treatment plant.	2023	396.93	Spring 2024	\$1,574,781	Fund	\$203,398	BIL - 2023
											\$31,915	CAP grant base 2023
City of Winchester	\$14,000,000	N/A	C-515798E	Yes	City of Winchester Sanitary Sewer Projects: This project will fund three projects: pump station replacements (Capitol and Superior), sewer main and manhole rehabilitation, and interceptor main replacement. All three projects are necessary to remedying sewer overflows caused by high volumes of I&I. Due to these overflows, DEQ has issued the City a Consent Order that is still in effect requiring the City to construct system improvements.	2023	392.87	Summer 2023	\$14,000,000	CAP grant base - 2023	\$0	
City of Norton	\$693,750	VA0077828	C-515799	No	Hawthorne Drive Utility Improvements Projects: This project will replace approximately 1,000 linear feet of 12" collector sewer line that is buried up to 25 feet deep in several locations along Hawthorne Drive. The replacement line will be constructed at an appropriate depth to allow the City to properly maintain this section of line while ensuring continuous sewer service to the area.	2023	392.06	Spring 2023	\$603,562	Fund	\$90,188	CAP grant base 2023
Wise County PSA	\$1,731,728	VA0077828	C-515800	No	Upper Guest River Sewer Extension Project - Phase I: This project is Phase 1 of 3 in the Upper Guest River Sewer Extension Project, which will provide public sewer service to approximately 167 households (estimated population of 395 people), currently relying on septic systems, alternative discharging system, and possibly straight pipes to adjacent streams. Phase I will install approximately 5,300 linear feet of 8-inch gravity sewer, 700 linear feet of 4-inch sewer service line, 28 manholes, 17 sewer connections, and one connection to an existing WWTP (currently serving 24 households).	2023	391.91	Fall 2023	\$1,506,604	Fund	\$225,124	CAP grant base 2023
Lee County PSA	\$14,886,859	VA0089397	C-515801	No	Cross Creek to Hickory Flats Interceptor Project: This project will provide new sewer service to the Woodway Dot Community of Lee County, which is currently relying on private septic systems and in some cases, straight pipes discharges to caves and nearby waterways. The new sewer line will connect to the Hickory Flats WWTP, and also interconnect all of the Lee County PSA system.	2023	391.75	Spring 2024	\$12,951,567	Fund	\$1,935,292	BIL - 2023
Russell County PSA	\$8,130,655	VA0026221	C-515802	No	Castlewood Sewer Project Phase II (Mew Road): This project will extend public sewer service to the west along Mew Road (Route 65) and include 1 pump station and four grinder stations with approximately 19,000 linear feet of gravity sewer and 6,500 linear feet of force main to provide sanitary sewer to 145 residential connections.	2023	389.05	Spring 2024	\$7,073,670	Fund	\$1,056,985	BIL - 2023
City of Richmond	\$750,000	VA0063177	C-515803	No	Hampton PS Motor Control Center (MCC) Replacement Project: This project will replace a 1960's MCC due to extreme difficulty finding replacement parts and the age of the equipment.	2023	381.62	Spring 2023	\$712,500	Fund	\$37,500	CAP grant base 2023
Town of Front Royal	\$5,437,000	VA0062812	C-515804	No	Centrifuge Conversion Project: This project will convert the Town's dewatering operations to a centrifuge dewatering operation. This project will enable the Town to reduce operational costs as well as ensure that solids can be removed efficiently from the facility. The project will also increase the reliability of the dewatering operations which will enable the Town to maintain permit compliance.	2023	377.74	Summer 2023	\$5,437,000	Fund	\$0	

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Applicant	Amount Authorized	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Source
Town of Marion	\$611,000	VA00086304	C-515805	No	Wastewater Treatment Plant Improvements Phase 8: This project includes repairs to various equipment and components of the plant. The original equipment is over 29 years in age and needs repairing to keep it in operation. The clarifier brushes represent new equipment that is needed to mitigate algae buildup that interferes with the UV disinfection system.	2023	375.35	Winter 2023	\$580,450	Fund	\$30,550	CAP grant base 2023
Sussex Service Authority	\$828,000	N/A	C-515806	No	Bank Street Pump Station Upgrade Project: This project will utilize the existing wet well at the Bank Street pump station and install a new pump vault, two new pumps and associated piping and valve in order to restore that station to normal operation. The pump station has been running in bypass mode since January 2020.	2023	366.14	Summer 2023	\$786,600	Fund	\$41,400	CAP grant base 2023
City of Norfolk	\$13,000,000	N/A	C-515807E	Yes	Norfolk Department of Utilities Wastewater Projects: This project involves 18 wastewater improvement projects, including pump station replacements and gravity sewer main line replacements.	2023	362.85	Winter 2024	\$11,310,000	CAP grant base - 2023	\$1,690,000	BIL - 2023
City of Norton	\$1,526,246	VA0077828	C-515808	No	10th Street Sanitary Sewer Replacement Project: This project is for the 10th Street Sanitary Sewer System Improvements. It entails replacement of existing sewer lines, manholes and laterals, the installation of cleanouts for the laterals, and the installation of a portable emergency generator with an upgrade of the electrical service at the existing Josephine Pump Station. These improvements will provide a reliable sewer system, reduce the potential for public contact with wastewater and reduce the amount of I/I entering the City's sewer system.	2023	362.06	Spring 2023	\$1,327,834	Fund	\$198,412	CAP grant base 2023
City of Richmond	\$125,000	VA0063177	C-515809	No	Dock Street Pump Station Electrical Upgrades: This project will upgrade and replace the controls for the Dock Street Pump Station due to the age of the equipment.	2023	356.62	Summer 2023	\$118,750	Fund	\$6,250	CAP grant base 2023
Westmoreland County	\$800,000	N/A	C-515810	No	Coles Point Sludge Drying Bed Project: This project will construct a second section of drying beds at the Coles Point WWTP. Since 2005, the plant's average flows have doubled to around 50,000 gpd. The plant is able to treat the sewer flows adequately, but is struggling to dry out sludge in a timely fashion. A second section of drying beds will help meet the increased flows.	2023	353.96	Winter 2022	\$800,000	Fund	\$0	
Town of Boydton	\$2,246,000	VA0026247	C-515811	No	Town of Boydton Sewer Rehabilitation Project: This project will replace approximately 2,200 linear feet of reinforced concrete pipe that is over 90 years old. An additional 11,500 linear feet will be slip lined, 7 manholes replaced, and 40 rehabilitated. These assets are at the end of their projected life and if not addressed could result in untreated wastewater being released into local waterways. This project will address these deficiencies and address I&I flows in order to increase the sewer capacity and decrease the WWTP's power consumption.	2023	353.66	Summer 2023	\$2,246,000	Fund	\$0	CAP grant base 2023
City of Richmond	\$1,250,000	VA0063177	C-515812	No	Shockoe Retention Basin Aeration Replacement: This project will replace the mixing and aeration system at the Shockoe Retention Basin. Increased capacity at the WWTP has decreased basin detention times allowing for the aeration and mixing system to be replaced with a less complex system. This project will also reduce electrical costs the WWTP.	2023	351.62	Summer 2023	\$1,187,500	Fund	\$62,500	CAP grant base 2023
Town of Christiansburg	\$9,013,000	VA0061751	C-515813	No	Wastewater Treatment Facility - Biosolids Upgrades Project: This project has three components: Centrifuge Dewatering Conversion, Electrical Updates, and Waterline. These projects are necessary to make the WWTP more reliable, efficient, and safe.	2023	348.44	Summer 2023	\$8,562,350	Fund	\$450,650	CAP grant base 2023
Town of Pennington Gap	\$922,130	VA0029599	C-515814	No	Wallen Creek Sewerline Stream Crossing Improvements Project: This project will replace approximately 1,100 linear feet of gravity sewer line and 10 manholes. The project will lower the existing gravity line to eliminate an aerial stream crossing. As a result, additional modifications at the WWTP pump station and wet well are necessary are included in the project.	2023	346.75	Winter 2024	\$876,023	Fund	\$46,107	CAP grant base 2023
Town of Marion	\$1,050,500	VA00086304	C-515815	No	Marion Sewer Collector System Improvements Phase 8: This project will replace existing terracotta sewer lines on five streets where inflow and infiltration are resulting in high flows at the WWTP. The project will improve WWTP efficiency with the sewer line replacements and reductions in I&I sources, thereby improving water quality in the Middle Fork Holston River.	2023	345.35	Spring 2023	\$997,975	Fund	\$52,525	CAP grant base 2023

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Town of Lebanon	\$1,049,400	VA0020745	C-515816	No	Lebanon Pump Station Improvements: The project includes improvements to two sewer system pump stations within the system, including replacement of Industrial Park pump station and Big Cedar pump station. The project will include the installation of emergency generators at both locations.	2023	344.05	Fall 2023	\$1,049,400	Fund	\$0	
Town of Altavista	\$5,500,000	VA0020451	C-515817	No	WWTP Pump Station Improvements: This project involves aeration, hydraulic, and wastewater treatment plant pump station improvements. All aeration equipment and tanks need replacement and structural rehabilitation. Both plant pump stations need equipment and structural replacement and rehabilitation.	2023	341.11	Winter 2024	\$5,225,000	Fund	\$275,000	CAP grant base 2023
Town of Big Stone Gap	\$5,186,000	VA0020940	C-515818	No	Wastewater Treatment Plant Improvements Project: This project entails various improvements necessary to the WWTP including, replacing sludge dewatering press and feed pumps, improvements to oxidation ditch channel and secondary clarifiers, and flow equalization basin modifications.	2023	336.91	Spring 2024	\$4,926,700	Fund	\$259,300	CAP grant base 2023
Town of Stuart	\$3,665,800	VA0022985	C-515819	No	Glenwood Terrace/Ashby Drive Sewer Extensions Project: This project will extend gravity sewer line service to two residential areas within the Town's limits that aren't presently served by public sewer. Construction will include approximately 19,400 linear feet of sewer lines and related improvements to serve approximately 74 residential homes.	2023	328.87	Summer 2023	\$3,482,510	Fund	\$183,290	CAP grant base 2023
City of Richmond	\$225,000	VA0063177	C-515820	No	Brown Regulator Mechanism Replacements Project: This project will replace Brown & Brown regulator mechanisms in 6 combined sewer regulators not otherwise being replaced as part of the Interim Plan projects. Replacement will consist of installation of adjustable orifice plates.	2023	326.62	Summer 2023	\$213,750	Fund	\$11,250	CAP grant base 2023
City of Richmond	\$1,000,000	VA0063177	C-515821	No	Sewer System Generators: This project will install generators at four sewer pump stations and the Shockoe Retention Basin. Currently only one of the four pump stations has backup power. Generator backup is especially important at Shockoe Retention Basin as it will be the central control hub for a CSO SCADA system.	2023	326.62	Summer 2023	\$950,000	Fund	\$50,000	CAP grant base 2023
Smyth County	\$3,874,500	VAG640016	C-515822	No	Groseclose Sewer Project: This project entails sewer system improvements to provide public sewer service to the Groseclose area of Smyth County, generally including the Route 11 corridor. The project will construct approximately 9,000 linear feet of 12" and smaller gravity sewer line, 9,200 linear feet of 6" force main line, and one sewage pump station and related improvements. Making public sewer service available will enable 10 +/- existing businesses to expand their operations and also serve approximately 10 +/- existing homes.	2023	325.35	Summer 2023	\$3,680,775	Fund	\$193,725	CAP grant base 2023
Town of Kilmarnock	\$6,472,700	VA0020788	C-515823	No	Town of Kilmarnock Wastewater Treatment Plant Improvements Project: This project will replace equipment that is reaching or past its useful life and increase operator control to increase efficiency and decrease chemical usage. These updates will ensure that the operators can reliably meet plant effluent requirements as the influent flow rate continues to increase.	2023	324.27	Winter 2023	\$6,472,700	Fund	\$0	
Wythe County	\$1,352,415	VA0067059	C-515824	No	Austinville Wastewater Collection and Treatment Systems Improvements: This project will replace/rehabilitate approximately 4,170 linear feet of existing gravity sewer and 17 manholes.	2023	314.77	Winter 2023	\$1,284,794	Fund	\$67,621	CAP grant base 2023
Wise County PSA	\$1,562,830	VA0020940	C-515825	No	Appalachia Elementary School WWTP Forcemain Project: This project will decommission the Appalachia Elementary School WWTP and construct a pump station and force main which will deliver flow from the school to the Town of Appalachia's wastewater system and ultimately to the Big Stone Gap WWTP for treatment. The school's existing WWTP is 40 years old and experiencing severe deterioration. The WWTP ceased operations in 2017 when the school closed, but the PSA has maintained the facility as a pump and haul system as there is one adjacent residence still tied to the system. Wise County has re-opened the building as an extension of a local community college system to offer trade training classes.	2023	311.91	Fall 2023	\$1,359,662	Fund	\$203,168	CAP grant base 2023
Scott County PSA	\$395,793	VA0087955	C-515826	No	Pump Stations Improvements Project: This project entails the rehabilitation of three grinder pump stations in the system. These pump stations have reached the end of their useful life and are in desperate need of renovations to prevent overflows as a result of pump station failures.	2023	311.71	Summer 2023	\$344,340	Fund	\$51,453	CAP grant base 2023

**Attachment 2: VCWRLF FY 2023 Project Priority List (PPL) - DRAFT
as of 6/28/2023**

Applicant	Amount Authorized	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Source
Town of Pearisburg	\$13,781,729	VA0085961	C-515827	No	Town of Pearisburg WWTP Upgrades: This projects includes several improvements to renovate and increase the capacity of the Mill Road Facility and the Town's WWTP. The project is needed to address the health (safety), sanitation, security, aging infrastructure, and reasonable growth needs. The majority of the needs relate to aging infrastructure and reasonable growth.	2023	305.28	Spring 2024	\$13,092,642	Fund	\$689,087	CAP grant base 2023
City of Richmond	\$250,000	VA0063177	C-515828	No	Shockoe Retention Basin Elevator Upgrades: This project will upgrade/replace the elevator inside the Shockoe Retention Basin control building. The elevator's existing controls are outdated and the emergency phone is not functioning.	2023	301.62	Summer 2023	\$237,500	Fund	\$12,500	CAP grant base 2023
Middlesex County	\$13,484,224	VA0081311	C-515829E	Yes	Wastewater Collection System - Deltaville Service Area: This project will construct a new sewer system in Deltaville needed to support the Middlesex sewer system extension to eliminate residential septic tanks and drain fields. The wastewater collected by the new system will be transported by HRSD infrastructure to the York River Treatment Plant for treatment and discharge.	2023	294.84	Summer 2023	\$13,484,224	BIL - 2023	\$0	
Middlesex County	\$1,144,491	VA0081311	C-515830	No	Hartfield - Low Pressure Sewer (LPS) Collection System: This project will install a new sewer system in the Hartfield area of Middlesex County in order to eliminate residential septic tanks and drainfields.	2023	294.84	Summer 2023	\$1,144,491	Fund	\$0	
Middlesex County	\$1,837,908	VA0081311	C-515831	No	Saluda Low Pressure Sewer Collection System: This project will install a new sewer system in the Saluda service area to eliminate residential septic tanks and drainfields.	2023	294.84	Summer 2023	\$1,837,908	Fund	\$0	
Blacksburg-Tech SA	\$6,284,000	VA0060844	C-515832	No	Lower Stroubles Creek Wastewater Treatment Plant, Capital Improvements Project: This project will replace aging assets at the WWTP that are critical to ensure smooth operations and keep the facility in permit compliance. Specific improvements include: grit system parts replacements, flights and drive gear replacement for primary clarifiers, replacement of sluice gates seals, SCADA integration, and re-grouting of manholes.	2023	280.44	Spring 2024	\$6,284,000	Fund	\$0	
City of Richmond	\$250,000	VA0063177	C-515833	No	Shockoe Retention Basin Roof Rehabilitation: This project will repair concrete seam seals that have pulled loose and caused concrete sections to dislodge inside. Repair work will consist of resealing joints from the interior and exterior, as well as concrete repair.	2023	251.62	Spring 2023	\$237,500	Fund	\$12,500	CAP grant base 2023
Town of Fries	\$1,471,000	VA0067881	C-515834	No	Town of Fries WWTP Improvements: This project will rehabilitate components at the WWTP in need of major improvements, including the influent pump station, aeration basins, secondary clarifiers, and chlorination system. The project will also rehabilitate the Fender's Cove pump station on the Town's collection system. These facilities have not been upgraded or improved since the plant was constructed in 1987.	2023	251.43	Summer 2023	\$1,397,450	Fund	\$73,550	CAP grant base 2023
Carroll County	\$2,632,033	VA0092312	C-515835	No	Exit 1 Wastewater System: The wastewater treatment plant improvements project is a regional project between the Carroll County Public Service Authority, the North Carolina Department of Transportation, and the Virginia Department of Transportation to close three separate existing WWTPs and convey sewage to the City of Mount Airy for treatment.	2023	247.72	Summer 2023	\$2,500,431	Fund	\$131,602	CAP grant base 2023

Wastewater Projects

Subtotal: \$264,036,526

\$252,657,567

\$11,378,959

Total Requested \$307,577,537

\$278,782,174

\$27,001,363

*The funding amount for this project plus the principal forgiveness amount do not equal the amount requested because the project will also receive funding from other grant programs (OSG = \$1,794,000); therefore reducing the total loan funding.

Attachment 2: VCWRLF FY 2023 Project Priority List (PPL) - DRAFT
as of 6/28/2023

Virginia Clean Water Revolving Loan Fund Projects Authorized between FY 2014 - FY 2022 & Not Closed												
Applicant	Amount Requested	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Funding Source
Castlewood/Russell Co. PSA	\$4,682,800	VA0026221	C-515537	No	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	Fund	\$0	
Town of Pound	\$3,386,135	VA0061913	C-515575	No	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	Fund	\$1,800,000	Fund
Town of White Stone	\$750,000	N/A	C-515581	No	This project will install a new force main collection system in downtown area and the adjacent residential areas to new 40,000 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	Fund	\$0	
Town of Pennington Gap	\$1,652,791	VA0029599	C-515600	No	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	Fund	\$700,000	Fund
City of Richmond	\$4,092,126	VA0063177	C-515625	No	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	Fund	\$0	
Town of Coeburn	\$1,869,028	VA0077828	C-515629	No	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	Fund	\$0	
Town of Tazewell	\$10,656,046	VA0026298	C-515647Eb	Yes	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	Fund	\$3,196,813	Fund

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as of 6/28/2023**

Applicant	Amount Requested	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Funding Source
Lee County PSA	\$1,156,300	VA0075515	C-515650	No	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	Fund	\$346,890	Fund
Wise County PSA	\$815,441	VA0077828	C-515651	No	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	Fund	\$0	
James City County	\$2,687,800	N/A	C-515654G	No	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	Fund	\$0	
BVU Authority	\$7,294,000	TN0023531	C-515657	No	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	Fund	\$1,827,366	Fund
Wise County PSA	\$315,805	VA0077828	C-515665	No	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	Fund	\$79,119	Fund
Wise County PSA	\$404,132	VA0077828	C-515666	No	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	Fund	\$101,247	Fund
Town of Richlands	\$10,916,316	VA0021199	C-515667	No	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	Fund	\$2,734,864	Fund
City of Norton	\$303,200	VA0077828	C-515669	No	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	Fund	\$75,961	Fund

**Attachment 2: VCWRLF FY 2023 Project Priority List (PPL) - DRAFT
as of 6/28/2023**

Applicant	Amount Requested	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Funding Source
Town of Iron Gate	\$6,315,723	N/A	C-515670	No	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	Fund	\$1,582,278	Fund
City of Norfolk	\$11,981,864	N/A	C-515679GE	Yes	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	Fund	\$605,444	BIL - 2022
Town of Coeburn	\$2,070,845	VA0077828	C-515710	No	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	Fund	\$622,351	Fund
Town of Exmore	\$10,000,000	N/A	C-515712	No	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	Fund	\$3,005,300	BIL - 2022
City of Richmond	\$24,871,250	VA0063177	C-515715E	Yes	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	Fund	\$1,256,744	BIL - 2022
City of Norfolk DPW	\$1,567,700	N/A	C-515721G	No	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	Fund	\$79,216	BIL - 2022
Fairfax County	\$30,500,000	VA0088587	C-515722GE	Yes	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	Fund	\$0	BIL - 2022
Town of Saltville	\$349,800	VA0026808	C-515740	No	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	Fund	\$262,350	BIL - 2022
Town of Abingdon	\$3,336,800	VA0026531	C-515741	No	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	Fund	\$2,502,600	BIL - 2022

**Attachment 2: VCWRLF FY 2023 Project Priority List (PPL) - DRAFT
as of 6/28/2023**

Applicant	Amount Requested	NPDES Permit #	Project Number	Equivalency	Project Description	FY	Points	Binding Commitment Target Date	Funding Amount	Funding Source	Principal Forgiveness Amount	Principal Forgiveness Funding Source
Town of Big Stone Gap	\$2,965,566	VA0020940	C-515742	No	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	Fund	\$2,224,175	BIL - 2022
Town of Chilhowie	\$2,069,974	VA0026379	C-515743	No	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	Fund	\$1,552,481	BIL - 2022
Town of Wytheville	\$1,967,137	VA0020281	C-515745	No	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	Fund	\$1,475,353	CAP grant base - 2022
Town of Independence	\$1,010,840	VA0064424	C-515746	No	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	Fund	\$758,130	BIL - 2022
South Central Wastewater Authority	\$30,626,407	VA0025437	C-515747E	Yes	Various improvements to the South Central Wastewater Treatment Plant in order to comply with permit requirements.	2022	419.66	Summer 2022	\$30,626,407	CAP grant base - 2022	\$0	
Stafford County	\$26,326,000	VA0076392	C-515749E	Yes	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	BIL - 2022	\$0	
City of Lynchburg	\$6,500,000	N/A	C-515750	No	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	Fund	\$650,000	CAP grant base - 2022
City of Fredericksburg	\$60,000,000	VA0025127	C-515752E	Yes	This project consists of the expansion and upgrade of the Fredericksburg Wastewater Treatment Plant.	2022	358.42	Winter 2023	\$60,000,000	BIL - 2022	\$0	
Wise County Public Service Authority	\$8,424,060	VA0061913	C-515753	No	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	Fund	\$421,203	CAP grant base - 2022
Town of Marion	\$295,240	VA0086304	C-515754	No	WWTP Improvements Project: This project will replace critical components at the Town's existing WWTP.	2022	354.79	Summer 2022	\$265,716	Fund	\$29,524	CAP grant base - 2022
Town of Marion	\$442,000	VA0086304	C-515755	No	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	Fund	\$44,200	CAP grant base - 2022
Town of Lebanon	\$6,715,000	VA0020745	C-515756	No	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	Fund	\$671,500	CAP grant base - 2022
Middlesex County	\$2,550,000	VA0081311	C-515757	No	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	Fund	\$0	
City of Norfolk Dept of Public Utilities	\$6,000,000	N/A	C-515763	No	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	Fund	\$1,200,000	CAP grant base - 2022
City of Petersburg	\$16,760,000	N/A	C-515766	No	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	Fund	\$838,000	CAP grant base - 2022
City of Norfolk Dept. of Public Works	\$4,513,868	N/A	C-515767G	No	This project consists of construction of the first phase of the St. Paul's Blue-Greenway.	2022	561.49	Winter 2022	\$3,385,401	Fund	\$1,128,467	BIL - 2022
City of Lynchburg	\$10,000,000	N/A	C-515768G	No	Removal of the College Lake Dam and stream restoration through the impoundment area and upstream tributaries.	2022	540.60	Winter 2022	\$7,500,000	Fund	\$2,500,000	BIL - 2022
City of Norfolk Dept. of Public Works	\$400,000	N/A	C-515769G	No	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	Fund	\$100,000	BIL - 2022
Fairfax County	\$30,000,000	N/A	C-515770G	No	This project will provide additional funding to dredge Lake Accotink.	2022	466.66	Summer 2023	\$30,000,000	Fund	\$0	
Total \$	359,541,994								\$325,170,418		\$34,371,576	

Attachment 3: VCWRLF FY 2023 Sources and Uses

**Virginia Clean Water Revolving Loan Fund
Funds Availability for FY2023 Projects
As of June 1, 2023**

Local Government Investment Pool reserves	\$ 130,379,570	
EPA Wastewater Checking Account	7,319,658	
Externally Managed Investments - Water Facilities Fund	281,576,013	
Bond Proceeds	-	
CW Support Account	3,387	
	<hr/>	
Cash and Investments Available		\$ 419,278,628
Plus: Prior Years Federal Cap Grant		\$ 37,156,907
Plus: Prior Years Emerging Contaminants Funding (gross award amount)		1,914,000
Plus: Prior Years State Match		-
Plus: FY23 BIL Supplemental Funding and State Match (gross award amount)		46,923,800
Plus: FY23 Emerging Contaminants Funding (gross award amount)		4,352,000
Plus: FY23 Federal Base Cap Grant and State Match (gross award amount)		18,422,400
		<hr/>
Subtotal Funds Available		\$ 528,047,734
Funds Committed for Closed Projects Through FY22 Projects (42):	\$ (269,009,015)	
Funds Committed for Unclosed Projects:	<hr/>	
Total Committed Through FY22 Projects	\$ (628,892,628)	
FY 2023 Projects to be Funded (62)	<hr/>	
		\$ (295,856,537)
Total Committed Including FY23 Projects		\$ (924,749,165)
Net Funds Available		\$ (396,701,431)
Availability of funds as of June 1, 2023		\$ (396,701,431)
		<hr/> <hr/>

Attachment 4: VCWRLF FFY 2023 Payment Schedule

Base Capitalization Grant

Federal Fiscal Year Quarter	Payment Date	Payment Schedule	Cumulative Amount
2023/Q1	1 st Quarter	\$15,352,000	\$15,352,000
2024/Q2	2 nd Quarter	\$0	\$15,352,000
2024/Q3	3 rd Quarter	\$0	\$15,352,000
2024/Q4	4 th Quarter	\$0	\$15,352,000

BIL Supplemental Grant

Federal Fiscal Year Quarter	Payment Date	Payment Schedule	Cumulative Amount
2023/Q1	1 st Quarter	\$42,658,000	\$42,658,000
2024/Q2	2 nd Quarter	\$0	\$42,658,000
2024/Q3	3 rd Quarter	\$0	\$42,658,000
2024/Q4	4 th Quarter	\$0	\$42,658,000

BIL Emerging Contaminant Grant

Federal Fiscal Year Quarter	Payment Date	Payment Schedule	Cumulative Amount
2023/Q1	1 st Quarter	\$0	\$0
2024/Q2	2 nd Quarter	\$0	\$0
2024/Q3	3 rd Quarter	\$0	\$0
2024/Q4	4 th Quarter	\$4,352,000	\$4,352,000