UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
1650 Arch Street
Philadelphia, Pennsylvania 19103-2029

Ms. Barbara S. Taylor, Director
Office of Environmental Health
West Virginia Department of Health and
Human Resources
Capitol and Washington Streets
1 Davis Square, Suite 200
Charleston, West Virginia 25301-1798

Dear Ms. Taylor:

Enclosed is the Review of the West Virginia Department of Health and Human Resources (WVDHHR), Bureau of Public Health, Office of Environmental Health Services, Environmental Engineering Division (EED) by the Environmental Protection Agency, Region III (EPA) for End of Year 2006. This review covers the Public Water System Supervision Program (PWSS), Drinking Water State Revolving Fund (DWSRF) set-aside funded activities, Water Protection Coordination (Security) and Operator Certification Expense Reimbursement (ERG) federally funded assistance agreements. The DWSRF infrastructure project loan program and financial management systems are evaluated in a separate Program Evaluation Report.

The enclosures consist of a comprehensive report and the End of Year 2006 Program Guidance/Reporting Checklist and evaluation tool (without attachments). This report incorporates information from the semi-annual progress reports submitted by the EED, findings from the Data Verification information gathered from our on-site visit on July 11-14, 2005, on-site Program Review on September 19, 2006, telephone and email follow-up, and communication within EPA covering the activities from Mid-Year 2005 through End of Year 2006.

We are pleased that EED responded to the discrepancies identified in the 2005 Data Verification Report with an Action Plan in a timely manner. We also congratulate the Department on final approval of the Quality Management Plan which is good until 2010.

EPA has concerns in the following area which is discussed more fully within the report:

- slow draw-downs of ERG and Security grant funds.

In future progress reports, EPA is requesting more detail on outputs and outcomes in certain sections of the report. One section that lacks this information is Section 3, the DWSRF set-aside funded activities listed on pages 23-24 in the Checklist. This additional information will be needed to meet EPA's "Drinking Water State Revolving Fund Program Set-Aside Workplan Supplemental Guidance" dated August 2006.

Finally, EPA has been looking at ways to measure the success of our programs through realistic environmental measures. In FY 2005, EPA began measuring environmental results of grant-funded program activities. In light of this, our national goals are provided in the FY 2007/2008 PWSS Program Guidance. These goals must be included in WVDHHR's 2007 PWSS Workplan, and to the extent that DWSRF funds are used to achieve these goals, they must also be included in the DWSRF set-aside workplans. Another tool for your use is the PWSS Program key performance indicators included in previous program guidance. We are committed to continuing our efforts to gather this information from SDWIS, but also encourage the states to perform their own frequent program evaluations.

If you have any questions regarding the enclosed report, please do not hesitate to call me (215) 814-5757 or have your staff contact Wanda F. Johnson at (215) 814-3249.

Sincerely,

Victoria Binetti, Associate Director
Office of Drinking Water & Source Water Protection

Enclosures
bcc (without encls.):
W. Johnson (3WP21)
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M. Conicelli (3WP30)
D. Campanelli (3WP30)

Review of the
West Virginia Department of Health and Human Resources
Bureau of Public Health
Office of Environmental Health Services
Environmental Engineering Division
Federally Funded Drinking Water Activities
End of Year 2006

Introduction

This End of Year Review provides a review and evaluation of the West Virginia Department of Health and Human Resources (WVDHHR) Environmental Engineering Division's (EED) performance, in meeting its commitments for End of Year 2006. This review covers the activities conducted under Public Water System Supervision Program (PWSS), Drinking Water State Revolving Fund (DWSRF) set-aside funded activities, Water Protection Coordination (Security) and Operator Certification Expense Reimbursement (ERG) federally funded assistance agreements. The report is presented in two parts: 1) a discussion of the EED strengths and those areas where the Environmental Protection Agency (EPA) has concerns, as well as any recommendations, and 2) a detailed checklist that provides the end of year status on each commitment/activity for the EED. WVDHHR is invited to submit an addendum to this report if it deems that such an addendum is necessary to clarify or counter EPA's findings.

Purpose of Review

The purpose of this review is to highlight program strengths, areas of progress, and significant accomplishments as well as indicate areas of concern regarding WVDHHR's performance. Where an "Action Item" is identified, EPA will require a response no later than one month after receipt of this report unless specified otherwise. This review is also intended to:

1) ensure that the commitments contained in the work plan/application under the grant awards are being performed on schedule,
2) ensure that all programmatic terms and conditions are met,
3) assess available funding to ensure commitment/activity completion,
4) ensure all programmatic statutory and regulatory requirements are met, and
5) ensure equipment purchased under the award is properly managed and accounted for.

Method of Review

This is a comprehensive review of the FY 2005/2006 progress reports, the draft and final report of the June 2005 Data Verification (DV), the state's action plan submitted in response to the final DV report and the on-site Program Review on September 19, 2006. Consultation included EPA's Drinking Water Branch, the Office of Standards, Assessments and Information Management and the Office of Infrastructure and Assistance staff and additional telephone conversations and email follow-up occurred between EPA and WVDHHR.

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Contents of this Report

- PWSS Program Activities
- Drinking Water State Revolving Fund (DWSRF) Set-Aside Funded Activities
- Operator Certification Program
- Expense Reimbursement Grant (ERG)
- Water Protection Coordination (Security) Grant
- Conclusion, Action Items and Reminders

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In FY 2005, EPA began measuring environmental results of grant-funded program activities. In light of this, EPA has been working with WVDHHR to revise grant workplans to reflect outputs and outcomes. This has been completed for the Drinking Water State Revolving Fund Grant. Since the PWSS workplan is also the reporting tool, EPA determined that it was necessary to revise this workplan to reflect better defined results/progress for reporting purposes. EPA is currently working with WVDHHR to revise the reporting tool for the next reporting period - February 15, 2007.

Public Water System Supervision (PWSS) Program

Financial Summary

Effective August 17, 2006, EPA approved WVDHHR's request to extend the project period of the FY'05 grant application to June 30, 2006. This places the state on the state fiscal year (SFY) cycle for future grants. With the amendment in place, WVDHHR continued spending FY'05 funding into the new federal fiscal year and submitted an interim financial status report (FSR) to cover FY'05 and half of SFY'06. Total funding awarded to WVDHHR is $1,645,845.

EPA approved the WVDHHR's FY'06 PWSS grant in the amount of $811,100. A partial award of $124,476 was made on September 28, 2005, and a second award for $428,124 was made on December 19, 2005. An additional $55,725 was awarded on May 5, 2006, to reflect 75% ($608,325) of the total FY'06 grant funds awarded. The remaining FY'06 funds of $202,820 (includes $45 CarryOver) was awarded on August 23, 2006. WVDHHR utilizes federal funds to pay for 12.75 full time employees (FTEs) out of the 17.25 FTEs under this program.

WVDHHR submitted a revised Financial Status Report (FSR) in January 2006 for the FY'04 PWSS Grant in the amount of $16,723.11. This was a result of finalizing timesheets from prior periods after submission of the original FY'04 FSR. EPA was unable to recertify these funds for use by the state because the project period end date was prior to May 1, 2005. The original FY'04 FSR reported $45.20 unobligated which EPA did recertify for use by the state in the FY'06 PWSS grant. WVDHHR does not anticipate a reoccurrence of under reporting as cost allocations are now performed on a monthly basis.

FY'05 and FY'06 Grant Expenditures - as of December 2006

Funds Awarded	Funds Expended	Percent Expended
$1,443,025	$1,414,845	98%

A look at the data from EPA's Financial Data Warehouse reveal that the state has drawn 98% of the total amount awarded for 2005 and 2006. At the time WVDHHR submitted its interim FSR (March 2006), the state had drawn 62% of total funding. This is a healthy rate of spending

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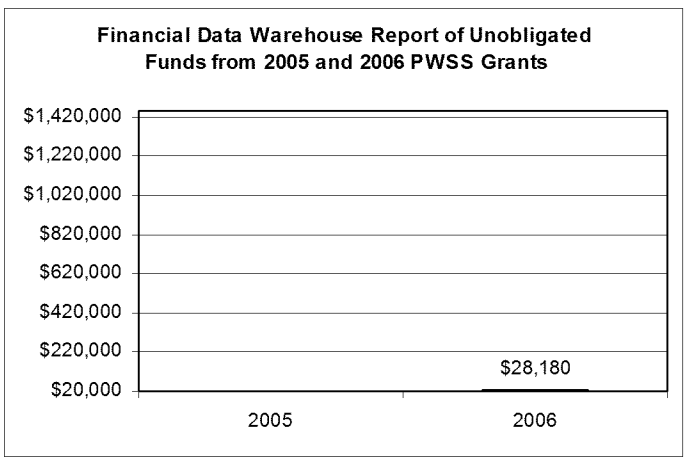
which correlates to the workplan activities being performed. WVDHHR was granted a time extension of October 31, 2006 to submit its final FY'06 FSR. Due to incorrect/incomplete information provided, the state had to resubmit its final FY'06 FSR which was received by the Las Vegas Financial Center on December 11, 2006.

In light of this year's federal budget rescissions and the uncertainty for future federal budget cuts, EPA advises WVDHHR to monitor spending closely and when projecting budgets for future PWSS Grants, continue to plan appropriately and utilize funds efficiently.



Each year, EPA works closely with WVDHHR to ensure that grant funds can be provided as early as possible for state use. This is often difficult with budget uncertainties. It is EPA's expectation that the move to a state fiscal year budget cycle for the PWSS grant will assist EPA with promptly awarding funding to the state and ease the financial worries on the part of the state. EPA is working closely with the EED to ensure timely submission of semi-annual progress reports and future grant applications. EPA encourages the Department to consider two-year grant budget periods in the future. Advantages include reduced level of paperwork and an expected early awarding of funds to the state for the second half of the budget period.

Personnel/Staffing

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WVDHHR continues with all diligence in filling vacancies. Most of the vacancies are due to promotions within the Central Office as a result of the EED reorganization and resignations to take outside employment. There have been a few candidates who after being selected decided to remain in their current employment. These positions have been reposted. Other factors in delays to fill vacancies is the lack of suitable candidates and the inability to compete with salaries of private industry. Despite the many challenges, WVDHHR recently filled eight (8) positions. All other vacancies are either in the solicitation or selection process. In light of this, WVDHHR continues to reevaluate the structure of its Central Office and seize the opportunity to reorganize to improve the functioning of the Program. They have decided to keep the toxicologist position as opposed to contracting out. This position has been filled and will reside in the Radiation Toxics and Indoor Air Division of the Office. Fifty percent (50%) of this position is funded by the DWSRF 10% Set-aside. The vacancy for an Environmental Resources Specialist III has been filled and now resides in the Compliance and Enforcement group. After reevaluating the vacancy for a Geologist I position currently located in the Central Office, this position, once filled, will reside in the Kearneysville District Office.

Reminder

EPA reminds the state to continue to report as per the 1998 Corrective Action Plan on its staffing levels along with the PWSS semi-annual progress report. This should be a separate narrative or included in the next progress report consisting of: 1) a written summary of the status on filling each vacancy (i.e., reviewing applications, interviewing, etc.) and desired time frame for filling positions; 2) a current organization chart to show stability of staffing levels; and 3) a list showing the funding source for all FTEs (filled and vacant), i.e., associate positions to funding source (i.e., PWSS, DWSRF set-aside grant funds, state funds, etc.). EPA is currently working with the state to revise the format of the PWSS Guidance and Checklist to provide adequate space for the requested information.

New Regulation Development

Highlight

WVDHHR submitted draft revisions of their Public Water System Operator Regulations to EPA in February 2006 for review. EPA held a conference call with the state to discuss revisions and submitted follow-up action items for the state in March 2006. Refer to the Operator Certification Program section of this report for more details.
The previous EPA evaluation report noted WVDHHR's past difficulty in obtaining Attorney General (AG) Statements for primacy program revision applications. Since the Bureau has been assigned its own General Counsel, the state does not foresee any future delays in obtaining the required AG statements.

State Response to Action Item

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On February 21, 2006, EPA received documentation from the WV Assistant Attorney General verifying the delegation of the authority to the General Counsel of the WVBPH to provide AG Statements on the enforceability of WV law and regulations. EPA looks forward to prompt support of primacy applications from the WVBPH General Counsel in the future.

WVDHHR obtained primacy for the Variance and Exemptions Rule on August 21, 2006. The state does not allow variances, only exemptions. EPA believes the state's regulation on this Rule is more stringent than federal regulations.

Sanitary Surveys

States are required to conduct sanitary surveys at all surface or ground water under the direct influence of surface water (Subpart H) community water systems once every three years starting December 2004. WVDHHR schedule sanitary surveys in 3 year intervals from the date of the last survey completed. Surveys are tracked on a monthly basis to identify surveys to be completed throughout the year. For this reporting period the state projected 116 sanitary surveys to be conducted for Subpart H systems and completed 139. One reason for the increase in surveys conducted is due to the state's anticipation of the revised Ground Water Rule, regarding change in frequency of surveys for ground water system from 5 years to 3 years. Based on EPA discussions with the state at the September site visit and teleconferences, the state has a 90% confidence level that they are meeting the 3-year schedule for completing all evaluations. WVDHHR has begun a quality control practice which distributes more accountability to the district engineers and supervising engineers to address problem systems. EPA will monitor the state's progress on the new quality control practice to evaluate if this is effective for ensuring compliance.

Groundwater Under the Direct Influence (GUDI) Determinations

WVDHHR moves closer each year to completing the Ground Water Under the Direct Influence of Surface Water (GUDI) determinations and this remains a priority for the state. All determinations for community water systems (CWS) identified prior to 2004 are complete. There are thirteen (13) systems remaining (nontransient noncommunity (NTNC) and transient noncommunity (TNC)) to be evaluated and they are currently testing. Evaluations will be made on these systems as soon as possible. The GUDI status of systems activated or testing new wells after 2004 are one (1) CWS, nine (9) NTNCs and twenty-six (26) TNCs.

Reminder

WVDHHR is reminded to continue to report as per the 1998 Corrective Action Plan on its GUDI status. This should be a separate report or included in the next progress report consisting of 1) a written report detailing all activities and 2) a summary chart broken out by system type (CWS, NTNC and TNC) showing the number and percentage of systems testing, evaluated, unresponsive, etc.

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Capacity Development

WVDHHR's Capacity Development Program continues to retain a full staff, which is key to making sure water systems get the assistance they need to strengthen their capability to deliver safe, potable water. Assistance provided to water systems through field staff and the Capacity Development Team include the development of:

- Capital Improvement/Financial Plans;
- a generic Health & Safety Plan;
- fill-in-the blank diskette to generate the annual Consumer Confidence Report; and
- a Cross-Connection and Backflow Prevention Policy Manual.

In addition, water systems were referred to third party assistance providers via existing contractual agreements or to other state, federal or non-profit entities. Assistance is provided through:

- on-site, hands-on assistance;
- workshops;
- seminars and training sessions; and
- self-help guidance documents.

The primary third party assistance providers available to West Virginia water systems include: Public Service Commission of West Virginia (PSC), West Virginia Rural Water Association (WVRWA), National Environmental Service Center (NESC), the Rural Community Assistance Program (RCAP), and the WV Environmental Training Center (WVETC).

The number of public water systems in the state continues to decrease but at a much slower pace since the last evaluation report. The number has decreased by 5% (from 1,231 systems in FY 2004 to 1,175 systems in FY 2006). This is mostly due to systems merging. Only one new system has started operation in the last three years. Two Permits to Construct were issued in April 2005 (Rock Spring Church and Preschool and Morning Dove Estates). Two systems applied for, and were issued permits, (Metikki Coal's issued July 2005 and Springdale Farm Developments issued November 2005).

Highlights

On May 8, 2006, EPA approved the implementation of WVDHHR's Capacity Development Program. Each year a determination is made as to whether the state's program meets EPA guidance and statutory requirements. This determination influences the decision to withhold 20% of the state's Drinking Water State Revolving Fund capitalization grant.

WVDHHR completed its Baseline Ranking reassessment of all CWSs and NTNCWSs in 2005. The purpose of this report is to assess the overall effectiveness of the Capacity Development Program and to see what measurable improvements have been made at water systems. Some of the findings were: (1) an average increase in baseline score for all systems of 1%; (2) an average

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increase in baseline score of 7% for systems who received assessments; and (3) assessed systems' baseline scores were almost twice as likely to improve as a system never receiving an assessment.

The Report to the Governor on the efficacy of the Capacity Development Strategy and progress toward improving the capacity of water systems was completed and submitted to EPA in September 2005.

Due to barriers in awarding contracts, WVDHHR has not been able to complete the construction to consolidate five (5) separate water systems with Eastern Wyoming PSD. The state continues to overcome these barriers and expects to complete construction by Spring 2007.

A list of systems on the historical SNC list covering the period 2003-2005 has been sent to the state. WV has reviewed the list for accuracy and provided a response to EPA regarding each system's reason for being on the list.

Source Water Assessment & Protection Programs

WVDHHR continues to complete source water assessments for new sources, as required by §1543 of the SDWA. They are also making progress in putting all the existing assessments on the internet, with security precautions to safeguard sensitive information. WVDHHR has completed assessments for all baseline systems as required by statute.

For the following three (3) GPRA activities, there were no numerical requirements, such as achieving a specific percentage:

a) GPRA: Number and percent of population and CWS with **substantial implementation** of a strategy to achieve minimized risk to public health.

-- Based on WVDHHR's definition, 19% of the CWS and 64% of population achieving minimized risk to public health was reported. This reporting is acceptable to EPA because the state has the programmatic lead to define "substantial implementation."

b) GPRA: Number and percent of CWS with a **protection strategy in place.**

-- WVDHHR reported 61% of the CWS had a strategy in place. This reporting and that for the following element "c" are the same measure, only element "c" is expressed in population served.

c) GPRA: Number and percent of population and CWS with **partial implementation** of a strategy to achieve minimized risk to public health:

-- WVDHHR reported 65%, with 68% of the population being protected with a source water protection strategy in place.

Interactactions with other State programs, local governments, and other stakeholder groups.

a) Potomac Drinking Water Source Protection Partnership. WVDHHR participated in various activities of the Potomac Partnership as an active member. EPA notes that WVDHHR was also a co-sponsor of the Emerging Contaminants Conference in 2005 and hosted the conference.

b) Statewide 2005 SWAP/WHP stakeholder meeting. This meeting, hosted by the WVDHHR, is an important way in which the state continues cross-program integration between

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public and private partners.

Highlight

WVDHHR is to be commended for their efforts in working with the local communities and public water systems to emphasize the development of protective strategies. The state met all reporting requirements set by the EPA Source Water Protection Program (SWPP), both at HQ and in Region III. These include completing the national program matrix for 2005, which includes the GPRA goals. WVDHHR has also been highly responsive to Regional requests for information throughout the year. During this reporting period, WVDHHR successfully prepared and transmitted a GIS database of all Source Water Area polygons to HQ. This transmittal meets the national policy to obtain polygons for building a national coverage of this important data.

Action Item

- The state needs to continue working towards the national 2008 goal which states that 50% of CWS and associated population should be protected through substantial implementation of source water protection strategies.

Data Management

Status of Action Items from 2005 Data Verification

WVDHHR's last data verification was held in July 2005. During the audit, EPA observed that the state files were very well organized and the support from the West Virginia personnel was excellent. State and Regional comments for the draft report were submitted. EPA received the final report from The Cadmus Group, Inc. in February 2006 and submitted a copy to the state. WVDHHR submitted an action plan to address discrepancies in the report in March 2006. EPA submitted comments to the action plan on 04/13/2006, and received the state's response on 04/17/06. Overall, discrepancies were due to lack of staff to ensure compliance. WVDHHR has hired an additional compliance officer which should address most of the discrepancies.

Highlights

West Virginia has continued to routinely submit quarterly updates and has been very cooperative in their attempts to alleviate data problems. The state uses SDWIS/State as its primary database for loading SDWA data. They have transitioned to the Modernized SDWIS, and have been successful in the installation of the EPA supplied FedRep application to upload modernized files to EPA with the Central Data Exchange (CDX).

As a result of the SDWIS modernization, the SDWIS SNC generation software was updated to

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include Stage 1 DBP, Interim Enhanced Surface Water Treatment Rule (IESWTR) and Consumer Confidence Report (CCR). This resulted in an increase in the number of SNCs reported. However WVDHHR is up to the challenge, responding in a timely manner to any unaddressed SNCs and identifying errors in the report. During the test phase, the state assisted EPA in reviewing test data and noted any problems or discrepancies. The state identified several problems which assisted EPA HQ in making major changes to the new SDWIS. Early in the year, WVDHHR began focusing on the DBP data and verifying the information with SDWIS/State. This allowed the state to be one step ahead of other states with the next update because they were addressing discrepancies early on.

It should be noted that the SNC statistics reported by EPA are always one quarter behind because of the lag time in transmitting data. By the time data is sent from the state and processed in SDWIS/Fed, a number of systems may have already returned to compliance.

Concern

WVDHHR's data verification action plan mentions a strategy in place to address late TCR sampling. When EPA requested further documentation, the state commented that this "strategy" was a verbal discussion between the central and district offices. EPA cautions the state to formalize implementation plans that address program policy and procedures. This would be a safeguard against losing knowledge and information of procedures when staff transition out of the central and/or district offices due to promotion, resignation, etc.

Over the past year SDWIS/Fed underwent major modernization. The new system went on-line during the 4th quarter of FY'05. EPA HQ discovered "glitches," i.e., errors in a programming code which has caused inaccurate reporting on the number of actual SNC systems. Glitches continue to be discovered by EPA HQ and are being corrected as soon as possible. EPA encourages the WVDHHR to continue reviewing SNC lists for accuracy and addressing any issues/concerns with EPA in a timely manner.

Enforcement

In FY'05, sixteen (16) systems were referred to EPA for assistance. EPA is addressing these cases by Notice of Violations or Administrative Orders. All SNCs have been reported on by the state for three (3) quarters of FY'06.

Annual Compliance Reports

WVDHHR submitted its Annual Compliance Report (ACR) for 2005 in August 2006. The report now includes violations for the IESWTR which was not reported previously. Overall, the total number of violations in the state for the 2005 reporting period decreased by approximately 30% from 2004. This reflects the success of the state's assistance to water systems through various program initiatives, i.e., certification and training, sanitary surveys and inspections, technical assistance, etc.

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Laboratory Certification

EPA issued its annual certification status report of WVDHHR's Drinking Water Laboratory Certification Program on December 29, 2005. There were no discrepancies found in the report. The laboratory retains certification for sampling methods of inorganic contaminants, microbiological techniques and lead and copper contaminants. EPA issued its On-Site Evaluation of Region 3 drinking water laboratory certification programs on January 3, 2006. Noteworthy findings in WV were:

- Organic analyses are contracted to commercial laboratories which are certified by another State. EPA accepts this certification via reciprocity.
- Significant improvements have been made since the last management systems review in 2004.
- On-Site assessments of laboratories are back on schedule and certificates are being issued in a timely manner.
- WV's database is now current and accurately reflects the certification status of labortories.

On September 19-20, 2006, EPA conducted an on-site review of WVDHHR's SDWA Lab Certification Program. There were no findings. The state has a good program for the SDWA laboratory certification that keeps on track with the required schedule of on-site assessments, assessment reports and follow-up, as well as, with PT tracking and follow-up. Certificate issuance provides the necessary information for updating of the WV web site (laboratory's certification status), which is kept current to accurately reflect certification status of laboratories.

Quality Management Plan (QMP)

EPA granted final approval of WVDHHR's Drinking Water Program QMP in September 2005. Approval is valid until October 1, 2010.

Operator Certification Program

Program Review

On September 20, 2006, EPA approved the implementation of WVDHHR's Operator Certification Program. Each year a determination is made as to whether the state's program meets EPA guidance. This determination influences the decision to withhold 20% of the state's Drinking Water State Revolving Fund capitalization grant.

Highlights

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WVDHHR is in the process of revising their Public Water System Operator Regulations. EPA held a conference call with the state to discuss revisions and submitted follow-up action items to the state in March 2006. Some noteworthy revisions were:

- WVDHHR switched from a point rating system where each classification was given a number based on its complexity and treatment technique to a narrative rating. WVDHHR believes a written description is best for clarity;
- The owner of a public water system will be required to submit annual personnel status reports by July 15th;
- The certified operator will be responsible for submitting renewal applications as opposed to the chief operator;
- Chief operators will be required to take chief operator training; and
- The level of education required for Class I-D systems has been increased.

Starting with the next reporting period, EPA will be requesting states to provide as a "minimum" more quantitative information that allows for an evaluation of progress, e.g., all systems are required to have certified operators. To evaluate whether states are meeting this requirement, they should report on the # and/or % of systems in compliance for having certified operators. Details of the minimal content for reporting was provided to the State Directors at the September 2006 meeting and will also be provided in the Reporting Reminder Memo to the states.

Reminder

- Annual Operator Certification Report is due June 30, 2007.
- External review on program implementation should be conducted for June 2007 reporting period.

Drinking Water State Revolving Fund (DWSRF)
Set-aside Funded Activities

DWSRF Financial Summary

Since 1998, EPA has awarded $75,325,200 in Federal funds with $55,293,588 allocated to the project fund, $2,704,444 for administration of the fund and $17,327,168 to support set-aside activities. This includes the most recent grant award of $8,285,500 on 09/27/2006. A total of thirty-five (35) FTEs are funded for SRF activities with federal funds supporting twenty-two (22). The remaining thirteen (13) FTEs are funded by state appropriations in accordance with the state match requirement for the 10% set-asides.

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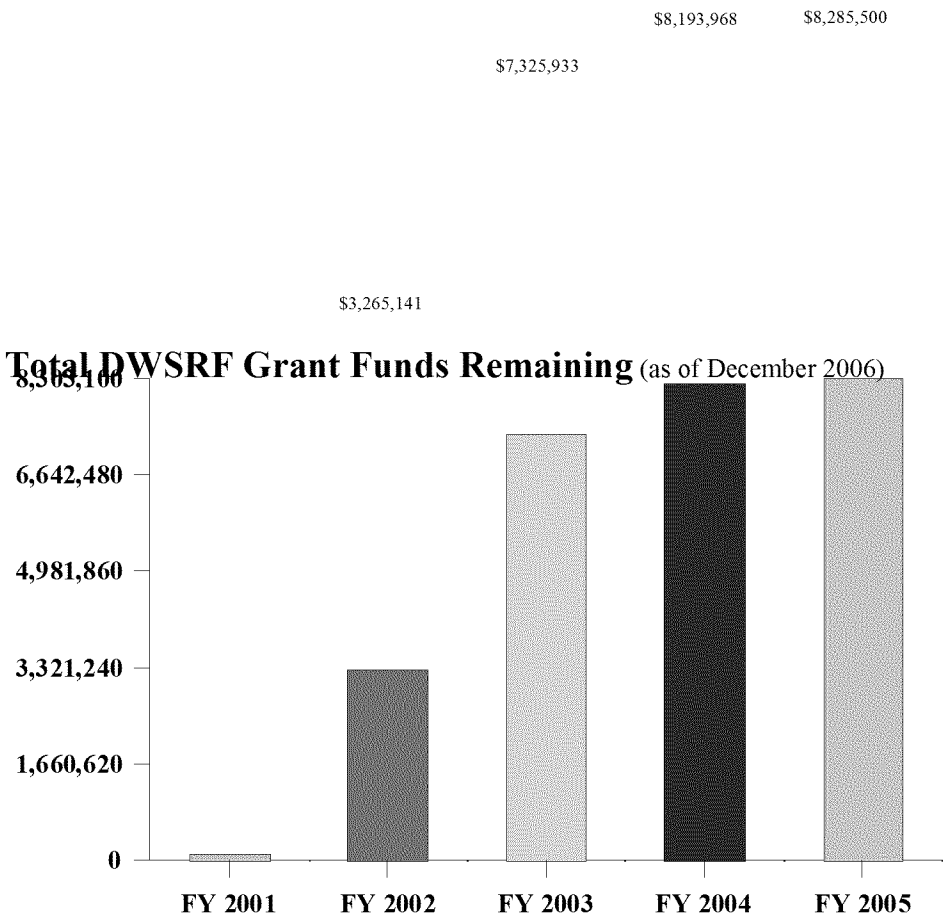
All federal funds awarded in Fiscal Years 1997, 1998, 1999 and 2000 have been spent. These grants have been closed out. WVDHHR's gradual draw-downs reflect appropriate spending as shown on the charts below. Draw-downs have improved over the grant periods due to their ability to maintain staffing levels, permitting more workplan activities to be accomplished.



Set-aside Funded Expenditures

WEST VIRGINIA SET-ASIDE UTILIZATION FOR ALL GRANTS Cumulative as of December 2006				
		Management Assistance 10%	Technical Assistance 2%	Program Local Assistance 15% Total
CUMULATIVE AWARDED	$1,494,425	$6,774,162	$9,058,581	$17,327,168
EXPENDED	$1,269,137	$4,416,547	$4,842,239	$10,527,923

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% EXPENDED	84.9%	65.2%	53.5%	60.8%
CASH DRAWN	$1,269,137	$4,416,547	$4,842,239	$10,527,923

Wellhead Protection Program - 15% Local Assistance

The WV Wellhead Protection Program (WHPP), approved by EPA in 1992, is a key implementation program for source water protection. During this reporting period, EPA worked with WVDHHR to develop a Request for Proposals (RFP) for grants to community water systems. The state has developed a sound RFP with clear requirements for applicants. This RFP process reflects the state's progress in developing their source water protection strategy.

Highlights

- The instructional report (pamphlet) on pump yield and draw-down test methods is expected to be completed during 2006.
- WVDHHR will be issuing a RFP for a WHPP local grants program, in the total amount of $40,000.

Action Items

- EPA requests a copy of the instructional report (pamphlet) on pump yield and drawdown test methods upon completion.
- EPA requests that the state report on the status of the RFP process in "Task 3.3.0" of the next progress report.
- EPA requests that the state provide a list and description of the grantees once the WHPP grant awards are made.

With regard to outputs/outcomes of the set-asides workplan, EPA believes the state should provide more quantitative information. The following should be included in the next progress report:

Outputs, p.32.

- I. Status report on the WHPP grant program for CWS.
- J. Summary of actions taken to inspect and inventory potential Class V injection wells and UST's in source water protection areas.

Outcomes, p.33.

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- F. Summary on the implementation of local voluntary source water protection programs. This summary would include descriptive along with statistical summary of implementation activities.
- G. Report on the various SWP tools, used to increase the awareness of source water protection concepts.

Capacity Development Assessments - 15% Local Assistance

WVDHHR conducted 24 capacity development assessments and issued 24 reports to water systems which provide each system with a detailed evaluation and recommendations to improve system viability.

Concern

The state has identified funds not disbursed as originally intended in prior grants for 15% local assistance set-aside due to shortage of staff. WVDHHR is in the process of drafting a supplemental set-aside workplan which includes contract support that will significantly increase the completion of work activities which was stagnate by using only in-house staff. Supplemental activities will provide additional source water protection and technical pre-construction assistance. WVDHHR plans to submit the supplemental workplan to EPA by December 31, 2006.

Program Management - 10%

WVDHHR continues to implement grant activities through contracts for services such as: providing training for cross-connection control and back flow prevention, making necessary revisions to SDWIS/State for tracking in accordance with regulating drinking water and revising protection zones for surface water intakes. Site visits are conducted throughout the year to provide relevant information to operators via inspections, sanitary surveys, etc. As part of the Develop-A-Curriculum (DACUM), exam validations have been completed for water operators for classifications I - IV.

Other program management activities include:

- providing financial support to locate Underground Injection Control Class V wells;
- providing public education;
- maintaining the Safe Water Operator Certification System (SWOCS) database;
- reviewing continuing education hour (CEH) courses;
- training to surface water system operators to optimize treatment plant performance;
- distributing *Drips and Drops* quarterly newsletter;
- distributing semi-annual training calendar;
- maintaining capacity development web page;
- maintaining CD library for class facilitator when instructor is unable to attend training;

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- assisting the American Water Works Association (AWWA) in acknowledging operator achievements through the review and selection of candidates and presentation of the Perkins Boyton Award; and
- being an active member of the Infrastructure and Jobs Development Council (IJDC) and chair of the IJDC Technical Review Committee.

Technical Assistance - 2%

Through contract support, WVDHHR has provided for 6,365 Continuing Education Hours (CEH) of training which included classes for procedures for testing backflow preventors, education programs and resources for the public on SDWA topics, e.g., development of a drinking water educational program for an elementary school, provide brochures and handouts at conferences and to civic organizations as well as develop training videos, public library resources and information articles for trade magazine(s) to assist water systems.

Operator Certification
Expense Reimbursement Grant (ERG)

Financial Summary

On September 30, 2003, EPA awarded WVDHHR's Expense Reimbursement Grant (ERG) totaling $1,437,900 in support of continuous education and certification of operators at small community and non-transient non-community water systems. Since the last reporting period, the state has drawn down six percent (6%) of the funds.

Grant Expenditures - as of December 2006

Funds Awarded	Funds Expended	Percent Expended
$1,437,900	$96,941.33	6%

Program Review

A contract is now in place to provide scheduled training in support of the Backflow Prevention & Testing Program. Web-based training for small system operators are being provided through contract. This training is geared toward those operators who aren't able to travel to attend the traditional classroom courses and will allow them to obtain the required education hours to maintain their certification. WVDHHR will consider additional contracts pending evaluation of current training. WVDHHR is developing a proposal for contract services to develop in-house internet training programs to support in-house training of state staff so by the end of the five year contract, in-house staff will be able to sustain the program in the future.

At the September 2006 on-site Program Review, WVDHHR discussed with EPA other activities the state is considering for utilization of the grant, i.e., contracting with WV Rural Water

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Association (RWA) to fund a training trailer. EPA referred the state to DE RWA who is utilizing ERG funds from DE Health and Social Services for a training trailer. The state is at the preliminary stages for writing a proposal for card swipe technology to be utilized by operators for security purposes and tracking continuing education units and also providing circuit riders to do training through a contract to include security training. EPA informed the state that the ERG workplan needs to be revised to include the new activities.

Concern

Over the past two and a half years, WVDHHR's draw down of ERG funds has been minimal. Although the grant's project period extends to the year 2008 and contracts are now in place, EPA remains concerned that over $1M will need to be expended in the next 2 years. WVDHHR should soon finalize a new workplan for these funds or begin considering a transfer to the DWSRF project fund. EPA will continue to monitor state spending closely.

Action Item

The state must show that current funds will be used in a timely manner. EPA reminds the state to provide detailed information in the next progress report on the activities of this ERG grant with a status of expenditures. Status of expenditures should be submitted with the end of year report due August 15, 2007. EPA is currently working with the state to revise the format of the PWSS Guidance and Checklist to provide for adequate space for the requested information.

Water Protection Coordination Grant (Security)

Financial Summary

On September 16, 2005, EPA awarded WVDHHR's FY'05 grant amendment request in the amount of $50,000, bringing the total federal funding for state counter-terrorism activities in West Virginia to $407,300.

Grant Expenditures - as of December 2006

Funds Awarded	Funds Expended	Percent Expended
$407,300	$239,787.54	59%

Program Review

Coordination activities continue for critical water infrastructure protection efforts. This includes work with water systems as well as with other state, local and federal agencies to provide and coordinate technical assistance, training and education on homeland security issues related to ensuring the quality of drinking water vulnerability assessments and associated security enhancements, and developing and overseeing emergency response and recovery plans.

Emergency Preparedness

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As a result of WVDHHR's instructional activities the Clarksburg Water Board implemented a "Water Watchers" group to involve citizens of the community to heighten water security awareness relative to their water system facilities.

Emergency Communications

WVDHHR is in the process of purchasing "Do Not Tamper" signs for posting at CWS and NTNCWS, booster pumping stations, water storage tanks and raw water reservoirs. These signs will be used as deterrents for would-be terrorists and vandals, notifying of related federal and state penalties.

WVDHHR purchased Personal Digital Assistants (PDAs) for all district office staff for rapid access to the CWS emergency contact database. PDAs will enable district staff to have 24 hour access to contact information. The communication database to transmit emergency information between WVDHHR's district and central offices and the public water systems is being maintained by an intern. WVDHHR will continue to maintain existing communication methods, i.e., cell phones and pagers.

Outputs

1. Review Emergency Response Plans (ERPs) and provide follow-up technical assistance to water systems on areas of improvement to their own ERPs.
2. Continue to provide cell phones and pagers to 25 key district and central management staff.
3. Employ one (1) summer intern to update water systems' email and contact information.
4. Develop "DO NOT TAMPER" warning signs for distribution to community and non-transient, non-community water systems.

Outcomes

1. Improved protection of water system critical infrastructure.
2. Provide additional informational tool to water systems for assistance in enhanced security.
3. Reduced time required conveying important and critical security alerts to water utilities, general public, local police, emergency responders, and others involved in response and readiness procedures.
4. Improved emergency response coordination and communication.

Concerns

EPA continues to stress concern regarding WVDHHR's sparse spending of grant funds. EPA's April 28, 2006 letter to WVDHHR, discusses the following provisions of future funding in order to reduce the potential for build-up of large amounts of funds not being used expeditiously: 1) the state submitting sufficient financial detail from previous-year awards; 2) its plans for spending the new funds; 3) the need to address outputs and outcomes in workplans; 4) providing financial

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information which enables EPA to assess progress being made against an approved workplan.

Action Item

The state must show that current funds and estimated future expenditure rates will be used in a timely manner. EPA reminds the state to provide detailed information in the next progress report on the activities of this security grant with a status of expenditures. Status of expenditures should be submitted with the end of year report due August 15, 2007. EPA is currently working with the state to revise the format of the PWSS Guidance and Checklist to provide for adequate space for the requested information.

Conclusions, Action Items and Reminders

Overall, WVDHHR is implementing their program effectively. For additional information please refer to Attachment 1, WVDHHR Reporting Checklist, which details the EED program activities for mid-year FY'05 through end of year 2006. The following is a consolidated list of recommendations and a few reminders on upcoming reporting deadlines. Page numbers provide locations in the report for more details.

Action Items

- Continue working towards the national 2008 goal of 50% of CWS and associated population protected through substantial implementation of strategies. (page 8)
- Submit copy of pamphlet on pump yield and drawdown test methods upon completion. (page 13)
- Report on status of RFP process. (page 13)
- Provide list and description of WHPP grantees once awards are made. (page 13)
- Report on the status of the WHPP grant program. (page 14, output I.)
- Provide a summary of actions taken regarding Class V injection wells. (page 14, output J)
- Provide a summary on the implementation of local voluntary source water protection programs. (page 14, outcome F)
- Report on various SWP tools. (page 14, outcome G)
- Status of expenditures for the ERG. (page 16)
- Status of expenditures for Security grant. (page 18)

Reporting Reminders

- Semi-Annual Progress Report to include:
  1. Detailed narrative on "progress" of all grant activities (PWSS, DWSRF Set-aside, ERG and Security).
  2. Written summary of status on filling each vacancy (i.e., reviewing applications, interviewing, etc.) and desired time frame for filling positions. (page 4)
  3. Current organization chart to show stability of staffing levels. (page 4)
  4. Show the funding source associated to each FTE (filled and vacant). (page 4)

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5. Detailed information on all GUDI activities. (page 6)
6. GUDI summary broken out by system type (CWS, NTNC and TNC) showing the number and percentage of systems testing, evaluated, unresponsive, etc. (page 6)

WVDHHR is reminded that beginning in FY 2007, states must include discussion of progress toward meeting outputs and outcomes in the semi-annual progress report, including explanations as to why outputs or outcomes were not achieved and actions planned to address this.

- Annual Operator Certification Report - June 30, 2007. (page 11)
- Conduct external review to be reported in June 2007 Report. (page 11)

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