

FY 2018 ANNUAL REPORT

(July 1, 2017 - June 30, 2018)

West Virginia
Department of Environmental Protection
Clean Water State Revolving Fund



Submitted to the
U.S. Environmental Protection Agency
Region III
September 26, 2018

TABLE OF CONTENTS

Contents

INTRODUCTION.....	2
EXECUTIVE SUMMARY.....	2
GOALS AND ACCOMPLISHMENTS.....	3
A. LONG TERM GOALS.....	3
B. SHORT TERM GOALS.....	4
C. ENVIRONMENTAL RESULTS.....	5
D. ENGINEERING SUMMARY.....	11
E. ADMINISTRATIVE SUMMARY.....	11
EXPANDED USES (NONPOINT SOURCES).....	12
A. AGRICULTURE WATER QUALITY LOAN PROGRAM.....	12
B. ONSITE SYSTEMS LOAN PROGRAM (OSLP).....	12
C. SUMMARY.....	12
FUND FINANCIAL STATUS.....	13
A. BINDING COMMITMENTS.....	13
B. LOAN AND BOND AGREEMENTS.....	13
C. SOURCES OF FUNDS.....	13
D. DISBURSEMENTS AND CASH DRAWS.....	13
E. FINANCIAL STATEMENTS/AUDIT.....	13
F. MONETARY DEFAULTS.....	13
G. FEDERAL REQUIREMENTS.....	14
H. ADDITIONAL SUBSIDY.....	14
PROGRAM CHANGES.....	15
ASSURANCES.....	15
EXHIBITS.....	16

INTRODUCTION

This submittal of the 27th 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 2018 (July 1, 2017 - June 30, 2018) 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 30 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 ten loan/bond agreements issued on Section 212 publicly owned wastewater projects with a cumulative loan amount of \$42,912,915. There were no loans made to Section 319 nonpoint source projects under the Agriculture Water Quality Loan Program. There were 30 loans made to individual homeowners worth \$234,098 under the Onsite Systems Loan Program. Exhibit 2a shows a summary of point and nonpoint source loan transactions. The loans under the program were made by intermediary lenders participating with DEP in this program. The FY 2018 net binding commitments totaled \$43,355,979 (Exhibit 2a). The DEP did not use any federal grant funds for program administration in this fiscal year.

For fiscal years 1991 through 2018, the CWSRF has now issued a grand total of \$1,249,015,390 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 FY 2018 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.

- 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. CWSRF staff met with DEP watershed staff and communities in the Tygart River watershed to discuss options for biologically reducing nutrients from the wastewater treatment facilities and the impacts on 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 2018. The CWSRF published four articles in the WV Public Service Commission's quarterly newsletter. The program also sponsored a booth display at the annual Construction and Design EXPO in Charleston, WV.

- 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: 19 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 cumulative fund utilization rate at the end of SFY 2018 was 96% and the FFY 2017 capitalization grant was completely drawn within six months of award.

- 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. There has been a large push this year to work with McDowell County communities to provide wastewater infrastructure to their disadvantaged communities. There have been several meetings with the PSD and their communities to discuss this initiative in addition to meetings with other agencies that can help push this endeavor forward.

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 FY 2018. 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 96% at the end of FY 2018.

- 3) **Provide outreach and requested technical assistance to several communities in the Tygart River Watershed as they consider biological nutrient removal processes in their systems.**

DEP Response: CWSRF staff engineers met with the Town of Beverly to discuss possible upgrades to their wastewater treatment plant.

- 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: \$2.8 million was disbursed this year for projects in the Chesapeake Bay watershed and \$4.6 million was disbursed for projects on the Greenbrier River.

- 5) Keep the CWSRF flexible to be able to quickly respond to potential project shifts due to the State's economic crisis and rapid regional population adjustments.**

DEP Response: This goal was accomplished.

C. Environmental Results

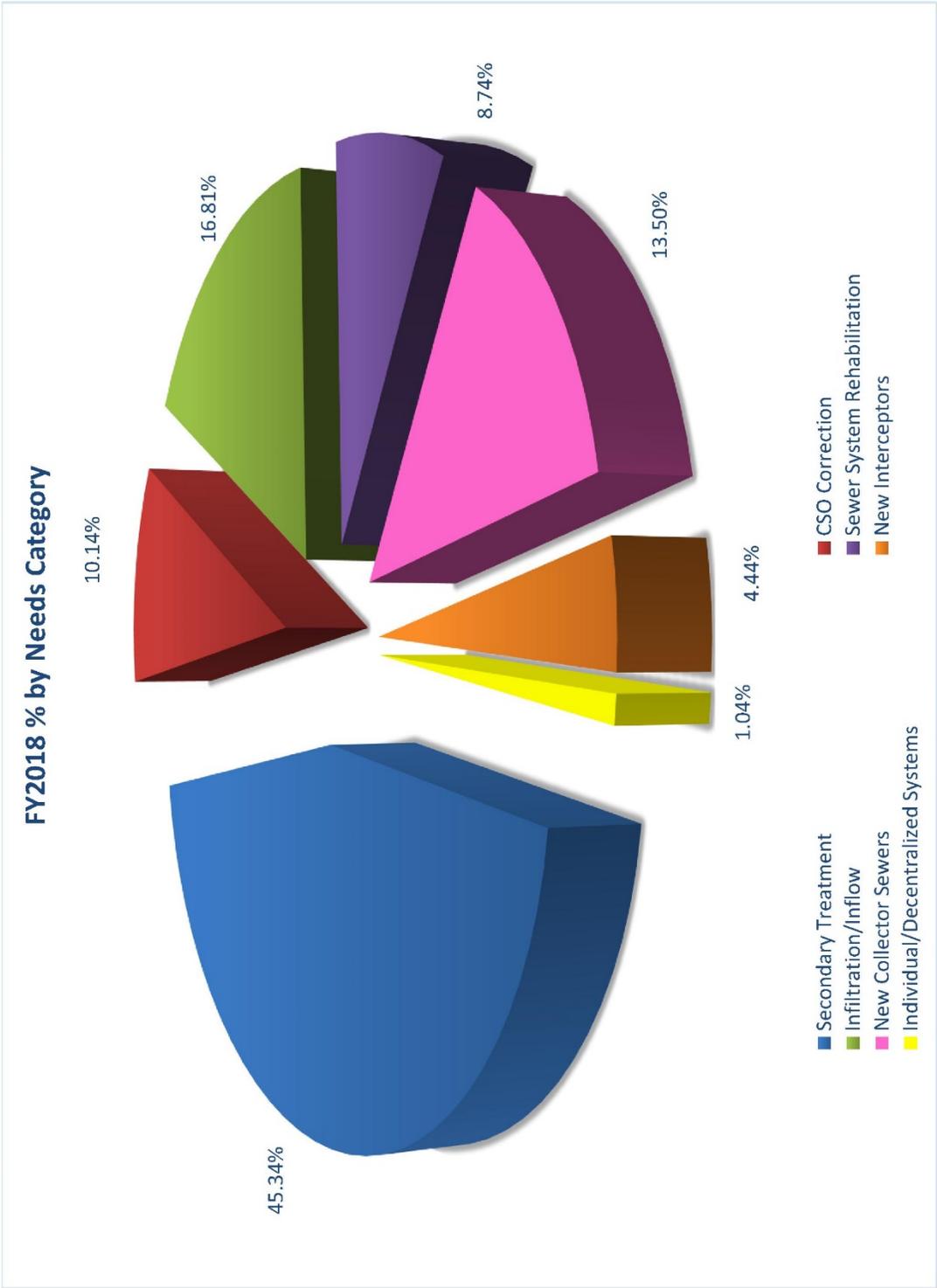
During FY 2018, 32 projects received CWSRF allocations totaling approximately \$44.6 million dollars. The majority of the funding continues to be used for actual construction while the remaining portion was used for planning, design, and administrative expenses related to the projects.

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, cold water 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.

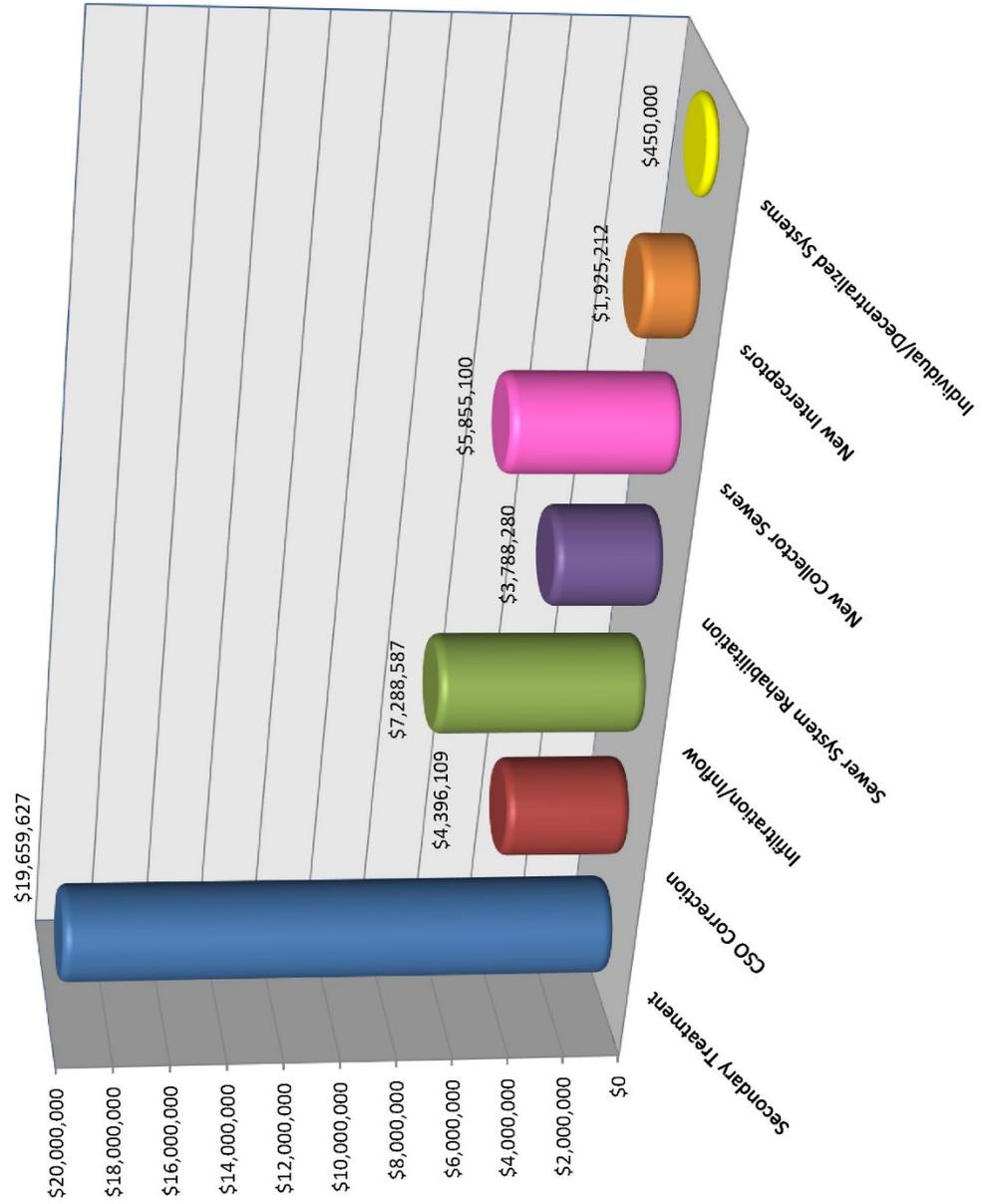
During FY 2018, the CWSRF program contributed to the joint State/EPA mission of achieving clean and safe water by using the following goals:

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. Loan and Principal Forgiveness dollars closed in FY2018 were predominately in the "secondary treatment" category (45.34%), leaving the rest of the dollars to be spread over six other needs categories. The majority of the remainder was distributed mainly in: Infiltration/Inflow (16.81%), New Collector Sewers (13.50%), and CSO Correction (10.14%). (See graphs)



FY2018 Needs Categories by \$ Closed



The following CWSRF “Success Stories” are examples of the types of projects funded during FY2018:

Improve and Protect Designated Uses of Water Bodies

**CITY OF BENWOOD PHASE I SEWER SEPARATION PROJECT
BENWOOD, WEST VIRGINIA**



- CSO removal
- Stormwater separation
- Removal & Replacement of lines
- Manhole installation
- LTCP compliance

Success Story: This project eliminates raw sewage discharges by elimination of CSOs.

General information: The City of Benwood is a community of approximately 1,420 people located along the Ohio River in Marshall County, West Virginia. Wastewater generated in the City is collected by a combined sewage system that is pumped to the City of Wheeling Water Pollution Control Treatment system. However, during wet weather the collection system has thirteen overflow points which discharge combined sewer into an unnamed tributary of the Ohio River, McMechen’s Run and Boggs Run.

Specifics: The project eliminates raw sewage discharges to McMechen’s Run and the Ohio River from CSOs (Combined Sewer Overflows). The Ohio River and its tributaries are on the 2010 303(d) list for impaired streams for fecal coliform. The project will have a positive effect by eliminating the overflows into the Ohio River thereby reducing the total fecal coliform loading on the Ohio River. The project is in accordance with the City of Benwood’s Long Term Control Plan to ultimately ensure compliance with EPA’s Combined Sewer Overflow Control Policy.

The CSO locations are C-008, C-009, C-013 and C-015 as outlined in the City’s NPDES Permit No. WV0020648. The project consists of the installation of approximately 9,950 LF of 8” and 3,140 LF of 6” sewer pipe; 960 LF of 12”, 125 LF of 18”, and 324 LF of 24” storm water sewer; approximately 66 sanitary manholes, 3 stormwater manholes and all necessary appurtenances.

The project costs and funding sources are as follows:

Total Project Cost	\$	3,729,539.00
State Revolving Fund Loan	\$	2,404,539.00
State Revolving Fund Principal Forgiveness	\$	1,000,000.00
Local Funds	\$	325,000.00

Achieve Compliance

CENTRAL BOAZ PSD WASTEWATER TREATMENT SYSTEM REPLACEMENT AND COLLECTION SYSTEM EXTENSION PROJECT BOAZ, WEST VIRGINIA



- WWTP Rehabilitation/Replacement
- Emergency Power Generator
- Resolution of NOV
- Extension to 84 unserved customers

Success Story: This project helps achieve compliance by resolution of violations through the rehabilitation and/or replacement of the existing treatment facility.

General information: The Central Boaz area in Wood County, West Virginia, is part of the Parkersburg – Marietta – Vienna area. It is located along the Ohio River just west of Interstate 77.

Specifics: The Central Boaz PSD WWTP and collection system were constructed in the late 1980s. The WWTP has a design follow of 90,000 gallons per day and utilizes the sequencing batch reactor process to treat wastewater. The system has reached and/or exceeded its useful life.

A notice of violation was issued to the PSD by the West Virginia Department of Environmental Protection dated August 25, 2011 (NOV# CM-DAK-027-NOV 1), based on the results of a compliance sampling inspection (CSI) at the Central Boaz PSD Wastewater Treatment Plant. The CSI noted that the existing decanter allowed solids to escape during the decant cycle and subsequently allowing unwanted solids to be discharged to the Ohio River.

Based on a detailed evaluation of their existing collection system, three vacuum valves, which have exceeded their design life, are being replaced as part of the project.

The collection system extension to an area known as Central which is located along State Route 14 between Summit and Central, Southeast of Boaz, will serve 84 new customers which represents a 17% increase to the District's customer base. The collection system will consist of approximately 2,007 linear feet of 8" gravity sewer, 3,528 linear feet of 6" gravity sewer, 3,555 linear feet of 4" gravity sewer, 12,969 linear feet of 4 pressure sewers, 3,635 linear feet of 1 ¼" pressure sewer, 34 grinder pumps and other miscellaneous system components.

The treatment plant replacement/upgrade consists of UV disinfection, replacement of the SBR system (decanter, aeration, and controls) and installation of a plant generator.

The project costs and funding sources are as follows:

Total Project Cost	\$	3,359,174.00
State Revolving Fund Loan	\$	2,969,500.00
State Revolving Fund Principal Forgiveness	\$	364,674.00
IJDC Soft Cost Grant	\$	25,000.00

**CITY OF OAK HILL WASTEWATER PLANT AND
COLLECTION SYSTEM IMPROVEMENT PROJECT
OAK HILL, WEST VIRGINIA**



- WWTP Improvements
- Utility Consolidation
- WWTP Demolition
- Comply with Consent Order
- I/I Removal
- Remove/reduce unpermitted bypasses

Success Story: This project helps achieve compliance, reduces I/I, and improves and protects designated uses of water bodies by consolidating utilities, improving collection systems, and constructing wastewater treatment facilities.

General information: The City of Oak Hill is located in Fayette County West Virginia about 9 miles southwest of Fayetteville and 16 miles north of Beckley with US Highway 19 bisecting the City. Current customers are approximately 3,300 and the project is adding approximately 600 new/consolidated customers. The City operates treatment plants at Minden Road and Route 61 and is consolidating with the Arbuckle PSD to allow the decommissioning of the Arbuckle WWTP.

Specifics: Oak Hill's sewage collection system has extremely high I&I. Both WWTP's are approaching their design capacities at average daily flow and exceed their design capacities during wet weather. Oak Hill is designated as a separate sanitary sewer system with no permitted overflows. However, 134 overflow events were reported at the Minden WWTP between January 2011 and September 2014. There were 20 bypass events that occurred at the Rt. 61 WWTP from October 2013 to September 2014.

The need for eliminating the Arbuckle WWTP is well documented. Consent order 7649 dated June 22, 2012 was issued to the Arbuckle PSD due to numerous excursions of effluent limitations for Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), Ammonia Nitrogen (NH₃N), Total Residual Chlorine (TRC), and Fecal Coliform. The estimated wastewater flow based upon water usage records and allowable I&I is 211,000 gallons per day (gpd). The average flow at the WWTP was 554,000 gpd during a recent test year.

This project is increasing the Minden Road WWTP capacity from 0.75 million gallons per day (MGD) to 2.65 MGD and increasing the Route 61 WWTP capacity from 0.3 MGD to 0.6 MGD. The Arbuckle PSD WWTP is being decommissioned, a pump station and force main are being installed to convey the Arbuckle flow to the Minden WWTP. I/I work is being accomplished throughout the City by replacing, repairing or installing over 250 manholes, and replacing or installing thousands of feet of sewer lines.

The project costs and funding sources are as follows:

Total Project Cost	\$ 22,365,211.00
State Revolving Fund Loan	\$ 14,000,000.00
IJDC Loan	\$ 8,365,211.00

D. Engineering Summary

During FY 2018, the CWSRF engineering staff performed the following activities in support of the program's goals and objectives.

ACTIVITY	FY 2018
FONSI(1)/CEs (2) issued	9
Facilities plans approved	7
Plans/Specs approved	4
Addenda approved	4
Change Orders approved	80
O&M Manuals approved	2
Site Visits/Inspections	119
Plan reviews for BPH	24
WV IJDC application reviews	19
Fiscal Sustainability Plans approved	2

- (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 2018
Commitment Letters Issued	3
Authorization to Advertise	5
Design Loans	1
Loan Bond Closings (excl. Design Loans)	10
Payments Processed (excl. Design & STAG's)	189
Onsite Systems Loan reviews	15
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 21st 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 FY 2007. 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 the OSLP occurred in FY 2008. 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 actual loans were issued from these programs to homeowners this year totaling \$234,098.

The DEP transferred \$450,000 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, 2018, SHED made 155 loans for a cost of \$942,049 and the WVHDF has entered into 230 loans for a cost of \$1,582,614.

C. Summary

The cumulative binding commitments made to nonpoint source projects in West Virginia under the CWSRF program is now \$41,828,044 (Exhibit 2b).

FUND FINANCIAL STATUS

A. Binding Commitments

As shown in Exhibit 2a, the net binding commitments were \$43,355,979 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 188% at the end of this fiscal year.

B. Loan and Bond Agreements

As shown in Exhibit 2a, there were ten 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

Exhibits 6a and 6b 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 Brown Edwards 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 monthly and when necessary, files a complaint with the Public Service Commission of West

Virginia for resolution of the deficiencies. The total deficiencies decreased from FY 2017 by \$273,110 or 90.7%.

In FY 2018, one Onsite Systems Loan Program recipient declared bankruptcy and was uncollectable. The uncollectable amount of the loan was \$2,300. There were also several loan recipients that were over one year delinquent on their repayments to the Housing Development Fund (HDF) in the amount of \$55,046.31. 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 41 remaining accounts with the HDF that are delinquent in the amount of \$35,268. Safe Housing and Economic Development (SHED) has 74 accounts that are delinquent in the amount of \$93,338. The CWSRF continues working with the HDF and SHED to reduce the amount through various acceptable procedures.

G. Federal Requirements

The FFY 2017 capitalization grant was \$20,668,000. 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 were not applicable to these specific projects.

Project Sponsor	Project Description	CWSRF Amount
Oak Hill	WWTP’s Upgrade/I/I Rehabilitation/Consolidation	\$14,000,000
Greater Paw Paw PSD	Ph. II LTCP – Collection System Rehabilitation	\$2,960,000
Hancock Co. PSD	Sewer system extension to approximately 160 new customers.	\$6,046,133

H. Additional Subsidy

As mentioned in the SFY 2017 (July 1, 2016 – June 30, 2017) EPA Program Evaluation Report (PER), the DEP has not executed loans to meet the additional subsidy requirements from the FFY 2016 and 2017 EPA capitalization grants. The amount of subsidy from these two grants total \$4,165,800 and \$4,133,600 respectively. In SFY 2018 and to date in SFY 2019, the DEP closed 5 projects containing \$3,135,650 and 2 projects containing \$2,000,000

in additional subsidy respectively. In addition to these projects, the DEP has committed \$3,000,000 in additional subsidy to three separate loans (Greater Harrison County PSD, Weston, and Mt. Hope) that are anticipated to close during FY 2019. The DEP also has 17 projects on the SFY 2019 priority list that are requesting a total of \$20.5 million of additional subsidy that are actively working with the CWSRF program. The communities understand that the CWSRF program operates on a first come, first served basis.

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.

EXHIBITS

Exhibit 1 – Federal Capitalization Grants

Exhibit 2a – Binding Commitments by Quarter
Exhibit 2b – Nonpoint Source Commitments

Exhibit 3 – Sources of SRF Fund by Quarter

**Exhibit 4 – WV Water Development Authority Report on
Monetary Defaults and Reserve Deficiencies**

Exhibit 5 – Federal Payments and Binding Commitments

Exhibit 6a – Disbursements – Section 212 Projects
Exhibit 6b – Disbursements – Section 319 Projects

EXHIBIT 1

WEST VIRGINIA STATE REVOLVING FUND - CAPITALIZATION GRANT AWARDS -as of June 30, 2018

DATE	FED. AMOUNT	SOURCE FY FUNDS	FY SOURCE	STATE MATCH REQUIRED	STATE MATCH COMMITTED	DIFF.	CUM. DIFF.
FY90 Grant 8/31/90	\$20,889,974	14,703,579 <u>6,186,395</u> \$20,889,974	89 90	2,940,716 <u>1,237,279</u> \$4,177,995	\$4,100,000 (91)	(\$77,995)	(\$77,995)
FY91 Grant 9/30/91	\$31,353,287	9,022,678 <u>22,330,609</u> \$31,353,287	90 91	1,804,535 <u>4,466,122</u> \$6,270,657	\$5,450,000 (92)	(\$820,657)	(\$898,652)
FY92 Grant 9/30/92	\$9,661,835	\$9,661,835	91	\$1,932,367	\$2,831,018 (93)	\$898,651	(\$1)
FY93 Grant 9/29/93	\$30,288,852	\$30,288,852	92	\$6,057,770	\$6,057,770 (94)	(\$0)	(\$1)
FY94 Grant 9/12/94	\$29,962,449	\$29,962,449	93	\$5,992,490	\$5,992,490 (95)	\$0	(\$1)
FY95 Grant 1/27/95	\$37,792,161	18,591,309 <u>19,200,852</u> 37,792,161	94 95	3,718,262 <u>3,840,170</u> 7,558,432	3,718,262 <u>3,840,170</u> 7,558,432 (96)	0 (0)	(1) (1)
FY97 Grant 9/30/97	31,451,607 9,713,600	3,498,858 <u>27,952,749</u> 31,451,607 <u>9,713,600</u> 41,165,207	95 96 97	699,771 <u>5,590,550</u> 6,290,321 <u>1,942,720</u> 8,233,041	0 8,233,041 (97)	0 <u>0</u> 0 0	(1) <u>0</u> 0 0
FY98 Grant 9/25/98	20,991,267	20,991,267	98	4,198,253	4,198,253 (98)	0	0
FY99 Grant 9/21/1999	20,993,049	20,993,049	99	4,198,610	4,198,610 2000	0	
FY00 Grant 9/21/00	20,921,868	20,921,868	2000	4,184,374	4,184,373 2000	(1)	0

DATE	FED. AMOUNT	SOURCE FY FUNDS	FY SOURCE	STATE MATCH REQUIRED	STATE MATCH COMMITTED	DIFF.	CUM. DIFF.	
FY01 Grant 9/19/01	20,735,946	20,735,946	2001	4,147,189	4,147,189	2001	0	0
FY03 Grant Inc. 1/2/2003	20,782,080	20,782,080	2002	4,156,416	4,171,893	2003	0	0
FY03 Grant Inc.	77,200	77,200		15,440	0		37	36
FY04 Grant 9/28/04	20,821,900	20,821,900	2003	4,164,380	4,174,379	2004	9,999	10,035
FY05 Grant 3/16/05	20,637,300	20,637,300	2004	4,127,460	4,132,938	2005	5,478	15,513
FY05 Amendment 9/28/05	16,798,100	16,798,100	2005	3,359,620	3,367,686	2006	8,066	23,578
FY06 Ggrant 9/20/06	13,650,912	13,650,912	2006	2,730,182	2,730,182	2007	8,066	23,578
FY07 Grant 9/26/07	16,684,470	16,684,470	2007	3,336,894	3,336,894	2007	8,066	23,578
FY08 Grant 9/24/08	10,607,850	10,607,850	2008	2,121,570	2,121,570	2008	0	23,578
FY09 ARRA Grants	61,092,100	61,092,100	2009 ARRA	n/a	n/a			
FY09 Grant 9/30/09	10,607,850	10,607,850	2009	2,121,570	2,121,570	2009	0	23,578
FY2010 Grant 8/26/10	31,762,000	31,762,000	2010	6,352,400	6,352,400	2010	0	23,578
FY2010 Amendment 11/30/10	277,929	(trans SMAG \$)		55,585	55,585 (from admin fee acct.)			
FY2011 Grant	23,019,000	23,019,000	2011	4,603,800	4,603,800	2011	0	23,578
FY2012 Grant	22,031,000	22,031,000	2012	4,406,200	4,406,200	2012	0	
FY2013 Grant	20,813,000	20,813,000	2013	4,162,600	4,162,600	2013	0	23,578
FY 2014 Grant	21,856,000	21,856,000	2014	4,371,200	4,371,200	2014	0	23,578
FY 2015 Grant	21,745,000	21,745,000	2015	4,349,000	4,349,000	2015	0	23,578

DATE	FED. AMOUNT	SOURCE FY FUNDS	FY SOURCE	STATE MATCH REQUIRED	STATE MATCH COMMITTED	DIFF.	CUM. DIFF.	
FY 2016 Grant	20,829,000	20,829,000	2016	4,165,800	4,165,800	2016	0	23,578
FY 2017 Grant	20,668,000	20,668,000	2017	4,133,600	4,133,600	2017	0	23,578
FY 2018 Grant	25,020,000	25,020,000	2018	5,004,000	5,004,000	2018	0	23,578
30 Grants+Amends	684,536,586	FEDERAL		124,688,895	STATE	124,712,473		23,578
				809,249,059				TOTAL

EXHIBIT 2a

NEW BINDING COMMITMENT TRANSACTIONS BY QUARTER FY2018							
PROJECT	NUMBER C - 544	BINDING /SIGNATURE		Debt Forgiveness	Green Amount	TYPE	TERMS (int., admin fee, term)
		DATE	Loan Amount				
1st Quarter							
Benwood	531	7/11/2017	\$2,404,539	\$1,000,000	\$0	BPA	0.25%, 0.25%, 40
Belle	177-04	7/11/2017	\$4,045,000	\$0	\$0	BPA	0.25%, 0.25%, 40
Central Boaz PSD	059	8/8/2017	\$2,995,000	\$364,674	\$0	BPA	0.25%, 0.25%, 40
Nitro - 2nd BAN payment	273	8/29/2017	\$2,484,559	\$0	\$0	BPA	0.5%, 0.5%, 22
Montgomery	297	9/7/2017	\$752,237	\$239,333	\$46,488	BPA	0.25%, 0.25%, 40
Oak Hill	535	9/21/2017	\$14,000,000	\$0	\$0	BPA	0.25%, 0.25%, 40
OSLP Nonpoint Source	n/a	n/a	\$100,000	n/a	\$0	onsite	n/a
Ag Nonpoint Source (0 loans)	n/a	n/a	\$0	n/a	n/a	BMPs	n/a
2nd Quarter							
Hancock Co. PSD	431	12/21/2017	\$5,550,000	\$496,133	\$0	BPA	0.25%, 0.25%, 40
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
3rd Quarter							
Harpers Ferry - Bolivar PSD	504	1/26/2018	\$2,874,930	\$0	\$0	LA	2.5%, 0.5%, 20
Mason	452-02	1/31/2018	\$1,711,000	\$1,035,510	\$0	BPA	0.25%, 0.25%, 40
Pratt		3/6/2018	\$0	(\$6,936)	\$0	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
4th Quarter							
Greater Paw Paw PSD	509	5/3/2018	\$2,960,000	\$0	\$0	BPA	0.75%, 0.25%, 30
OSLP Nonpoint Source	n/a	n/a	\$250,000	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 FY2017 BINDING COMMITMENTS

Section 212 WWT Projects	
New Commitments	42,905,979
Closings Adjustments	0
Section 319 Nonpoint Source-Ag	0
Section 319 Nonpoint Source - Direct Loans	0
Section 319 Nonpoint Source-OSLP	450,000
TOTAL TRANSACTIONS	43,355,979

COMMITMENT TOTALS BY QUARTER:

1st Quarter	28,385,342
2nd Quarter	6,046,133
3rd Quarter	5,714,504
4th Quarter	3,210,000
TOTAL TRANSACTIONS	43,355,979

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

Total Green	\$46,488
Total Forgiveness	\$3,128,714

EXHIBIT 3

SOURCE OF SRF FUNDS BY QUARTER

SOURCES OF FUNDS	PREVIOUS FY	STATE FISCAL YEAR 2018				FY2018	GRAND
	TOTALS	QTR 1	QTR 2	QTR 3	QTR 4	TOTALS	TOTALS
LOC PAYMENTS							
FFY90 - 2016 GRANTS FFY17 GRANT FFY 18 Grant - not awarded until FY 19: \$25,020,000	\$638,848,586	\$20,668,000				\$20,668,000	\$659,516,586
CASH DEPOSITS							
FFY90 - 2016 STATE MATCHES FFY 17 & 18 MATCH	\$109,143,308	\$4,133,600			\$5,004,000	\$9,137,600	\$118,280,908
INVESTMENT EARNINGS							
SRF account	\$29,454,718.03	\$371,482.78	\$148,399.35	\$62,033.14	\$481,190.08	\$1,063,105.35	\$30,517,823.38
Outside the SRF account	\$997,814.45	\$46,702.77	\$11,884.34	-\$216.60	\$49,188.47	\$107,558.98	\$1,105,373.43
LOAN REPAYMENTS							
Principal (212)	\$391,241,074.10	\$8,775,049.47	\$8,638,725.36	\$8,636,265.79	\$8,822,877.23	\$34,872,917.85	\$426,113,991.95
Interest (212)	\$18,443,134.90	\$695,119.21	\$688,905.56	\$675,484.07	\$672,043.14	\$2,731,551.98	\$21,174,686.88
Principal (NPS & DNPS & OSLP)	\$11,145,514.53	\$289,496.73	\$226,950.68	\$188,516.00	\$212,604.13	\$917,567.54	\$12,063,082.07
Interest (NPS & DNPS & OSLP)	\$1,186,107.60	\$28,264.06	\$27,736.58	\$27,206.47	\$26,673.70	\$109,880.81	\$1,295,988.41
ADMINISTRATIVE FEES							
SRF Projects *	\$25,358,799.82	\$790,368.59	\$793,555.25	\$792,164.90	\$802,665.16	\$3,178,753.90	\$28,537,553.72
NPS Projects	\$363,942.80	\$11,048.60	\$11,048.60	\$11,048.60	\$11,048.60	\$44,194.40	\$408,137.20
TOTALS	\$1,226,183,000.23	\$35,809,132.21	\$10,547,205.72	\$10,392,502.37	\$16,082,290.51	\$72,831,130.81	\$1,299,014,131.04
	CUMULATIVE TOTALS FOR FY2018	\$35,809,132.21	\$46,356,337.93	\$56,748,840.30	\$72,831,130.81		

* includes airport adm fees

ok

ok

ok

ok

ok

ok

ok

ok

ok

EXHIBIT 4

CWSRF Deficiency Report as of June 30, 2018

Claywood Park PSD

The PSD became deficient in April 2017, on its reserve bond payments to the Municipal Bond Commission (MBC). The Water Development Authority (WDA) filed a complaint with the Public Service Commission (PSC) and the PSD eventually filed for a rate increase. The Wood County Commission approved a 30.2% rate increase for the PSD. A complaint hearing concerning the deficiency was held by the Public Service Commission. The PSD agreed to pay their monthly revenue and reserve bond payments. The PSD also agreed to pay an additional \$5,346 per month to the MBC until the deficiency was paid off. The PSD is paying down the deficiency by the agreed monthly amount and should have the deficiency eliminated before the next fiscal year.

City of Kenova

Kenova became deficient in June 2018, on its revenue bond payments to the MBC. WDA sent Kenova a letter requesting deficiency reduction plan. Kenova responded stating they were in the process of enacting a municipal rate ordinance to increase rates and charges to its customers. If Kenova does not file a rate ordinance within the next month the WDA will file a complaint at the PSC in order to eliminate the deficiency as soon as possible.

Overall the total deficiencies decreased from fiscal year 2017 by \$273,110 or 90.70%. The total deficiency for fiscal year 2018 is \$28,005. One utility is responsible for over 81.0% of the total deficiency.

EXHIBIT 5

FEDERAL PAYMENTS AND BINDING COMMITMENTS

PAYMENT SCHEDULE	FED. GRANTS Received	FED. FY2017 4th Quarter	FEDERAL FY 2018				FEDERAL FY 2019					
			Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4		
1990 - 2016 Grants	\$577,756,486											
2017 Grant		\$20,668,000										
2018 Grant						\$25,020,000						
Cumulative	\$577,756,486	\$598,424,486	\$598,424,486	\$598,424,486	\$598,424,486	\$623,444,486	\$623,444,486	\$623,444,486	\$623,444,486	\$623,444,486	\$623,444,486	
Cumulative REQ Binding Commitments (120%)	\$668,312,983	\$668,312,983	\$668,312,983	\$693,307,783	\$693,307,783	\$718,109,383	\$718,109,383	\$718,109,383	\$718,109,383	\$718,109,383	\$748,133,383	
Actual Binding Commitments Cumulative	\$1,079,176,806	\$1,107,562,148	\$1,113,608,281	\$1,119,322,785	\$1,122,532,785	\$1,122,532,785	\$1,122,532,785	\$1,122,532,785	\$1,122,532,785	\$1,122,532,785	\$1,122,532,785	
Binding Commitments as a % of payments	167%	185%	186%	187%	188%	180%	180%	180%	180%	180%	180%	
ARRA Grant (no state match req)	\$61,092,108											
Actual Loan Assistance (binding commitment portion included above)	\$61,092,108											
			Start State FY2018			End State FY2018			Start State FY2019			End State FY2019
			FY 2018 ANNUAL REPORT PERIOD			FY 2019 ANNUAL REPORT PERIOD						

EXHIBIT 6a

FY2018 DISBURSEMENTS

A). SECTION 212 PROJECTS

		STATE FISCAL YEAR 2018								
		1st Half				2nd Half				
PROJECT	NUMBER C-	Cap. Grant	Debt Forgiveness	Loan	State Debt Forgiveness	FEDERAL	Debt Forgiveness	Loan	State Debt Forgiveness	TOTAL
Beckley	544439-03							125,300		125,300
Belle	544177-04	199,864		441,122				2,888,164		3,529,150
Benwood	544531	614,415		174,223				1,079,832	8,927	1,877,397
Berkeley Co. PSSD	544492	886,260		474,936				324,865		1,686,061
Central Boaz PSD	544059	828,452		293,823				1,304,911		2,427,186
Dunbar	544396	3,131						62,542		65,673
Frankfort PSD	544411-02			81,429				31,842		113,271
Frankfort PSD	544441-03	919,239		317,505		338,722		352,183		1,927,649
Franklin	544472	6,441			300,275	7,363		2,167	25,254	341,500
Greater Harrison Co. PSD	544551			72,286				16,582	232,444	321,312
Greater Paw Paw Sanitary Dist	544509							440,484		440,484
Greater St. Albans	544406-03	2,770,230		1,230,008				3,104,834		7,105,072
Hancock County PSD	544431	100,765						248,987		349,752
Harpers Ferry - Bolivar PSD	544504							452,656		452,656
Keyser	544023-03	883,875				23,859		263,297		1,171,031
Mason	544452-02							991,027	13,050	1,004,077
Montgomery	544297	536,302			2,448			127,686	60,456	726,892
Morgantown	544418	1,708,514		517,959						2,226,473
Nitro	544273	2,484,559								2,484,559
Oak Hill	544535	2,232,463				182,453		2,943,555		5,358,471
Oak Hill	535-02	20,000								20,000
Pea Ridge	544442	20,953								20,953
Pennsboro	544409-03	1,314,871		15,281				498,332		1,828,484
Pocahontas Co. PSD	544415	749,022		1,168,288				17,394		1,934,704
Pratt	544464								10,700	10,700
Ronceverte	544267	3,020,958		213,146				1,193,429		4,427,533
Shady Spring	544300-02	479,179		238,557						717,736
Wellsburg	544362-02	214,338								214,338
White Sulphur Spring	544542	121,772						2,645		124,417
										-
PROJECTS TOTAL	N/A	\$20,115,603	\$0	\$5,238,563	\$302,723	\$552,397	\$0	16,472,714	\$350,831	\$43,032,831
TOTAL (State and Federal)			\$25,656,889				\$17,375,942			\$43,032,831
FEDERAL SHARE OF TOTAL		\$20,115,603		\$5,541,286		\$552,397		\$16,823,545		\$20,668,000
STATE SHARE OF TOTAL										\$22,364,831
% OF TOTAL FEDERAL		0.784				0.032				0.480
% OF TOTAL STATE				0.216				0.968		0.520

EXHIBIT 6b

FY2018 DISBURSEMENTS

B). SECTION 319 PROJECTS	1Q	2Q	3Q	4Q	TOTAL
1). Agriculture WQLP	\$0	\$0	\$0	\$0	\$0
2). Direct NPS - Federal - Projects Below State Match					\$0
3). Onsite Systems	\$100,000	\$0	\$100,000	\$250,000	\$450,000
SECTION 319 TOTAL	\$100,000	\$0	\$100,000	\$250,000	\$450,000
FEDERAL SHARE OF TOTAL			\$0	\$0	\$0
STATE SHARE OF TOTAL	\$100,000	\$0	\$100,000	\$250,000	\$450,000
% OF TOTAL FEDERAL	0%	0%	0%	0%	0%
% OF TOTAL STATE	100%	0%	0%	0%	100%

PROJECT	NUMBER C-	1st Half				2nd Half				TOTAL
		Cap. Grant	Debt Forgiveness	Loan	State Debt Forgiveness	FEDERAL	Debt Forgiveness	Loan	State Debt Forgiveness	
B2). Section 319 Projects										
Auburn	547201				81,435				1,301	82,736
Cairo	547101				47,347				114,342	161,689
Century Volga PSD	544556								42,000	42,000
New Haven PSD	547850				1,115,785				134,604	1,250,389
Projects Total		-	-	-	1,163,132	-	-	-	290,946	1,536,814

C). ADMINISTRATION	1Q	2Q	3Q	4Q	TOTAL
1. ADMINISTRATION - #3329 603(D)					\$0.00
2. ADMINISTRATION - #3342 *	\$520,698.57	\$433,464.86	\$478,612.43	\$560,242.45	\$1,993,018.31
ADM TOTAL	\$520,698.57	\$433,464.86	\$478,612.43	\$560,242.45	\$1,993,018.31
FEDERAL SHARE OF TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
STATE SHARE OF TOTAL	\$520,698.57	\$433,464.86	\$478,612.43	\$560,242.45	\$1,993,018.31
% OF TOTAL FEDERAL	0%	0%	0%	0%	0%
% OF TOTAL STATE	100%	100%	100%	100%	100%

* \$45,000 of the administrative expenses was used to fund a technical assistance position with the WV Rural Water Association