



TO: Town Council, Town of Bowling Green

FROM: India Adams-Jacobs, Town Manager

DATE: January 8, 2026

RE: Request for Approval – Resolution 2026-002: Acceptance of Drinking Water Infrastructure Funding for Gross Alpha Treatment and Well Replacements Project

BACKGROUND

In 2024, the Town Council adopted its first legislative agenda based on the recommendation of the Town Manager. Throughout the last general assembly session, the Town Manager successfully advocated for state funding to support water quality improvements and well replacements, following elevated gross alpha levels in 2023 and early 2024. Throughout the previous year, in collaboration with Stantec, an application was submitted to the state for funding to address both water quality and well replacements. As a result of successful management, advocacy, and subject matter expertise, the Virginia Department of Health (VDH) has offered the Town of Bowling Green grant funding through the Virginia Drinking Water State Revolving Fund Program to address critical water system improvements. This funding was authorized under FY 2025 General Assembly House Bill 1600, Chapter 725 - Item 280 Drinking Water Infrastructure Funding.

The funding will support Project Number GA-011-25, which addresses two essential needs:

1. Gross alpha treatment requirements to ensure water quality compliance
2. Replacement of aging wells to maintain safe and reliable drinking water for our community

VDH notified the Town of this funding opportunity by letter dated December 1, 2025, and has established a deadline of **January 9, 2026**, for the Town to provide written acceptance. Failure to respond by this deadline may result in the offer being deemed withdrawn.

Acceptance of this funding requires the Town's commitment to comply with all applicable program requirements, including the Commonwealth of Virginia DWSRF Program Design Manual, Procedural Guidelines for Drinking Water Funding Recipients, and the Virginia Public Procurement Act.

FINANCIAL IMPACT

The total funding package for this project is **\$6,206,205 in grant funds**. This represents 100% grant funding with no local match requirement, making this an exceptional opportunity for the Town to address critical water infrastructure needs without burdening local taxpayers. This represents 75% of the total project cost, the maximum offered to any locality, with the locality responsible for the 25% match to complete the total project cost. The Town Manager is actively pursuing external funding opportunities to meet match requirements and avoid an additional burden on the Town or its ratepayers.



As part of the grant offer, VDH has recommended that the Town:

- Evaluate revenues and adjust rates as necessary to ensure long-term system sustainability
- Establish and fund a capital reserve fund
- Maintain updated Waterworks Business Operation Plans, Asset Management Plans, and Capital Improvement Plans

These recommendations are designed to ensure the Town's water system remains financially sustainable and well-maintained beyond this project. On this same agenda, there is an additional grant award to address the assessment management plan, and the Town adopted its first Capital Improvement Plan in 2024.

RECOMMENDATION

Staff recommend that the Town Council adopt Resolution 2026-002, which will:

1. Accept the \$6,206,205 grant funding offer from VDH
2. Approve the Gross Alpha Treatment and Well Replacements project
3. Authorize the Town Manager to execute all necessary grant agreements and documents
4. Authorize the Town Manager to take all actions necessary to implement the project and comply with program requirements

This project is critical to maintaining safe drinking water for our community and addresses compliance requirements that cannot be deferred. The grant funding represents an outstanding opportunity to complete these necessary improvements at no cost to local taxpayers.

Given the January 9, 2026, deadline for acceptance, timely Council action is essential. Should the Town Council not elect to accept the award, the Town would need to plan for debt issuances to proceed with this project, as it is required as part of the correction action plan.

DRAFT MOTION

I move that the Town Council adopt Resolution 2026-002, accepting the Virginia Drinking Water State Revolving Fund grant for \$6,206,205 for the Gross Alpha Treatment and Well Replacements Project, and authorizing the Town Manager to execute all necessary documents and take all actions required to secure funding and implement the project."

Attachment: Resolution 2026-002, GA-011-25 Offer Letter