

FY 2016 ANNUAL REPORT

(July 1, 2015 - June 30, 2016)

West Virginia Clean Water State Revolving Fund



Submitted to the
U.S. Environmental Protection Agency
Region III
September 19, 2016



west virginia department of environmental protection

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EXHIBIT 1

WEST VIRGINIA STATE REVOLVING FUND - CAPITALIZATION GRANT AWARDS - as of June 30, 2016

		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE
Date	FY1990 Grant		FY1991 Grant		FY1992 Grant		FY1993 Grant		FY1994 Grant		FY1995 Grant		FY1997 Grant		FY1998 Grant	
	08/31/90		9/30/1991		09/30/92		09/29/93		09/12/94		01/27/95		09/30/97		09/25/98	
Federal Amount	\$20,889,974		\$31,353,287		\$9,661,835		\$30,288,852		\$29,962,449		\$37,792,161		\$31,451,607 \$9,713,600		\$20,991,267	
FY Funds	\$14,703,579 \$6,186,395	FY1989 FY1990	\$9,022,678 \$22,330,609	FY1990 FY1991	\$9,661,835	FY1991	\$30,288,852	FY1992	\$29,962,449	FY1993	\$18,591,309 \$19,200,852	FY1994 FY1995	\$3,498,858 \$27,952,749 \$9,713,600	FY1995 FY1996 FY1997	\$20,991,267	FY1998
Total	\$20,889,974		\$31,353,287		\$9,661,835		\$30,288,852		\$29,962,449		\$37,792,161		\$41,165,207		\$20,991,267	
State Match Required	\$2,940,716 \$1,237,279		\$1,804,535 \$4,466,122		\$1,932,367		\$6,057,770		\$5,992,490		\$3,718,262 \$3,840,170		\$699,771 \$5,590,550 \$1,942,720		\$4,198,253	
Total	\$4,177,995		\$6,270,657		\$1,932,367		\$6,057,770		\$5,992,490		\$7,558,432		\$8,233,041		\$4,198,253	
State Match Committed	\$4,100,000	FY1991	\$5,450,000	FY1992	\$2,831,018	FY1993	\$6,057,770	FY1994	\$5,992,490	FY1995	\$3,718,262 \$3,840,170		\$8,233,041		\$4,198,253	
Total	\$4,100,000		\$5,450,000		\$2,831,018		\$6,057,770		\$5,992,490		\$7,558,432	FY1996	\$8,233,041	FY1997	\$4,198,253	FY1998
Difference	-\$77,995		-\$820,657		\$898,651		\$0		\$0		\$0		\$0		\$0	
Cumulative Difference	-\$77,995		-\$898,652		-\$1		-\$1		-\$1		-\$1		-\$1		-\$1	

		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE
Date	FY1999 Grant		FY2000 Grant		FY2001 Grant		FY2003 Grant		FY2004 Grant		FY2005 Grant		FY2005 Amend Grant		FY2006 Grant	
	09/21/99		9/21/2000		9/19/2001		1/2/2003		09/28/04		03/16/05		09/28/05		09/20/06	
Federal Amount	\$20,993,049		\$20,921,868		\$20,735,946		\$20,782,080 \$77,200		\$20,821,900		\$20,637,300		\$16,798,100		\$13,650,912	
FY Funds	\$20,993,049	FY1999	\$20,921,868	FY2000	\$20,735,946	FY2001	\$20,782,080 \$77,200	FY2002	\$20,821,900	FY2003	\$20,637,300	FY2004	\$16,798,100	FY2005	\$13,650,912	FY2006
Total	\$20,993,049		\$20,921,868		\$20,735,946		\$20,859,280		\$20,821,900		\$20,637,300		\$16,798,100		\$13,650,912	
State Match Required	\$4,198,610		\$4,184,374		\$4,147,189		\$4,156,416 \$15,440		\$4,164,380		\$4,127,460		\$3,359,620		\$2,730,182	
Total	\$4,198,610		\$4,184,374		\$4,147,189		\$4,171,856		\$4,164,380		\$4,127,460		\$3,359,620		\$2,730,182	
State Match Committed	\$4,198,610	FY2000	\$4,184,373	FY2000	\$4,147,189	FY2001	\$4,171,893 \$0	FY2003	\$4,174,379	FY2004	\$4,132,938	FY2005	\$3,367,686	FY2006	\$2,730,182	FY2007
Total	\$4,198,610		\$4,184,373		\$4,147,189		\$4,171,893		\$4,174,379		\$4,132,938		\$3,367,686		\$2,730,182	
Difference	\$0		-\$1		\$0		\$37		\$9,999		\$5,478		\$8,066		\$0	
Cumulative Difference	-\$1		-\$2		-\$2		\$35		\$10,034		\$15,512		\$23,578		\$23,578	

WEST VIRGINIA STATE REVOLVING FUND - CAPITALIZATION GRANT AWARDS - as of June 30, 2016

		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE		FY SOURCE
Date	FY2007 Grant		FY2008 Grant		FY2009 ARRA Grants		FY2009 Grant		FY2010 Grant		FY2010 Amend Grant		FY2011 Grant		FY2012 Grant	
	09/26/07		9/24/2008		3/27/2009 8/27/2009		9/30/2009		08/26/10		11/30/10 trans SMAG\$					
Federal Amount	\$16,684,470		\$10,607,850		\$61,092,100		\$10,607,850		\$31,762,000		\$277,929		\$23,019,000		\$22,031,000	
FY Funds	\$16,684,470	FY2007	\$10,607,850	FY2008	\$61,092,100	FY2009	\$10,607,850	FY2009	\$31,762,000	FY2010	\$0		\$23,019,000	FY2011	\$22,031,000	FY2012
Total	\$16,684,470		\$10,607,850		\$61,092,100		\$10,607,850		\$31,762,000		\$0		\$23,019,000		\$22,031,000	
State Match Required	\$3,336,894		\$2,121,570		N/A		\$2,121,570		\$6,352,400		\$55,585		\$4,603,800		\$4,406,200	
Total	\$3,336,894		\$2,121,570		\$0		\$2,121,570		\$6,352,400		\$55,585		\$4,603,800		\$4,406,200	
State Match Committed	\$3,336,894	FY2007	\$2,121,570	FY2008	N/A		\$2,121,570	FY2009	\$6,352,400	FY2010	from adm fee \$55,585		\$4,603,800		\$4,406,200	
Total	\$3,336,894		\$2,121,570		\$0		\$2,121,570		\$6,352,400		\$55,585		\$4,603,800	FY2011	\$4,406,200	FY2012
Difference	\$0		\$0				\$0		\$0				\$0		\$0	
Cumulative Difference	\$23,578		\$23,578				\$23,578		\$23,578				\$23,578		\$23,578	

		FY SOURCE	Future Grants	FY SOURCE	Future Grants	FY SOURCE	Future Grants	FY SOURCE
Date	FY2013 Grant		FY2014 Grant		FY2015 Grant		FY2016 Grant	
Federal Amount	\$20,813,000		\$21,856,000		\$21,745,000		\$20,829,000	
FY Funds	\$20,813,000	FY2013	\$21,856,000	FY2014	\$21,745,000	FY2015	\$20,829,000	FY2016
Total	\$20,813,000		\$21,856,000	Total	\$21,745,000		\$21,745,000	
State Match Required	\$4,162,600		\$4,371,200		\$4,349,000		\$4,165,800	
Total	\$4,162,600		\$4,371,200		\$4,349,000		\$4,165,800	
State Match Committed	\$4,162,600	FY2013	\$4,371,200	FY2014	\$4,349,000	FY2015	\$4,165,800	FY2016
Total	\$4,162,600		\$4,371,200		\$4,349,000		\$4,165,800	
Difference	\$0		\$0		\$0		\$0	
Cumulative Difference	\$23,578		\$23,578		\$23,578		\$23,578	

\$638,848,586

• Total Federal Grant Awards

\$115,551,295

• Total State Match

\$115,574,873

• Total State Match Committed

TOTAL
\$703,334,659

EXHIBIT 2a

NEW BINDING COMMITMENT TRANSACTIONS BY QUARTER FY2016							
PROJECT	NUMBER C - 544	BINDING /SIGNATURE		Debt Forgiveness	Green Amount	TYPE	TERMS (int., admin fee, term)
		DATE	Loan Amount				
1st Quarter							
Vienna	544469	7/16/2015	(\$13,282)	\$0	\$0	BPA	n/a
Ronceverte	544267	8/18/2015	\$14,481,456	\$0	\$0	BPA	0.0%, 0.5%, 40
Wellsburg	544362-02	9/30/2015	\$4,000,000	\$0	\$0	BPA	0.5%, 0.5%, 30
Williamstown	544386	9/30/2015	\$336,500	\$0	\$0	LA	2.0%, 1.0%, 20
OSLP Nonpoint Source	n/a	n/a	\$0	n/a	n/a	onsite	n/a
Ag Nonpoint Source (0 loans)	n/a	n/a	\$0	n/a	n/a	BMPs	n/a
2nd Quarter							
Auburn	547201	10/22/2015	\$0	\$303,000	\$303,000	BPA	n/a
Beckley	544439-03	10/22/2015	\$3,740,214	\$0	\$0	BPA	0.5%, 0.5%, 30
Logan (Stollings)	544364-02	10/26/2015	\$0	(\$6,562)	n/a	BPA	n/a
Kingwood	544450	11/10/2015	(\$45)	\$0	n/a	BPA	n/a
Nitro	544273	12/3/2015	\$679,519	\$0	n/a	BPA	0.5%, 0.5%, 22
Lincoln Co. Ph. V	547801	12/7/2015	\$0	(\$4,401)	(\$4,401)	BPA	n/a
OSLP Nonpoint Source	n/a	n/a	\$100,000	n/a	n/a	onsite	n/a
Ag Nonpoint Source (0 loans)	n/a	n/a	\$0	n/a	n/a	BMPs	n/a
3rd Quarter							
Welch	544375-01	1/7/2016	(\$4,457)	\$0	\$0	BPA	n/a
Preston Co. PSD	544487	1/11/2016	\$0	(\$44,298)	(\$44,298)	BPA	n/a
OSLP Nonpoint Source	n/a	n/a	\$0	n/a	n/a	onsite	n/a
Ag Nonpoint Source (0 loans)	n/a	n/a	\$0	n/a	n/a	BMPs	n/a
4th Quarter							
Shady Spring PSD	544300-02	5/6/2016	\$6,978,924	\$0	\$0	BPA	0.5%, 0.5%, 30
Greater Paw Paw PSD (Crown)	547750	5/26/2016	\$0	(\$26,221)	(\$26,221)	BPA	n/a
Greater St. Albans PSD	544406-03	6/17/2016	\$16,822,000	\$0	\$0	BPA	0.5%, 0.5%, 28
White Sulphur Springs PSD	544542	6/17/2016	\$1,393,114	\$0	\$0	LA	2.0%, 1.0%, 20
OSLP Nonpoint Source	n/a	n/a	\$0	n/a	n/a	onsite	n/a
Ag Nonpoint Source (0 loan)	n/a	n/a	\$0	n/a	n/a	BMPs	n/a

TOTAL FY2014 BINDING COMMITMENTS

Section 212 WWT Projects	
New Commitments	48,431,727
Closings Adjustments	(24,346)
Section 319 Nonpoint Source-Ag	0
Section 319 Nonpoint Source - Direct Loans	228,080
Section 319 Nonpoint Source-OSLP	100,000
TOTAL TRANSACTIONS	48,735,461

BAN LEV - Deferred commitment
 BCL - Binding Commitment Letter
 BCL inc - increase to BCL
 BCL dec -decrease to BCL
 BPA - Bond Purchase Agreement
 BMP - Best Management Practice
 LA - Loan Agreement
 Term - Termination

COMMITMENT TOTALS BY QUARTER:

1st Quarter	18,804,674
2nd Quarter	4,811,725
3rd Quarter	-48,755
4th Quarter	25,167,817
TOTAL TRANSACTIONS	48,735,461

Total Green \$228,080.00
 Total Forgiveness \$221,518.00

EXHIBIT 2b

Nonpoint Source Binding Commitments in FY2016

A. WV Agriculture Water Quality Loan Program

PL-534 Program

	Binding Commitments	Total Amt Loaned
Balance Forward - end of FY2015		\$4,715,545
First Quarter	\$0	
Second Quarter	\$0	
Third Quarter	\$0	
Fourth Quarter	<u>\$0</u>	
subtotal	\$0	
Cumulative Amount		\$4,715,545

EQIP / 319 Program

	Binding Commitments	Total Amt Loaned
Balance Forward - end of FY2015		\$1,696,434
First Quarter	\$0	
Second Quarter	\$0	
Third Quarter	\$0	
Fourth Quarter	<u>\$0</u>	
subtotal	\$0	
Cumulative Amount		\$1,696,434

Bay Program

	Binding Commitments	Total Amt Loaned
Balance Forward - end of FY2015		\$7,169,458
First Quarter	\$0	
Second Quarter	\$0	
Third Quarter	\$0	
Fourth Quarter	<u>\$0</u>	
subtotal	\$0	
Cumulative Amount		\$7,169,458

Cumulative Agriculture projects \$13,581,437

B. Onsite Systems Loan Program

	Binding Commitments	Total Amt Loaned
Balance Forward - end of FY2015		\$2,161,548
First Quarter	\$0	
Second Quarter	\$100,000	
Third Quarter	\$0	
Fourth Quarter	<u>\$0</u>	
subtotal	\$100,000	
Cumulative Amount		\$2,261,548

C. Direct Loans to NPS Projects

	Binding Commitments	Total Amt Loaned
Balance Forward - end of FY2015		\$22,632,852
	\$228,080	
Cumulative Amount		\$22,860,932

Total FY2016 NPS Binding Commitments

PL 534 Ag Program	\$0
EQIP/319 Ag Program	\$0
Bay Ag Program (0)	\$0
Onsite Systems Loan Program (33)	\$100,000
Direct Loans	<u>\$228,080</u>
	\$328,080

Grand Total NPS Commitments (FY98-FY2015)

PL 534 Ag Program	\$4,715,545
EQIP / 319 Ag Program	\$1,696,434
Bay Ag Program	\$7,169,458
Onsite Systems Loan Program	\$2,261,548
Direct NPS Loans (12)	<u>\$22,860,932</u>
	\$38,703,917

EXHIBIT 3

SOURCE OF SRF FUNDS BY QUARTER

SOURCES OF FUNDS	PREVIOUS FY	STATE FISCAL YEAR 2016				FY2016	GRAND
	TOTALS	QTR 1	QTR 2	QTR 3	QTR 4	TOTALS	TOTALS
LOC PAYMENTS							
FFY90 - 2014 GRANTS	\$596,274,586						
FFY15 & 16 GRANTS (8/6/15 & 6/20/16)		\$21,745,000			\$20,829,000	\$42,574,000	\$638,848,586
CASH DEPOSITS							
FFY90 - 2015 STATE MATCHES	\$104,977,508						
FFY 16 MATCH				\$4,165,800		\$4,165,800	\$109,143,308
INVESTMENT EARNINGS							
SRF account	\$27,422,370.32	-\$63,968.68	\$128,990.80	\$119,998.38	\$604,413.54	\$789,434.04	\$28,211,804.36
Outside the SRF account	\$791,074.30	-\$7,133.52	\$11,546.95	\$10,899.02	\$57,886.43	\$73,198.88	\$864,273.18
LOAN REPAYMENTS							
Principal (212)	\$327,897,600.47	\$7,399,752.01	\$7,558,784.92	\$7,573,851.59	\$7,590,768.02	\$30,123,156.54	\$358,020,757.01
Interest (212)	\$12,662,825.23	\$708,479.67	\$721,538.97	\$709,163.91	\$701,484.57	\$2,840,667.12	\$15,503,492.35
Principal (NPS & DNPS & OSLP)	\$9,343,071.73	\$242,887.09	\$295,615.72	\$140,032.68	\$284,773.39	\$963,308.88	\$10,306,380.61
Interest (NPS & DNPS & OSLP)	\$941,318.13	\$32,390.49	\$31,883.64	\$31,374.27	\$30,862.34	\$126,510.74	\$1,067,828.87
ADMINISTRATIVE FEES							
SRF Projects *	\$22,536,075.12	\$689,556.96	\$707,531.51	\$709,038.89	\$716,597.34	\$2,822,724.70	\$25,358,799.82
NPS Projects	\$319,538.40	\$11,248.60	\$11,048.60	\$11,048.60	\$11,058.60	\$44,404.40	\$363,942.80
TOTALS	\$1,103,165,967.70	\$30,758,212.62	\$9,466,941.11	\$13,471,207.34	\$30,826,844.23	\$84,523,205.30	\$1,187,689,173.00
CUMULATIVE TOTALS							
FOR FY2016		\$30,758,212.62	\$40,225,153.73	\$53,696,361.07	\$84,523,205.30		

* includes airport adm fees

EXHIBIT 4

CWSRF Deficiency Report as of June 30, 2016

Central Hampshire PSD – The PSD had a small deficiency with the Municipal Bond Commission (MBC) as of June 30, 2016, with regards to the administration fees on their loan. In the past, the investment earnings of the deposits held at the MBC were sufficient to cover these fees. The MBC will notify them and request payment to satisfy the administrative cost.

City of Logan – This entity became deficient in May 2016 after carrying a surplus all year. We are sending them a letter requesting a plan on how they are going to eliminate this deficiency. If they cannot come up with a plan, then we will file a complaint at the Public Service Commission (PSC) so that the deficiency can be eliminated as soon as possible.

Town of Oceana – The town became deficient during the month of April, 2015. WDA sent the town a letter on May 20, 2015 requesting the reason for the deficiency and a reduction plan. The Town of Oceana failed to respond and their deficiency doubled in June. WDA filed a complaint with the PSC on July 9, 2015. The PSC issued a Final Order in that case that became effective on March 1, 2016, ordering Oceana to begin charging a \$5.00 per customer per month surcharge to all sewer customers. All revenue collected from this surcharge is to be paid toward the deficiency.

Sissonville PSD – The District missed a payment in February, 2016. Their deficiency has grown since this time. WDA has been in contact with the District on coming up with a plan to eliminate their deficiency. The PSD filed a rate case at the PSC on June 3, 2016. The PSC Staff recommended interim rates for the District on June 30, 2016. WDA has intervened in this case. This case should be finalized in the next few months.

Union Williams PSD – The PSD became deficient on November 31, 2015. WDA sent the PSD a letter and then filed a complaint on February 19, 2016. The PSD then filed a rate case on March 16, 2016. The PSC approved interim rates effective May 3, 2016, for current operational expenses and for paying down the deficiency. A hearing was held on June 1, 2016. PSC Staff and the PSD agreed with the WDA recommended rates, which generate sufficient revenue to pay off the deficiency with 1 year. A Final Order in the case should be issued in the coming weeks.

Overall the total deficiencies increased from fiscal year 2015 by \$154,628 or 151.0%. One utility is responsible for over 77.5% of the total deficiency.

EXHIBIT 5

FEDERAL PAYMENTS AND BINDING COMMITMENTS

PAYMENT SCHEDULE	FED. GRANTS	FED. FY2015	FEDERAL FY 2016				FEDERAL FY 2017			
	Received	4th Quarter	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
1990 - 2014 Grants	\$535,182,486	\$21,745,000		\$20,829,000						
2015 Grant										
2016 Grant										
Cumulative	\$535,182,486	\$556,927,486	\$556,927,486	\$577,756,486	\$577,756,486	\$577,756,486	\$577,756,486	\$577,756,486	\$577,756,486	\$577,756,486
Cumulative REQ Binding Commitments (120%)	\$642,218,983	\$642,218,983	\$642,218,983	\$642,218,983	\$642,218,983	\$668,312,983	\$668,312,983	\$693,307,783	\$693,307,783	\$693,307,783
Actual Binding		\$18,804,674	\$4,811,725	(\$48,755)	\$25,167,817					
Commitments Cumulative	\$1,030,441,345	\$1,049,246,019	\$1,054,057,744	\$1,054,008,989	\$1,079,176,806	\$1,079,176,806	\$1,079,176,806	\$1,079,176,806	\$1,079,176,806	\$1,079,176,806
Binding Commitments as as a % of payments	167%	188%	189%	182%	187%	187%	187%	187%	187%	187%
ARRA Grant (no state match req)	\$61,092,108									
Actual Loan Assistance	\$61,092,108									
(binding commitment portion included above)										
		Start State FY2016	End State FY2016			Start State FY2017	End State FY2017			
			FY 2016 ANNUAL REPORT PERIOD				FY 2017 ANNUAL REPORT PERIOD			

FY2016 DISBURSEMENTS

A). SECTION 212 PROJECTS

		STATE FISCAL YEAR 2016								
		1st Half				2nd Half				
PROJECT	NUMBER C-	Cap. Grant	Debt Forgiveness	Loan	State Debt Forgiveness	FEDERAL	Debt Forgiveness	Loan	State Debt Forgiveness	TOTAL
Berkeley Co. PSSD	544492					5,851,574		6,710,335		12,561,909
Beckley	544439-03	62,334		12,470		852,877		1,296,117		2,223,798
Charles Town	544392-02	88,384		23,328		94,635		18,932		225,279
Charles Town	544392-04					8,008		78,967		86,975
Charles Town	544496	1,056,902		393,813		248,159		182,232		1,881,106
Clarksburg	544060-02	1,316,153		1,525,182		958,494		215,079		4,014,908
Dunbar	544396	752,548		150,752				86,627		989,927
Elizabeth	544143	131,115		71,705		7,903		201,591		412,314
Flemington	544234-02	96,871		612,142		12,500		2,501		724,013
Frankfort	544411-02	3,858,684		2,902,441		3,667,550		1,795,178		12,223,853
Greater St. Albans	544406-03							1,228,102		1,228,102
Green Valley - Glenwood	544017			88,458				23,796		112,254
Keyser	544023-03	180,341		184,224		89,275		7,556,450		8,010,290
Kingwood	544450	23,599		23,235						46,834
Martinsburg	544197					467,648		257,105		724,753
Mason	544407	67,603		23,899						91,502
Morgantown	544418	482,437		96,510		48,208		9,645		636,800
Nitro	544273	566,243		113,276						679,519
Pea Ridge	544442	1,241,051		1,280,039		254,091		174,828		2,950,009
Philippi	544343-02	15,245		3,056						18,301
Pocahontas Co. PSD	544415							124,345		124,345
Pratt	544464				70,719					70,719
Romney	544031			74,982	1,801,640			98,360		1,974,982
Ronceverte	544267	23,327		821,257		59,648		135,885		1,040,117
Shady Spring	544300-02							1,747,886		1,747,886
Vienna	544469			5,582						5,582
Weirton	544528	341,298		85,616		94,783		92,637		614,334
Welch	544375-01	43,800		341,796		3,651		730		389,977
Wellsburg	544362-02	294,417		59,018		778,148		1,118,589		2,250,172
White Sulphur Spring	544542							73,656		73,656
Williamstown	544386	54,455		10,894						65,349
										-
PROJECTS TOTAL	N/A	\$10,696,809	\$0	\$8,903,673	\$1,872,359	\$13,497,151	\$0	23,229,573	\$0	\$58,199,565
TOTAL (State and Federal)		\$21,472,841				\$36,726,724				\$58,199,565
FEDERAL SHARE OF TOTAL		\$10,696,809				\$13,497,151				\$24,193,960
STATE SHARE OF TOTAL				\$10,776,032				\$23,229,573		\$34,005,605
% OF TOTAL FEDERAL		0.498				0.368				0.416
% OF TOTAL STATE				0.502				0.632		0.584

EXHIBIT 6b

FY2016 DISBURSEMENTS

B). SECTION 319 PROJECTS	1Q	2Q	3Q	4Q	TOTAL
1). Agriculture WQLP	\$0	\$0		\$0	\$0
2). Direct NPS - Federal - Projects Below					\$0
State Match					\$0
3). Onsite Systems	\$0	\$100,000	\$0		\$100,000
SECTION 319 TOTAL	\$0	\$100,000	\$0	\$0	\$100,000
FEDERAL SHARE OF TOTAL			\$0	\$0	\$0
STATE SHARE OF TOTAL	\$0	\$100,000	\$0	\$0	\$100,000
% OF TOTAL FEDERAL	0	0%	0%	0%	0%
% OF TOTAL STATE	0	100%	0%	0%	100%

STATE FISCAL YEAR 2016										
PROJECT	NUMBER C-	1st Half				2nd Half				TOTAL
		Cap. Grant	Debt Forgiveness	State Loan	State Debt Forgiveness	FEDERAL	Debt Forgiveness	State Loan	State Debt Forgiveness	
B2). Section 319 Projects										
Auburn	547201				23,979				8,966	32,945
Greater Paw Paw PSD	547750				5,099				30,721	35,820
Lincoln	547801				27,580					27,580
New Haven PSD	547700				70,659				28,899	99,558
Preston County PSD	544487				15,900				28,034	43,934
Projects Total		-	-	-	119,238	-	-	-	87,654	239,837

C). ADMINISTRATION	1Q	2Q	3Q	4Q	TOTAL
1. ADMINISTRATION - #3329	603(D)				\$0.00
2. ADMINISTRATION - #3342		\$501,763.00	\$484,668.21	\$470,890.75	\$510,031.75
ADM TOTAL		\$501,763.00	\$484,668.21	\$470,890.75	\$510,031.75
FEDERAL SHARE OF TOTAL		\$0.00	\$0.00	\$0.00	\$0.00
STATE SHARE OF TOTAL		\$501,763.00	\$484,668.21	\$470,890.75	\$510,031.75
% OF TOTAL FEDERAL		0%	0%	0%	0%
% OF TOTAL STATE		100%	100%	100%	100%

INTRODUCTION

This submittal of the 25nd annual report to the U.S. Environmental Protection Agency describes the operation of the West Virginia Water Pollution Control Revolving Fund, commonly referred to as the “Clean Water” State Revolving Fund (CWSRF). This report details the CWSRF activities in state fiscal year 2016 (July 1, 2015 - June 30, 2016) and the progress made in meeting the goals and objectives for the program outlined in the Intended Use Plan. This report summarizes all financial transactions of the CWSRF, including binding commitments, loans, disbursements, repayments of principal and interest, and investments.

EXECUTIVE SUMMARY

The West Virginia Department of Environmental Protection (DEP) has received 27 capitalization grant awards and amendments from EPA (Exhibit 1). As required by federal law, the required minimum 20% state match has been deposited on or before the dates of the federal payments contained within each grant award.

During this fiscal year, there were 8 loan/bond agreements issued on Section 212 publicly owned wastewater projects with a cumulative loan amount of \$48,431,727. There were no loans made to Section 319 nonpoint source projects under the Agriculture Water Quality Loan Program. There were 33 loans made to individual homeowners worth \$219,145.58 under the Onsite Systems Loan Program. Exhibit 2a shows a summary of point and nonpoint source loan transactions. The loans under the Ag and OSLP programs were made by intermediary lenders participating with DEP in these two programs. The FY2016 net binding commitments totaled \$48,735,461 (Exhibit 2a). The DEP did not use any federal grant funds for program administration in FY2016.

For fiscal years 1991 through 2016, the CWSRF has now issued a grand total of \$1,155,222,982 in loan agreements, which include municipal projects, nonpoint source projects and prior DEP administrative costs, which are no longer used by the CWSRF program from the capitalization grants.

At the end of this fiscal year the CWSRF program was in compliance with all federal requirements regarding state matching funds and the 120% federal binding commitment requirement (Exhibit 5).

GOALS AND ACCOMPLISHMENTS

The goals are re-stated from the FY2016 Intended Use Plan with the DEP response following:

A. Long term goals

- 1) Expand CWSRF accessibility by creating new financial assistance programs to address NPS pollution control problems.**

DEP Response: There were no new NPS activities initiated during the fiscal year. The program has continued to offer debt forgiveness incentives for decentralized systems and increased the debt forgiveness for other NPS green projects in the FY2017 IUP.

- 2) Ensure the CWSRF program operates in perpetuity at its maximum level to provide financial assistance to local entities. The objectives to accomplishing this goal are to conduct financial capability reviews on all potential loan recipients, monitor repayment activity, maximize investment opportunities, and use EPA's financial planning model to evaluate the long-term effects of CWSRF policies.**

DEP Response: Financial reviews were performed on all applications submitted to the Infrastructure and Jobs Development Council. The Water Development Authority continued to monitor repayment activity on all loans and took appropriate action, when necessary, to resolve any financial deficiencies. The Municipal Bond Commission's report on deficiencies and defaults can be found in Exhibit 4.

- 3) Integrate the CWSRF program into DEP's Watershed Management Framework to increase program effectiveness by targeting the CWSRF funds toward higher priority watersheds.**

DEP Response: CWSRF personnel continue to meet internally with watershed management personnel to identify high priority watersheds and where CWSRF resources can be helpful toward resolving problems. The CWSRF closed on loans totaling \$15,874,570 that went toward phosphorus reduction projects in the Greenbrier River watershed this fiscal year. These projects will reduce algal blooms that are impairing the river.

- 4) Market the CWSRF program throughout the state to increase commitment of funds and maintain program pace. Marketing objectives will include articles on program activities, press releases, and participation in meetings of federal and state associations concerned with water quality, health, and economic issues.**

DEP Response: This goal was met in 2016.

- 5) **Participate in the monthly meetings of the IJDC by performing technical reviews on all proposed sewer projects and coordinate and recommend the most feasible funding sources.**

DEP Response: 17 applications and preliminary engineering reports submitted to the West Virginia Infrastructure and Jobs Development council were reviewed for technical feasibility and financial affordability by the CWSRF engineering staff.

- 6) **Incorporate EPA's strategic plan program activity measures into the CWSRF program implementation by working to achieve a targeted fund utilization rate of 100% (cumulative dollar amount of loan agreements divided by cumulative amount available for projects).**

DEP Response: The FY 2015 fund utilization rate was 100% and the FFY 2015 capitalization grant was completely drawn within seven months of award. In addition, the CWSRF program was awarded the FFY 2016 grant during the same fiscal year (June 20, 2016).

- 7) **Develop effective wastewater management in rural, low income West Virginia communities. This includes investigating new funding opportunities and participating in groups to develop wastewater management ideas and programs.**

DEP Response: The continued definition of a decentralized system as a categorically "green" project allowable under the "green reserve" funds has allowed the CWSRF to continue to push projects in the state's rural, low income communities forward. An example of this was the debt forgiveness design loan given to the Town of Auburn this fiscal year. This funding will allow this community with a MHI of less than \$10,000/year to move forward on a project to provide sewer service to their community.

B. Short term goals

- 1) **Continue outreach efforts on new potential loan recipients.**

DEP Response: This goal was accomplished.

- 2) **Achieve the targeted fund utilization rate "pace" goal of 95% in FY2016. Program pace is defined by EPA as the cumulative loan assistance provided divided by the total amount of funds available. Loan assistance is defined as the cumulative assistance provided by executed loan and bond agreements (does not include preliminary binding commitment letters).**

DEP Response: The cumulative utilization rate was 98% at the end of FY 2016.

- 3) Complete the Environmental Benefits for each CWSRF project in EPA's CBR system.**

DEP Response: The goal was accomplished.

- 4) Continue to work with the communities required to upgrade their systems in the State's Watershed Improvement Plan for the Chesapeake Bay and the Greenbrier River TMDL.**

DEP Response: \$15.8 million in CWSRF funds went toward funding required projects on the Greenbrier River.

- 5) Work with EPA to implement all necessary requirements of the Water Resources Reform and Development Act (WRRDA).**

DEP Response: This goal was accomplished.

C. Environmental Results

During FY 2016, 36 entities received CWSRF disbursements totaling approximately 58.4 million dollars. The majority of the funding continues to be used for actual construction while the remaining portion was used for planning, design, and administrative expenses related to the projects.

West Virginia's CWSRF program provides financial assistance to improve and maintain water quality throughout the State. The projects financed are vital in protecting and improving water quality in rivers, lakes, and streams throughout the State used for drinking water, recreation, coldwater fisheries, warm water fisheries, wildlife use, industrial use, and agricultural use. In addition to the normal projects addressing wastewater issues; the CWSRF provided funding to projects to reduce stormwater impacts.

During FY 2016, the CWSRF program contributed to the joint State/EPA mission of achieving clean and safe water by using the following goals:

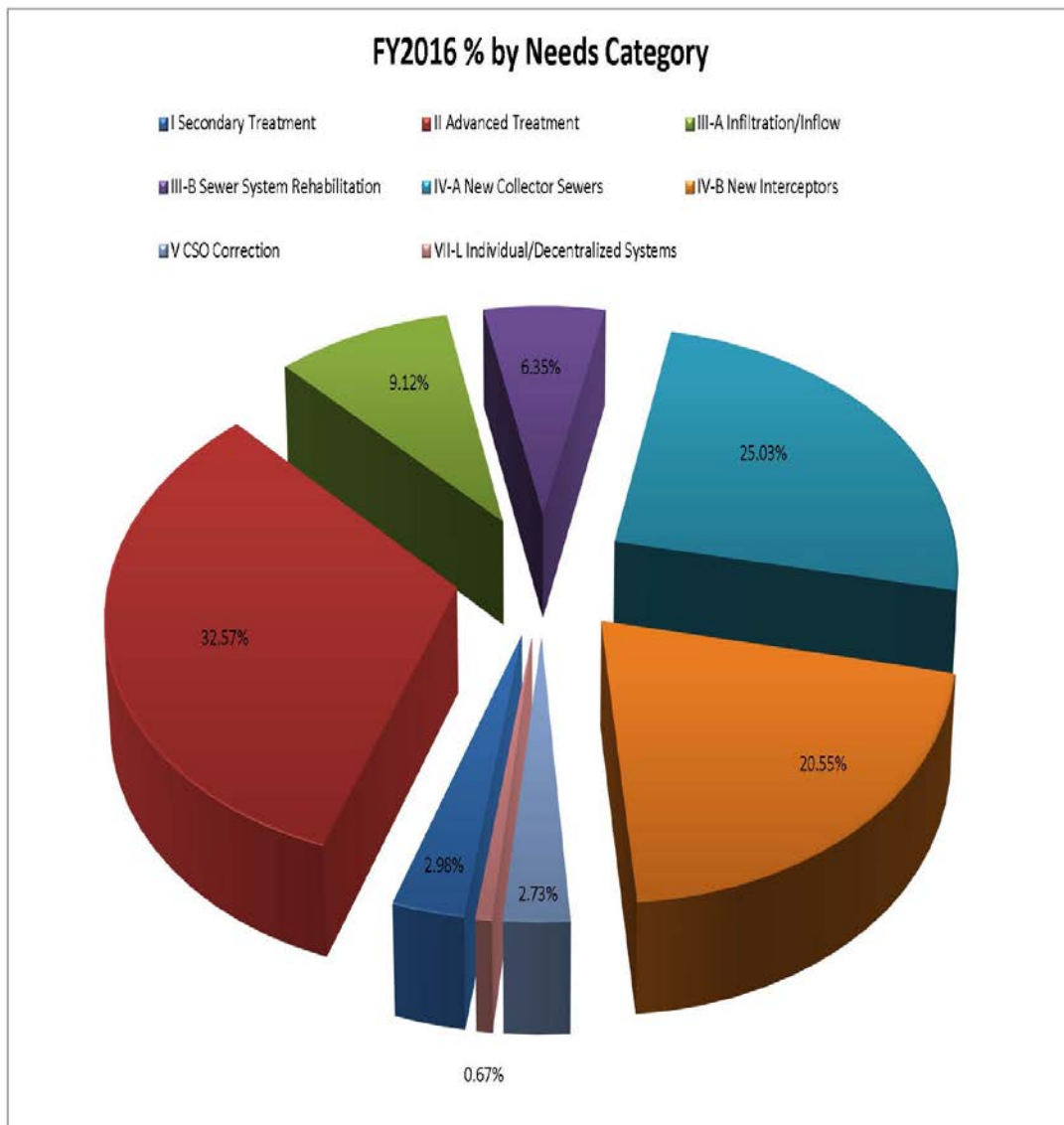
Eliminate sewage overflows from combined sewer overflows (CSOs) and from separate sewer system overflows (SSOs),

Improve and protect designated uses of water bodies, and achieve and maintain CWA compliance.

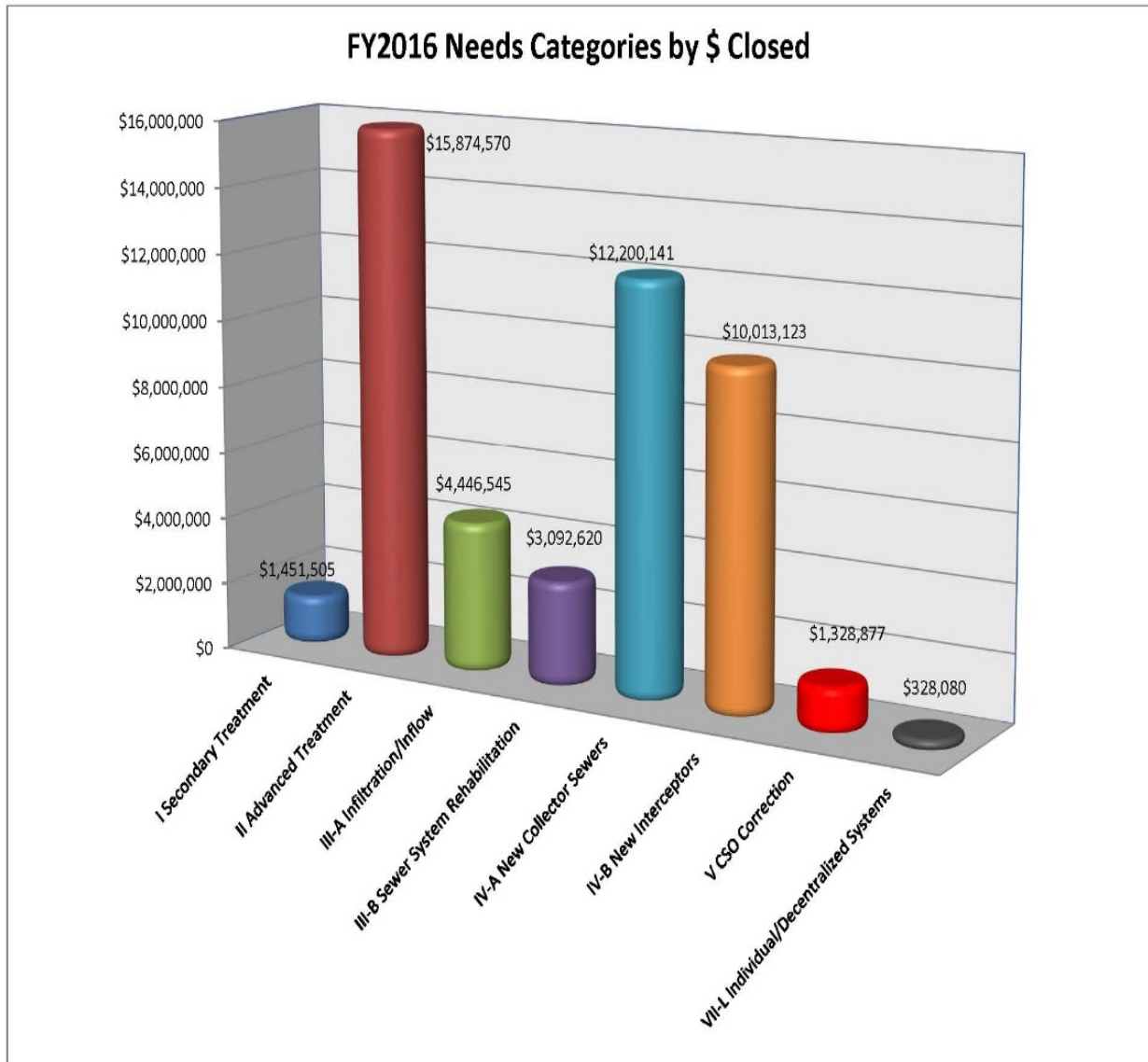
Achieve and maintain CWA compliance.

Of the loans closed during FY2016, \$48.7 million went to helping systems achieve compliance with standards. \$48.8 million assisted communities with improving impaired water bodies. Principal Forgiveness of \$0.2 million is included in the above amounts.

Loan dollars closed in FY2016 were somewhat balanced in three categories: advance treatment processes (32.57%), New Collector Sewers (25.03%), and New Interceptors (20.55%). In contrast, Individual/Decentralized Systems constituted only 0.7% of the total assistance. (See graphs)



The following CWSRF “Success Stories” are examples of the types of projects funded during FY2016.



Improve and Protect Designated Uses of Water Bodies

CITY OF RONCERVESTE WASTEWATER TREATMENT PLANT UPGRADE PROJECT RONCERVESTE, WEST VIRGINIA



- Greenbrier River is impaired by algae
- Consent Order No. 7136 to comply with WVNPDES Permit effluent discharge limitations on total phosphorus.
- Effluent discharge limitations for total phosphorous = 0.5 mg/l (avg. monthly)
- Effluent discharge limitations for total Phosphorus = 1.0 mg/l (max daily)

Success Story: This project is a wastewater treatment plant upgrade project to meet Greenbrier River effluent limitations in the City of Ronceverte, West Virginia.

General information:

The City of Ronceverte owns and operates a wastewater collection and treatment system that serves approximately 832 customers in the City of Ronceverte in Greenbrier County, West Virginia. Additionally, wastewater treatment is provided for approximately 2,577 customers of Greenbrier PSD No. 1.

The existing contact stabilization wastewater treatment plant is designed to treat an average daily flow of 1.2 million gallons per day (MGD) and discharges treated wastewater to the Greenbrier River.

The Greenbrier River is listed as being impaired in DEP's 2010 WV Integrated Water Quality Monitoring and Assessment Report. Seasonal non-attainment of designated uses (public water supply and contact recreation) has been documented due to excessive algae growth attributed to phosphorus inputs. Additionally, documented fecal coliform impairment resulted in a TMDL being developed for the Greenbrier River in 2008.

Specifics:

The proposed project involves the construction of a 2.0 MGD vertical loop reactor (VLR) treatment system to replace the existing 1.2 MGD contact stabilization system and installation of a 24" railroad crossing with 36" casing pipe to replace the existing 12" crossing.

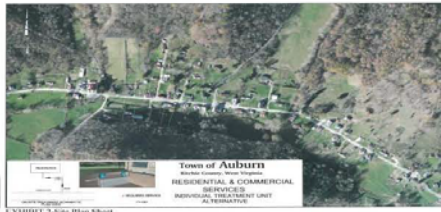
Proposed improvements to the wastewater treatment system include modifications to the existing influent pump station, construction of new screening and grit removal facilities, construction of three VLR basins with two secondary clarifiers, tertiary filtration, chemical addition, disinfection facilities, dewatering system, and conversion of the existing contact basins to aerobic digesters.

The project costs and proposed funding sources for the project are as follows:

Total Project Cost	\$	23,723,342.62
Total Construction Cost	\$	20,662,750.46
SRF Loan Amount	\$	14,481,456.00
SB245 Grant	\$	9,241,886.62

Decentralized Treatment/GPR

TOWN OF AUBURN WASTEWATER COLLECTION AND TREATMENT SYSTEM PROJECT AUBURN, WEST VIRGINIA



- Decentralized sewer system design loan
- Direct discharge elimination
- County Health department condemnations and violations of state code
- Innovative utility management model: Sewer maintenance association

Success Story: This project is a design loan for a wastewater collection and treatment system project to eliminate direct discharges to Bone Creek in the Town of Auburn, West Virginia. A construction loan is anticipated in the near future.

General information:

The Town of Auburn, located in Ritchie County, West Virginia, does not currently provide sanitary sewer collection or treatment services to its 97 residents. The Town's wastewater is currently either discharged into roadside ditches, storm sewers, or directly into Bone Creek, which has created a public health hazard for the Town. Residents' shallow wells, which are the sole provider of potable water in the area, have been contaminated by the pollution of Bone Creek. The Mid-Ohio Valley Health Department has ordered the Town to submit monthly Action Plans in order to bring a solution to Auburn, in lieu of legal action being taken against the Town and its residents.

Specifics:

The Town has proposed to purchase and install individual wastewater filter units on each property. These units will be owned by the individual property owners. This project proposes a decentralized system, and is eligible for Green Project Reserve Funds. The project includes the installation of fifty (50) individual treatment units with accompanying electrical connections, twenty (20) drip fields, 5,000 linear feet (LF) of polyvinyl chloride (PVC) effluent lines, 4,000 LF of restoration work, seven (7) road crossings, and any miscellaneous appurtenances.

A Maintenance Association is also proposed as part of this project. Individual property owners served by this project will pay a monthly fee of \$35.67 to the Maintenance Association, which will cover a percentage of scheduled maintenance and inspections. The homeowners will be responsible for paying a percentage of the repair costs, in addition to the monthly Maintenance Association fee. A board will be implemented to organize and operate the Maintenance Association, allowing payments to be made and scheduling routine maintenance and repairs to be performed by an independent operator.

The anticipated project costs and proposed funding sources for the project are as follows:

Total Project Cost	\$ 2,714,725.00
Total Construction Cost	\$ 1,931,000.00
SRF Loan Amount	\$ 1,214,725.00
SCBG Amount	\$ 1,500,000.00

The funding closed in FY2016 is a design loan of \$303,000 which is included in the total above.

Achieve Compliance and I/I Mitigation

CITY OF NITRO WASTEWATER SYSTEM IMPROVEMENTS PROJECT NITRO, WEST VIRGINIA



- Pump station replacement
- Telemetry
- Stormwater separation
- Lining of 42" Combined VCP sewer
- Extension of service

Success Story: This project eliminates sources of I/I from deteriorated pipe, roof leaders, and manholes as well as extending service to customers currently relying on septic systems.

General information:

The Nitro Regional Wastewater Utility is located in Nitro, West Virginia along the Kanawha River in Kanawha and Putnam Counties. The service area includes the former Rock Branch PSD, the Poca River Road area, and the Cross Lanes area. The Nitro Regional Wastewater Utility currently treats their wastewater in a 1,875,000 GPD contact stabilization wastewater treatment plant.

This project involves various improvements to the wastewater collection and treatment facilities as follows:

- Sewer extensions to serve Blakes Creek and Eastwood Acres including extending service to Cochrane Lane and replacement of the deteriorated collections system on Bails Drive
- Replacement of Pump Station No. 6
- Telemetry for eight major Pump Stations
- Separation of sanitary and storm sewers in the Pump Station No. 7 area
- Relining of the 42" Combined VCP Sewer

Specifics:

Residents (approximately 30) in the Blakes Creek and Eastwood Acres area currently rely upon individual septic tanks. This area is immediately above Ridenour Lake, which is a city owned recreational park area heavily used for fishing, picnicking and other family styled outings.

Repair line breaks and rehabilitate manholes to reduce I & I to pump station No. 7. Many homeowners in the area have their roof leaders discharging directly into the sanitary sewer. Having them removed without installing a storm sewer would cause neighborhood flooding. Therefore a storm water sewer is being installed to eliminate the possibility of flooding and allow storm water to be removed from the sanitary sewer systems. This is consistent with the Nitro's Long Term Control Plan approved by WVDEP.

The 42" combined vitrified clay pipe (VCP) sewer (constructed in 1913) running under the athletic field and bleachers near Nitro High School, as well as under the Nitro High School building has been problematic as it has deteriorated. Several sewers and storm sewers are connected to this sewer line, making it impossible to relocate. Therefore, it is proposed to reline the 42" sewer.

The project costs and funding sources are as follows:

Total Project Cost	\$8,350,000.00
Total Construction Cost	\$6,356,400.00
State Revolving Fund Cost	\$8,350,000.00

D. Engineering Summary

During FY2016, the CWSRF engineering staff performed the following activities in support of the program's goals and objectives.

ACTIVITY	FY2016
FONSIs/CE's issued	8
Facilities plans approved	7
Plans/Specs approved	11
Addenda approved	23
Change Orders Approved	103
O&M Manuals approved	3
Site Visits/Inspections	9
Plan Reviews for BPH	77
WVIJDC application reviews	17

(1) Finding of No Significant Impact (an environmental review)

(2) Categorical Exclusion

E. Administrative Summary

Activities performed by the CWSRF management section included but were not limited to the following:

ACTIVITY	FY 2016
Commitment Letters Issued	9
Authorization to Advertise	6
Design Loans	1
Loan Bond Closings (excl. Design Loans)	8
Payments Processed (excl. Design & STAG's)	193
Onsite Systems Loan reviews	33
Agriculture Loans	0

In addition, the section has been tasked with oversight of the WDA design loans and will review the design application, monthly payments, and invoices.

EXPANDED USES (NONPOINT SOURCES)

A. Agriculture Water Quality Loan Program

This was the 19th fiscal year of operation for the Agriculture Water Quality Loan Program (AgWQLP). The purpose of this program is to provide a source of low interest loans for the financing of best management practices to reduce nonpoint source impacts on water quality in the agricultural community. The program is set up as a cooperative effort between the WVDEP, WV Soil Conservation Agency (SCA), USDA Natural Resources Conservation Service (NRCS), local Soil Conservation Districts (SCD) and local banking institutions.

No new loans were made under this program during this fiscal year. This program is dependent on grant funds provided to the NRCS with a match provided by the CWSRF.

B. Onsite Systems Loan Program (OSLP)

The onsite systems loan program was revitalized in FY2007. The West Virginia Legislature amended the CWSRF statute to allow for an expanded definition of a local entity to which CWSRF money can be loaned. The West Virginia Housing Development Fund (WVHDF) was then contacted to see if they were interested to act as an intermediary lender in this program. An agreement in principal was reached between DEP and HDF and an initiation of of the OSLP occurred in FY2008. A second intermediary lender, Safe Housing and Economic Development, Inc. (SHED), also signed an agreement with DEP to participate in the program. The CWSRF has transferred incremental funds to these two entities to be used for making loans to homeowners for the repair or replacement of failing onsite sewage disposal systems. Thirty-three (33) actual loans were issued from these programs to homeowners this year totaling \$219,146.

The DEP transferred \$100,000 to the intermediary lenders in this program which is being counted as binding commitments as shown in Exhibit 2b. Under this program, binding commitments and loan agreements are different. As of June 30, 2016, SHED made 118 loans for a cost of \$661,318 and the WVHDF has entered into 199 loans for a cost of \$1,348,844.

C. Summary

The cumulative binding commitments made to nonpoint source projects in West Virginia under the CWSRF program is now \$38,703,917 (Exhibit 2b).

FUND FINANCIAL STATUS

A. Binding Commitments

As shown in Exhibit 2a, the net binding commitments were \$48,735,461 and are being counted toward meeting the federal requirement that “all assistance provided must equal at least 120% of the cumulative amount of all federal grant payments within one year after receiving such payments”. Exhibit 5 shows the CWSRF compliance rate at 187% at the end of this fiscal year.

B. Loan and Bond Agreements

As shown in Exhibit 2a, there were 8 new loan/bond agreements issued in for Section 212 projects. The CWSRF base funds provided to these entities carried loan repayment terms between 20 and 38 years.

C. Sources of Funds

Exhibit 3 shows all sources of funds that became available during this fiscal year. The sources came from federal capitalization grants, state matches, interest and investment earnings, and loan repayments. Also included in this exhibit is revenue from administrative fees charged on loans, although this money is held in a separate account, outside the CWSRF.

D. Disbursements and Cash Draws

Exhibit 6 shows all disbursements made from the CWSRF and administrative fee accounts. The administrative expenditures supported activities associated with the CWSRF program, including DEP central office support and other EPA approved activities in the Division of Water and Waste Management.

E. Financial Statements/Audit

The auditing firm of Gibbons & Kawash was chosen to perform this fiscal year’s audit. The final audit report will be transmitted to EPA this fall.

F. Monetary Defaults

As you can see from Exhibit 4, there were no communities in monetary default with the CWSRF. The communities that are listed had reserve and/or revenue account deficiencies. The West Virginia Water Development Authority actively monitors these communities on a monthly basis and when necessary, files a complaint with the Public Service Commission of West Virginia for resolution of the deficiencies. The total deficiencies increased from FY 2015 by \$151,628 or 151%. One utility, that has since increased their rates to pay off the deficiency within the coming year, was responsible for over 77.5% of the total deficiency.

In FY2016, there was one Onsite Systems Loan Program recipient that declared bankruptcy and was uncollectable. The uncollectable amount of this loan was \$8,028. There were also two loan recipients that were over one year delinquent on their repayments to the Housing Development Fund (HDF) in the amount of \$8,942. To ensure the perpetuity of the program, the CWSRF has provided forgiveness funds from the fee account to the HDF to ease the burden of these delinquent accounts. There are 39 remaining accounts with the HDF that are delinquent in the amount of \$34,015. Safe Housing and Economic Development (SHED) has 80 accounts that are delinquent in the amount of \$72,402. The CWSRF continues working with the HDF and SHED to reduce the amount through various acceptable procedures.

G. Federal Requirements

The FFY 2015 capitalization grant was \$21,745,000. In order to minimize the burden on borrowers with compliance with the Single Audit Act (2 CFR 200 Subpart F), FFATA, and other equivalency requirements, the following projects were selected to comply with these requirements. These borrowers will submit single audit reports in all years when disbursements of federal funds (both CWSRF and non-CWSRF federal funds) are greater than \$750,000. These projects were financed through bond purchases, not loans. 40 CFR Part 33 applies only to loans, it does not apply to bond purchases; therefore, the DBE requirements are not applicable to these specific projects.

Project Sponsor	Project Description	CWSRF Amount
Greater St. Albans PSD	Collection System Extension WWTP Upgrade	\$16,822,000
Ronceverte	WWTP Upgrade	\$14,481,456

PROGRAM CHANGES

There were no major programmatic changes to the program this year. Staffing changes have been occurring due primarily to retirements. This trend is anticipated to continue in future years.

ASSURANCES

Consistent with 40 CFR35.3165, the State/EPA Operating Agreement and applicable grant conditions, the DEP assures that it is:

- a. Properly applying the EPA-approved State Environmental Review Process (SERP) to section 212 defined wastewater treatment projects receiving assistance from the Fund;
- b. Diligently working to expend all monies in its CWSRF in an expeditious and timely manner and/or making sure that a well thought out plan or strategy exists for the expenditure of all the funds in its CWSRF;
- c. Accepting federal grant payments in accordance with the payment schedule in the capitalization grant agreement and depositing its state match on or before the date on which quarterly grant payments are made;
- d. Pursuant to 40 CFR 35.3165, entering into binding commitments equal to 120% of federal grant payments within one year;
- e. Providing information for the National Information Management System (NIMS) in a timely manner;
- f. Submitting to EPA an annual Financial Status Report (FSR) SF-269. The annual FSR is due 90 days after the end of each state fiscal year. The final FSR on the grant is due 90 days after all funds are drawn from the capitalization grant;
- g. Submitting its semi-annual Federal Cash Transaction Report SF-272 (FCTRs);
- h. Preparing a program audit for the reporting period; and
- i. Submitting the semi-annual reports on MBE/WBE utilization in a timely manner.