



WEST VIRGINIA

Water Development Authority

Leadership: Rising to the Unprecedented
Challenge of COVID-19

CIFA Conference

Wednesday, October 21, 2020
3:00 p.m.

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INTRODUCTION

Overview the West Virginia Water Development Authority ("the WDA")

- Established in 1972 by the WV Legislature
- Authorized to serve as a revenue bond bank that provides water/wastewater financing and support to municipalities, public service districts and other political subdivisions
- WDA issues bonds/notes and loans proceeds
- Loan repaid from revenues of the wastewater and/or water systems or other permanent financings

WDA Role with State Revolving Funds ("SRFs")

Clean Water State Revolving Fund

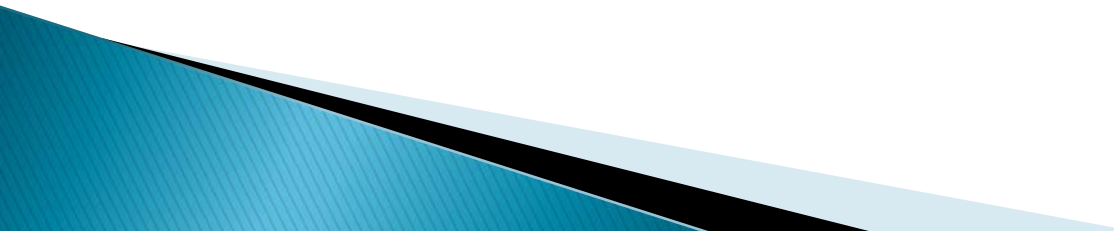
- Loan closings and maintain bonds, bond transcripts and project-related files for annual USEPA program audits
- Provide loan servicing for bonds/loans in CWSRW
- Enters into loan/bond purchase agreement among WDA, DEP and local borrower
- Authorized to enforce loan/bond purchase agreement provisions (22c-2-5)

WDA Role with State Revolving Funds ("SRFs")

Drinking Water Treatment Revolving Fund

- Serves as financial manager for the revolving fund
- Loan closings and maintain bonds, bond transcripts. Enters into loan agreement between WDA, on behalf of DWTRF and local borrower
- Maintains project-related files for annual EPA program audits
- Disburses payments to projects
- Prepares financial statements for compliance audits by certified public accounting firm
- Provides loan servicing for bonds/loans in DWTRF
- Authorized to enforce loan agreement provisions (16-13c-5)
- Performs desk reviews of subrecipient audits

WDA Role with Infrastructure and Jobs Development Council ("IJDC")

- Serves as the administrative agency for IJDC
 - Serves as the fiduciary for the West Virginia Infrastructure Fund
 - Fund consists of appropriated lottery revenues, loan repayments, interest earnings and bond issue proceeds
 - Loan agreements/enforcement
 - Services loans/bonds
 - Administers grant awards
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WDA Role After Loans are Made

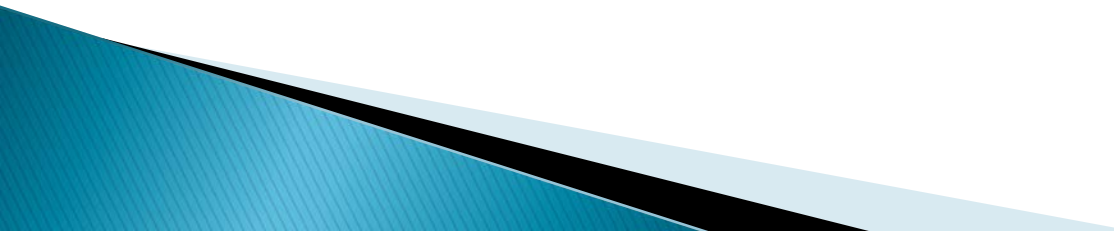
WV Municipal Bond Commission

- By WV Statute, serves as the fiscal agent for revenue bond issues of municipalities and their utilities
- Serves as fiscal agent for most public service district financings
- Automatic monthly sweeps for debt service
- Works with WDA monthly tracking any delinquent debt service/ reserve accounts

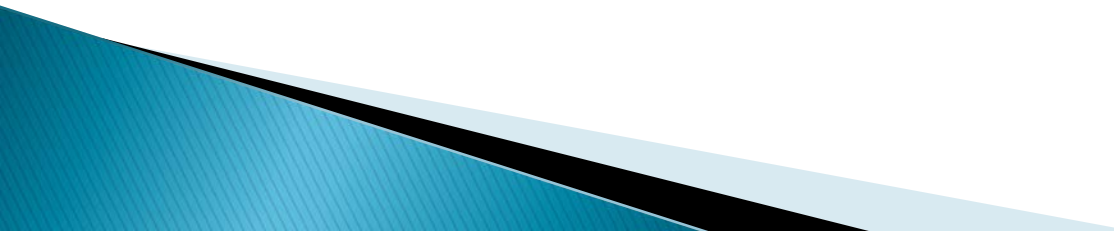
WV Public Service Commission

- Regulates public utilities
- Various roles with municipalities and public service districts
- WDA intervenes when rate increases needed

COVID-19 (March 2020)

- Governor Jim Justice issues state of emergency
 - Business and government begin work at home
 - Businesses begin closing
 - Municipalities/PSD closed offices/limited hours/reduced on site staff
 - PSC strongly recommends utilities to stop shut-offs
 - Utilities issues before COVID-19, old deteriorating systems
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ISSUES AND HOW WE ADDRESS THEM

- No authority to forgive debt service
 - Stop automatic sweeps
 - Conference calls with lending agencies
 - Conference calls with regional councils' leadership
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SURVEY

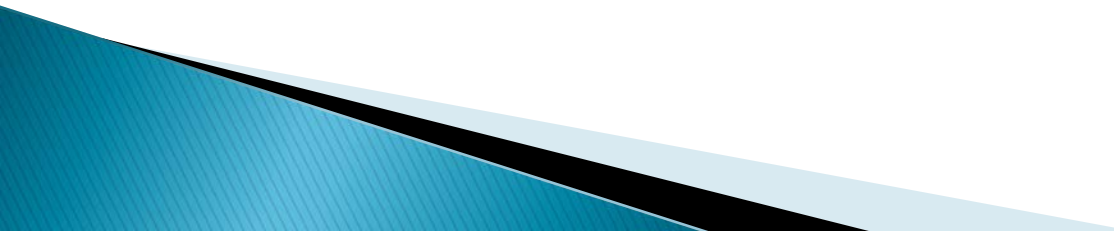
SURVEY AND WHY DO IT

- Determine delinquencies for debt service purposes
- If any federal dollars available, we could provide data, support local utilities

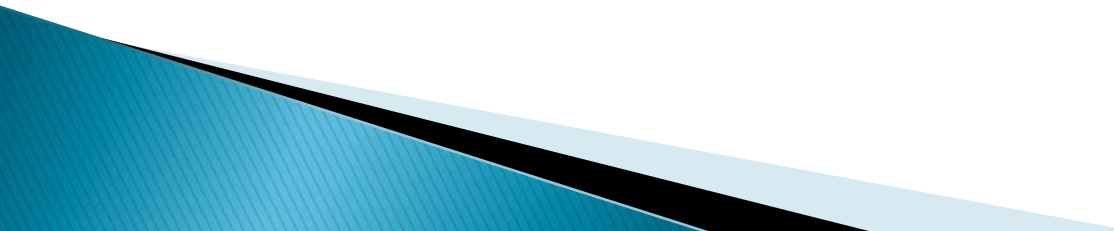
TEAM DEVELOPS SURVEY

- Survey on WDA webpage www.wvwda.org
- Survey for water and survey for sewer
- Updated the survey once
- Frequently asked questions
- Monthly submission of data

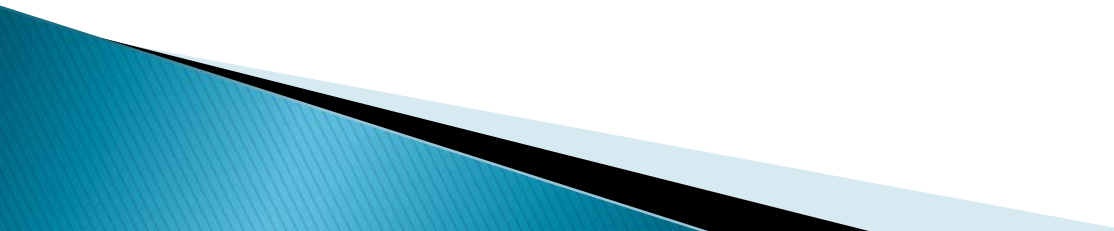
SURVEY QUESTIONS

- Revenues, billings, expenses for prior month and reporting month
 - Delinquencies prior to March, prior month, and reporting month
 - Debt service/reserve fund balances/status
 - Debt service coverage
 - R&R and capital maintenance reserves
 - Broadband availability
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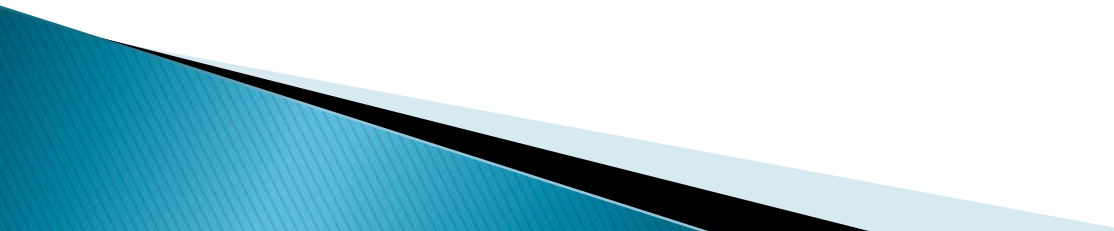
REASONS FOR DECREASES IN REVENUES

- The utility business office limited hours or closed
 - Staff unable to process payments
 - Customers unable to pay bills
 - Unemployment/furlough/reduced hours
 - Universities/colleges/businesses closed reduced revenues or unable to pay
 - No shut offs
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REASONS FOR INCREASES IN REVENUES

- More people at home (changes in use)
 - Increase virus protection efforts
 - Businesses reopened
 - Summer changed responses
 - PSC changed “strongly recommend order” to allow shut-off (July 31)
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SURVEY CONCLUSIONS

- Responses changed by month
 - “Lost” revenues
 - Delinquent debt service accounts
 - Whether or not to continue survey
 - Importance of maintaining systems
 - Importance of sufficient revenues to fund all accounts
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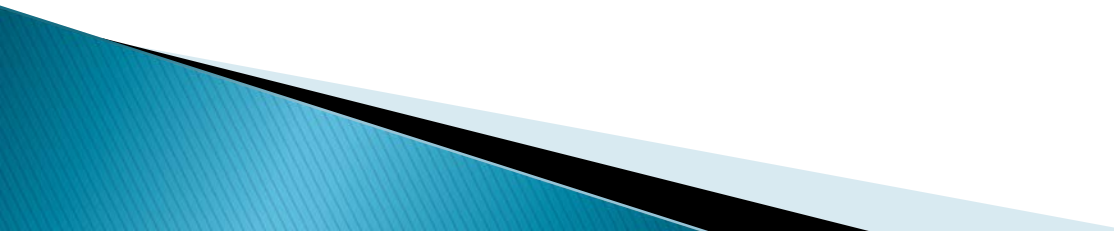
CARES \$25 Million Residential Water and Sewer Utilities Grant

- Governor Justice-Administered through the Governor's Office

Who is Eligible?

- Residential customers with delinquent accounts
- Delinquency due to COVID-19 (job loss, fewer hours, etc.)
- "Eligibility period" for all bills issued March 1, 2020, through July 31, 2020
- "Eligibility balance" the unpaid amount accumulated for bill(s) issued during eligibility period
- Customers with payment plans
- Customers shut-off and do not have a payment plan
- Public and private utilities

PROCESS

- Utility sends application to delinquent, payment plan or shut-off customer
 - Customer completes application with certification and returns to Utility
 - Utility enters application with attached customer forms on Governor's office portal
 - Grant funds sent to Utility to credit to eligible customer accounts
 - All customers submissions by end of business on November 12, 2020
 - Utility submits documents on grant portal by November 30, 2020
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CARES GRANT CONCLUSIONS

- Early in process