

Water Finance Forum

Expanding the Reach of Resources and Innovation to Meet Critical Water & Wastewater Needs in the Central Appalachian Region

Hosted by: U.S. EPA Water Infrastructure and Resiliency Finance Center, U.S. EPA Region 3, and the University of Maryland Environmental Finance Center

June 15-16, 2016

Mountain Empire Community College Goodloe Center, Big Stone Gap, VA

DAY 1

Registration

8:30 – 9:00 am

Welcome & Introduction

9:00 – 9:15 am

Jim Gebhardt, U.S. EPA, Director of the Water Infrastructure and Resiliency Finance Center

Session 1: Defining the Water Challenge

9:15 – 10:15 am

There are many significant regional issues and shared challenges local utilities and governments face related to water and wastewater infrastructure financing. These challenges include aging systems that are becoming inadequate to serve the current customer base, an inability to serve areas of potential growth and development, areas with limited or no acceptable means of wastewater treatment, and direct discharges into streams that affect environmental quality and public health.

This session will feature a discussion on how upfront planning, regional partnerships, and effective communication can begin to address these challenges. Examples of collaboration and priority setting that resulted in dedicated funding include the Southwest Virginia Regional Wastewater Study, which launched annual appropriations to three planning district commissions for water and wastewater development. The regional [Study](#) serves as a road map for future implementation of sanitary sewer collection and treatment and disposal projects. Also covered are the Commission on Drinking Water, which helped create the Coalfield Water Development Fund.

Jim Baldwin, Executive Director, Cumberland Plateau PDC

The Honorable Clarence E. "Bud" Phillips, Former Member of the Virginia House of Delegates, Second House District

Networking Break

10:15 – 10:30 am

Session 2: The Financial Players

10:30 – 12:00 pm

This session will feature a panel of experts representing funding and financing agencies and organizations. Topics covered will include the types of funding available to communities, eligibility requirements, application processes, and how these funds can be used together to successfully fund projects. Panelists include:

Donna Stanley, *Administrative Agent, Coalfield Water Development Fund; Vice-President of Institutional Advancement, Mountain Empire Community College Foundation*

Robert Hilt, *USDA Rural Development, Water & Waste Disposal Loan & Grant Program*

James W. Ellars, *WV Infrastructure & Jobs Development Council*

April Helbert, *VA Dept. of Health, Drinking Water SRF*

Andy Crocker, *Southeast Rural Community Assistance (SERCAP)*

Joe Blevins, *VA Dept. of Housing and Community Development, VA ARC and VA Community Development Block Grant Program*

Lunch Provided

12:00 – 1:00 pm

Session 3: Partnering for Financial Success

1:00 – 1:45 pm

This session will feature a discussion with financial and technical assistance providers on how they help communities consider upcoming needs, identify various sources of funding for a complete package, and maximize available dollars to fund long-term needs. Also covered will be why waiting for grant funding may not be the most economical decision.

Adrienne M. Vicari, P.E. *Herbert, Rowland & Grubic, Inc. Manager, Financial Services*

How strategic financial planning can help communities fund long-term needs, including asset management, capital improvement planning, grant and loan financing/administration, utility rate studies, cost of service studies, and capital charge studies to ensure costs are fairly apportioned amongst customers served.

Brent McCloskey, *University of Maryland Environmental Finance Center (EFC)*

Who the Maryland EFC is, what they do, how they can help with predevelopment assistance (and what this means), and what services they provide to utilities.

Amy Swann, *WV Rural Water Association*

Who the Rural Water Association is, their presence in each state, their mission/purpose, how they can help communities, and what services they provide to utilities.

Session 4: Examples of Innovative Solutions

1:45 – 3:15 pm

This session will feature regional examples that have used innovative partnerships and approaches to tackle water quality and infrastructure issues.

Rick Chitwood and Dahmon Ball, representing Pocahontas, VA

A regional partnership made key water line and storage improvements, providing reliable drinking water service to several neighboring communities. The Town of Pocahontas has a failing water treatment plant with estimated repair cost of approximately \$4.2 million. The solution was to replace a portion of the lines and shut down the treatment plant, instead relying on water from Tazewell County Public Service Authority (TCPSA). An inter-municipal agreement allows TCPSA to operate and maintain Pocahontas' system, and once the outstanding debt is satisfied, TCPSA will retain ownership. Water line improvements and an inter-tie have or will be completed in Tazewell, Pocahontas, and neighboring Bluefield, along with a 1.0 million gallon water storage tank, providing a back-up source of water to local residents. The project has been described as neighbors helping neighbors. Participants include the Town of Pocahontas, Bluewell PSD, Town of Bluefield, Tazewell County Public Service Authority, Town of Tazewell, and Tazewell County Board of Supervisors.

Kathy Emery/Jeff Brady, WV Dept. Environmental Protection – Lincoln County, WV

Innovative septic systems and a non-profit management association were used to address failing septic tanks and raw sewage being discharged into streams and creeks. As a solution, 117 homes received an innovative septic system that uses peat as a secondary treatment and ultraviolet light as the final disinfectant. One of the biggest benefits of the project is the residents' involvement, which included forming a non-profit wastewater management association and paying \$8 a month to have a contractor inspect their systems twice a year. If problems are found, the homeowner pays only 30 percent of the repair cost; the association picks up the rest. Sampling shows improvements in tributaries, reduced public health threats and has drawn the community together. The project involved a partnership between the WV Department of Environmental Protection, the WV Department of Health and Human Resources, and the Lincoln County Commission. EPA financing includes a \$1 million grant and four rounds of Clean Water State Revolving Fund loans with 100 percent principal forgiveness totaling \$2.86 million.

Brion Johnson, PENNVEST – Pittsburgh Botanic Gardens, PA

The Pittsburgh Botanic Garden is being built on land riddled with abandoned coal mines. Clean Water State Revolving Loan Funds were used by a non-profit to construct irrigation ponds. Prior to being used as permanent irrigation ponds, the constructed ponds were first utilized as storm water sedimentation ponds during re-mining activity. Post mine reclamation, the ponds were cleaned, a fourth pond constructed and one pond was converted to an underground irrigation pond through the installation of storage tanks. The transformation of mine scarred land to a botanic garden is a significant environmental accomplishment.

Ryan Ellis, Interstate Mining Compact Commission and Butch Lambert, VA Department of Mining, Minerals, and Energy – Mine Reclamation

An update on the RECLAIM Pilot Project and Act, Power+, and use of abandoned mine land funds for water supply replacement.

Networking Break

3:15 – 3:30 pm

Session 5: Leveraging Multiple Sources of Funding

3:30 – 4:30 pm

This session will feature successful projects that used funding from multiple sources and how these sources were combined. Will cover how projects made the funding sources and eligibilities align, and details on payback periods.

Brion Johnson, *Deputy Executive Director, PENNVEST*

Dave Henning, *Project Specialist, PENNVEST*

- Dry Tavern Sewer Authority, Greene County
- Coudersport WWTP Upgrade – \$9.3M PENNVEST grant and loan, \$1M EDA, \$400k ARC
- Newton Hamilton – Wayne, PA
- Shamokin Coal Township Junction SA WWTP Upgrade – \$20M PENNVEST loan and grant, \$17M USDA ARRA loan, \$3.6M local bond
- Peters Township, Washington County

Day 1 Wrap-Up

4:30 – 4:45 pm

Networking Reception

4:45 – 6:00 pm

DAY 2

Registration

8:30 – 9:00 am

Morning Keynote

9:00 – 9:15 am

The importance of planning for financial sustainability.

Basil Gooden, *State Director USDA Rural Development for the Commonwealth of Virginia*

Session 1: Technical and Financial Planning

9:15 – 10:30 am

This session will feature two speakers covering sustainable rate setting, asset management, and achieving financial wellbeing.

L. Alan Harrison, P.E. *Executive Director, Wise County Public Service Authority*

How to plan for sustainable rate setting through communication. The importance of transparency by the decision makers and engagement of the customers in capital investment projects and associated rates.

Greg Hurst, *Thompson and Litton Engineering*

Discussion of the importance of asset management for informed decision making and achieving financial wellbeing. A spreadsheet tool for tracking assets and planning rehabilitation and replacement will be shared.

Networking Break

10:30 – 10:45 am

Session 2: Assessing Financial Health Exercise

10:45 – 12:00 pm

Is your water system financially healthy? In this session we will examine the key financial indicators that allow water systems to make informed decisions in planning and investment. The session will also include training on how to calculate and interpret your water system's operating ratio, debt service coverage ratio, current ratio, and days of cash on hand, including going through a hands-on exercise to find the relevant data in sample annual financial statements and to calculate these ratios. We will also discuss how funders use these numbers in deciding whether or not to loan systems money needed for capital improvements. And there will be a demonstration of the Environmental Finance Center's new, free, Excel-based Financial Health Checkup for Water Utilities tool, available on the EFC's website (www.efc.sog.unc.edu).

David Tucker, *Project Director, Environmental Finance Center at the University of North Carolina, Chapel Hill*

Participants will gain from this session:

- Better understand your water system's operating ratio, debt service coverage ratio, current ratio, and days of cash on hand.
- Understand your annual costs and revenues.
- Move from "paycheck to paycheck" to longer term financial and capital planning.

Day 2 Wrap-Up

12:00 – 12:15 pm
