Leadership: Rising to the Unprecedented Challenge of COVID–19

CIFA Conference

Wednesday, October 21, 2020
3:00 p.m.
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
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
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
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
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
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)
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
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
CARES GRANT CONCLUSIONS

- Early in process