

WEST VIRGINIA
SECRETARY OF STATE
KEN HECHLER
ADMINISTRATIVE LAW DIVISION

Form #6

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1991 MAY 15 PM 3:56

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

**NOTICE OF FINAL FILING AND ADOPTION OF A LEGISLATIVE RULE AUTHORIZED
BY THE WEST VIRGINIA LEGISLATURE.**

AGENCY: West Virginia Solid Waste Management Board TITLE NUMBER: 54

AMENDMENT TO AN EXISTING RULE: YES , NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: _____

TITLE OF RULE BEING AMENDED: _____

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: 1

TITLE OF RULE BEING PROPOSED: Rules and Regulations Governing

Disbursement of Loans and Grants to Governmental Agencies for the
Acquisition or Construction of Solid Waste Disposal Projects.

THE ABOVE RULE HAS BEEN AUTHORIZED BY THE WEST VIRGINIA LEGISLATURE.

AUTHORIZATION IS CITED IN (house or senate bill number) Senate Bill No. 637

SECTION W. Va. Code §64-3-12(b), PASSED ON March 9, 1991

THIS RULE IS FILED WITH THE SECRETARY OF STATE. THIS RULE BECOMES EFFECTIVE ON
THE FOLLOWING DATE: June 17, 1991

Harold A. Taylor

TITLE 54
LEGISLATIVE RULES
WEST VIRGINIA SOLID WASTE MANAGEMENT BOARD 1991 MAY 15 PM 3:56
SERIES 1

RULES AND REGULATIONS GOVERNING DISBURSEMENT OF LOANS OF WEST VIRGINIA
AND GRANTS TO GOVERNMENTAL AGENCIES FOR THE SECRETARY OF STATE
ACQUISITION OR CONSTRUCTION OF SOLID WASTE DISPOSAL PROJECTS

§ 54-1-1. General.

1.1. Scope. - These legislative rules establish requirements governing disbursement of loans and grants to governmental agencies for the acquisition or construction of solid waste disposal projects.

1.2. Authority. - West Virginia Code § 16-26-1 et seq.

1.3. Filing Date. - May 15, 1991.

1.4. Effective Date. - June 17, 1991.

§ 54-1-2. Definitions.

Except where the context indicates otherwise, the following terms as used in these rules shall have the meanings ascribed to them as set forth below.

2.1. General definitions.

2.1.1. The "Act" means West Virginia Code § 16-26-1 et seq.

2.1.2. "Applicant" means a governmental agency which applies for a loan or grant pursuant to the provisions of Section 3 or Section 4 of these rules.

2.1.3. The "Board" means the West Virginia Solid Waste Management Board, established pursuant to West Virginia Code § 16-26-4, or its authorized representatives.

2.1.4. The terms "cost," "governmental agency," "solid waste," "solid waste disposal facilities," "solid waste disposal project" and "project" as used in Sections 3 and 4 of these rules, shall have the meanings ascribed to them in the Act.

2.1.5. "Grant" means a disbursement of funds made by the Board to an applicant pursuant to Section 3 of these rules.

2.1.6. "Grant Agreement" means a signed document between the Board and the applicant pertaining to a grant and as more particularly described in Section 3.6 of these rules.

2.1.7. "Loan" means a disbursement of funds made by the Board to an applicant pursuant to Section 4 of these rules.

2.1.8. "Loan Agreement" means a signed document between the Board and the applicant pertaining to a loan and as more particularly described in Section 4.7 of these rules.

§ 54-1-3. Grants.

3.1. Eligibility for participation in grant program.

3.1.1. Governmental agencies eligible for participation in program. - A governmental agency or any combination thereof empowered to acquire, construct and equip solid waste disposal facilities shall be eligible to participate in the program.

3.1.2. Application for participation in program. - Any eligible governmental agency or any combination thereof which desires to participate in the program shall make a separate application to the Board on forms prescribed by the Executive Director of the Board for each project for which such participation is desired.

3.1.3. Acceptance of grant applications. - Subject to Section 3.6.1 of these rules, no application which is received by the Board shall be accepted until the applicant has satisfied the following conditions:

3.1.3.a Delivered to the Board an agreement between the applicant and the Board providing for the construction, maintenance and operation of the project which is consistent with Section 3.7.1 of these rules, which has been authorized and approved by the legislative authority or authorities of the applicant and which has been executed by the applicant.

3.1.3.b If required by the Board, provide a feasibility study prepared by a registered professional engineer and an independent certified public accounting firm demonstrating that the project is technically and financially feasible.

3.1.3.c Provided certification that detailed plans, profiles, cross sections, estimates, specifications and such other requirements as are appropriate have been approved by all legally required agencies.

3.1.3.d Provided written assurance that a properly certified operator will be employed upon completion of fifty percent (50%) of the project's construction.

3.1.4. Grants may be awarded for a maximum period of one year, provided that the Board may extend this period for up to 60 days. Applicants should not depend on continued financing for long-term projects through this grant program.

3.1.5. Eligibility for participation in program if project should be combined with another project. - If the Board determines that a project for which application is made should be combined with another project or should serve governmental agencies not included as the applicant, the Board may delay the date upon which the project's priority is established in relation to other projects for which applications are received until such date as the project is expanded to include the additional project or projects or governmental agency or agencies.

3.2. Payment of costs of projects.

3.2.1. Payment of project costs by Board. - Upon entering into the agreement between the Board and the applicant referred to in Section 3.1.3.a of these rules and upon determination by the Board of a project's priority pursuant to Section 3.6.1 of these rules, the amount prescribed by Section 3.3.1 of these rules shall be paid by the Board. In the event such agreement is terminated by the Board pursuant to, and not in breach of, the provisions of such agreement, or in the event such agreement is terminated by the applicant whether

or not in breach of this agreement, such grant will be immediately withdrawn.

3.2.2. Source of payment of project costs. - Subject to Section 3.3.1 of these rules, grants shall be made from funds appropriated to the Board or from funds contained in Board accounts which permit for such use.

3.2.3. Distribution of moneys constituting project costs. - The Board shall pay directly to the applicant such payment as to those project costs which the applicant or one (1) of the governmental agencies constituting the applicant has not paid from its own funds. As to those project costs which the applicant or one (1) of the governmental agencies constituting the applicant has paid from its own funds, the Board shall reimburse the applicant or such governmental agency upon an accounting to the Board of such payment and a request for reimbursement.

3.2.4. Availability of funds. - The grant funds for the purposes herein provided will be disbursed to eligible projects as set forth in Section 3.1 of these rules and will be disbursed until all such projects have been satisfied or until the funds so provided have been exhausted, whichever comes first.

3.3. Participation payments by applicant.

3.3.1. Grants. - Participation in the grant program as described in these rules is subject to the following restrictions:

3.3.1.a The grant(s) as herein provided is a grant(s) not to exceed fifty percent

(50%) of the total project costs.

3.3.1.b Credit will be given for in-kind services when determining the amount of funding from the authority to be matched by a grant.

3.3.1.c Volunteer services will be valued at the minimum hourly wage unless the applicant can demonstrate that such services would normally be valued above that wage in the area served by the applicant's program.

3.3.1.d Donated equipment will be valued at its fair market value prorated over the life of the grant. Such equipment may only be used to determine the amount of matching funds during the first year that a grant is given to the authority involving that equipment.

3.3.1.e Applicants are only eligible for one (or more) grants totalling an amount not to exceed 10% of the estimated revenues of the Board for the fiscal year during which the grant is to be received, provided that this amount of money may be increased when the applicant consists of two or more governmental agencies acting collectively for the purposes of a grant not to exceed 10% of the estimated revenues of the Board per each governmental agency.

3.4. Rights of access - construction requirements.

3.4.1. Rights of access to property. - In the event the applicant or one (1) or more of the

governmental agencies constituting the applicant either acquires or owns the real and personal property constituting the project, the Board and, if applicable, other legally constituted regulatory entities and agencies shall have rights of access to the project as may be reasonably necessary to inspect the construction of the project and as may be reasonably necessary to ensure the proper operation and maintenance of the project following construction. Similar rights of access shall be given by the Board to the applicant if the Board acquires or owns the real and personal property constituting the project.

3.4.2 Requirements which governmental agency must follow when constructing project. -- If the project is constructed by applicant or one (1) or more of the governmental agencies constituting the applicant, such governmental agencies shall (i) Obtain all federal, state, county and municipal approvals required under existing law in connection with the construction of the project; (ii) advertise for bids or construction contracts only after approval by the Board; (iii) require that each construction contractor furnish a performance and payment bond in an amount equal to one hundred percent (100%) of the contract price as security for the faithful performance of the contract and payment of the subcontract; (iv) require that each of its contractors and subcontractors maintain during the life of the contract workers' compensation insurance, public liability, property damage and vehicle liability insurance in the amounts and in terms satisfactory to the Board; (v) provide and maintain competent and adequate resident engineering services satisfactory to the Board covering the supervision and inspection of the development and

construction of the project and bearing the responsibility of ensuring that construction conforms with the approved surveys, plans, profiles, cross sections and specifications and certifying to the Board and the applicant at the completion of construction that construction is in accordance with approved surveys, plans, profiles, cross sections and specifications or approved amendments thereto; and (vi) provide an operation and maintenance manual for the project.

3.5. Operation and maintenance of project.

3.5.1. Option to determine who shall operate and maintain project. -- If the project serves directly only one (1) governmental agency, the project may be operated and maintained by the Board or the applicant at the option of the Board. If the project serves directly more than one (1) governmental agency, the project may be operated and maintained by the Board at the option of the Board or by one (1) or more of the governmental agencies. Whether operated by one (1) or more than one (1) governmental agency, the operation and maintenance of the project must meet Board requirements.

3.5.2. Requirements which governmental agency must follow when operating and maintaining project. If the project is operated and maintained by applicant or one (1) or more of the governmental agencies constituting the applicant, such governmental agency shall: (i) Provide adequate operation and maintenance of the project to comply with the water quality standards established for the river basin affected thereby and with all applicable rules and regulations of the West Virginia Department of Health and Human Resources and the

West Virginia Department of Commerce, Labor and Environmental Resources; (ii) retain sufficient qualified operating personnel approved by Board to operate the project and perform all operational tests and measurements necessary to determine compliance with the preceding sentence (i) to ensure proper and efficient operation and maintenance of the project from the time of commencement of operation until the approval of the discontinuance of the operation of the project by the Board and all legally required agencies; (iii) operate and maintain the project in a manner which is consistent with design capacity and capability of the project in accordance with an ordinance or resolution acceptable to the Board; (iv) provide property and casualty insurance satisfactory to the Board; (v) if the governmental agency shall fail to comply with either (i), (ii) or (iii) above, it shall permit the Board at its discretion to remedy such default and shall pay the cost of remedying such default to the Board together with interest thereon from the date of payment by the Board.

3.5.3. Requirements which governmental agency must follow when Board operates and maintains project. - If the project is operated and maintained by the Board, the applicant shall (i) agree to provide the funds necessary to pay the cost of operating and maintaining the project at such times as will permit the prompt payment of such costs by the Board from the funds of the applicant; and; (ii) cooperate fully with the Board in the operation and maintenance of the project.

3.6 Determination of priority for participation in grant program.

3.6.1. Criteria for considering applications - Each application will be evaluated according to the following criteria:

3.6.1.a The Board will give preferences to projects in the following order of priority: (i) source reduction; (ii) recycling, reuse and resource recovery; and (iii) landfilling.

3.6.1.b Potential of project to further the efficient and effective collection, processing, recycling and disposal of solid waste within the area and to assist in the protection of the environment.

3.6.1.c Sustainability of the project beyond the grant period.

3.6.1.d Cost effectiveness of the project.

3.6.1.e Degree of public involvement in the project.

3.6.1.f Projects that have not received funding from this particular grant program will be considered before projects funded previously under this program.

3.6.1.g Consideration of the applicant's ability to assess and collect rentals, fees and service charges for the use or services of any solid waste disposal facilities involved in the grant application.

3.6.2. Withdrawal of grant. The Board reserves the right to withdraw a grant upon determination of unsatisfactory program compliance

with either these rules, or the specifications in the grant document, or the application for the grant.

3.6.3. Cancellation of grant. A failure to commence program activities within 90 days after receiving funding from the Board may result in the cancellation of the grant.

3.7 Miscellaneous.

3.7.1. Agreement between Board and applicant. - The agreement between the Board and the applicant referred to in Section 3.1.3.a of these rules, shall be consistent with these rules and shall contain such additional provisions which the Board determines are necessary to the implementation of these rules and ensure the proper carrying forward of the program.

3.7.2. Purposes for which grants can be obtained - Grants obtained in accordance with these rules shall be used by a governmental agency or combination thereof only for the purpose of acquiring, constructing and/or equipping solid waste disposal projects.

§ 54-1-4. Loans.

4.1. Description of loans.

4.1.1. Source of loan funds. - The Board may obtain the funds with which to make loans from the proceeds of revenue bonds and notes issued from time to time by the Board pursuant to the Act, or the Board may obtain funds from other permitted sources to make such loans.

4.1.2. Evidence of and security for loans. - The loans shall be evidenced by a note or other debt instruments issued by applicants at a discount to reflect the costs of the

Board incurred in issuing its obligations to provide the funds to make the loans, and other costs related to financing such projects, and shall be secured by a pledge of the fees, charges and all other revenues of the projects to be constructed, in whole or in part, with the proceeds of the loans and any other collateral required by the Board.

4.1.3. Amount of loan. - Each loan shall be in an amount which shall cover all costs of the project to be constructed by the applicant for which funds from the aforesaid grant or other sources are not available.

4.2 Eligibility for loans.

4.2.1. Governmental agencies eligible for loans. - All governmental agencies, or any combination thereof, which have the authority under applicable law to acquire, construct and equip a project shall be eligible for a loan.

4.2.2. Application for loan. - Any eligible governmental agency which desires to obtain a loan shall make a separate application to the Board on forms prescribed by the Executive Director of the Board for each project for which a loan is desired.

4.2.3. Acceptance of loan application - Subject to Section 4.7.1 of these rules, no application which is received by the Board shall be accepted until the applicant has satisfied the following conditions:

4.2.3.a Provided documentation satisfactory to the Board that the project is eligible for a loan under the provisions of the Act.

4.2.3.b If required by the Board, provide a feasibility study prepared by a registered professional engineer and an independent certified public accounting firm demonstrating that the project is technically and financially feasible.

4.2.3.c Demonstrated to the satisfaction of the Board that it has adopted or will adopt all necessary ordinances or resolutions in form and substance satisfactory to the Board and has taken or will take all proceedings required by law to enable it to enter into a loan agreement with the Board and that it has obtained or will obtain all other necessary governmental agencies approval of user charges for the project which will provide annual net revenues to the applicant which exceed, by an amount or percentage specified in the loan agreement, the annual payments required to be made by the applicant to the Board under the loan agreement.

4.3 Loans to be subject to agreement.

4.3.1. Prior to the making of a loan, the Board shall execute and enter into a loan agreement with the applicant, pursuant to the provisions of Section 4.7 of these rules, which shall include such provisions as may be required by the Board, including, without limitation, the following:

4.3.1.a The cost of such project, the amount of the loan, the terms of repayment of the loan and the security therefor, which may include, in addition to the pledge of all fees, charges and other revenues from such project after a reasonable allowance for operation and maintenance expenses, a deed of trust or other appropriate security

instrument creating a lien on such project;

4.3.1.b The specific purposes for which the proceeds of the loan shall be expended, the procedures as to the disbursement of loan proceeds and the duties and obligations imposed upon the applicant in regard to the construction or acquisition of the project;

4.3.1.c The agreement of the applicant to impose, collect and, if required to repay the obligations of such applicant under the loan agreement, increase service charges from persons using said project, which service charges shall be pledged for the repayment of the loan together with all interest, fees and charges thereon and all other financial obligations of such applicant under the loan agreement; and

4.3.1.d The agreement of the applicant to comply with all applicable laws, rules and regulations issued by the Board or other state, federal and local bodies in regard to the financing, construction, operation, maintenance and use of the project.

4.4 Repayment of loans; interest on loans; fees and charges.

4.4.1. Payment of principal and interest on loan. -- Payments of the principal of the loan shall be made by the applicant on a monthly, quarterly, semi-annual or annual basis as scheduled by the Board and interest payments on the loan shall be made by the applicant on a monthly, quarterly, semi-annual or annual basis as scheduled by the Board, in accordance with the provisions of the loan agreement.

4.4.2. Computation of interest on loans. -- Each loan shall bear interest from the date of the delivery of the notes or other debt instruments of the applicant evidencing the loan to the applicant at a rate or rates per annum which shall be equal to the rate or rates per annum borne by the obligations of the Board issued to provide the funds to make the loan: Provided, That pursuant to the provisions of the loan agreement, the Board may purchase the notes or other evidences of indebtedness of the applicant at par or at a discount to reflect the costs of the Board incurred in issuing its said obligations and other costs relating to the making of the loan.

4.4.3. Fees and charges. -- In addition to payments of principal and interest on the loan, each applicant shall agree in the loan agreement to pay fees and charges to the Board equal to the applicant's share of the administrative expenses of the Board relating to the loan program referred to in this Section 4, including, without limitation, any fees and charges established by rule of the Board, and the fees and expenses of the trustee and paying agents for the bonds to be issued by the Board to make the loan.

4.5. Agreement of Board to make loans conditioned upon sale of bonds.

The obligation of the Board to make any loan is and shall be conditioned upon receipt by the Board of the proceeds of bonds issued by the Board or funds from other sources in such amounts and on such terms and conditions as in the sole judgment of the Board, will enable it to make the loans.

4.6. Construction of project.

Each applicant receiving a loan shall, prior to commencement of construction of the project, comply with all applicable provisions of the Act, of the loan agreement and of the resolution or ordinance authorizing the issuance of bonds or notes evidencing the loan, including, without limitation, that the applicant shall obtain all federal, state and local approvals.

4.7. Determination of priority for participation in loan program.

4.7.1. Criteria for ranking applications - Each application will be evaluated according to the following criteria:

4.7.1.a The Board will give references to projects in the following order of priority: (i) source reduction; (ii) recycling, reuse and resource recovery; and (iii) landfilling.

4.7.1.b Potential of project to further the efficient and effective collection, processing, recycling and disposal of solid waste within the area and to assist in the protection of the environment.

4.7.1.c Degree of public involvement in the project.

4.7.1.d Consideration of the applicant's ability to assess and collect rentals, fees and service charges for the use or services of the project involved in the grant application.

4.7.1.e Cost effectiveness of the project.

4.8. Miscellaneous.

4.8.1. Agreement between Board and applicant. - The agreement between the Board and the applicant referred to in Section 4.3 of these rules, shall be consistent with these rules and shall contain such additional provisions which the Board determines are necessary to the implementation of these rules and ensure the proper carrying forward of the program.

4.8.2. Purposes for which loans can be obtained - loans obtained in accordance with these rules shall be used by a governmental agency or combination thereof only for the purpose of acquiring, constructing and/or equipping solid waste disposal projects.

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SECRETARY OF STATE SECRETARY OF STATE

SECRETARY OF STATE

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(Plus all the volunteer help we can get)

TO: Charles F. Jordon

AGENCY: Solid Waste Management

FROM: JUDY COOPER, DIRECTOR, ADMINISTRATIVE LAW DIVISION

DATE: May 8, 1996

THE ATTACHED RULE FILED BY YOUR AGENCY HAS BEEN ENTERED INTO OUR COMPUTER SYSTEM. PLEASE REVIEW, PROOF AND RETURN IT WITH ANY CORRECTIONS. IF THERE ARE NO CORRECTIONS, PLEASE SIGN THIS MEMO AND RETURN IT TO THIS OFFICE. YOU WILL BE SENT A FINAL VERSION OF THE RULE FOR YOUR RECORDS.

PLEASE RETURN EITHER THE CORRECTED RULE OR THIS FORM WITHIN TEN (10) WORKING DAYS OF THE DATE YOU RECEIVED THIS REQUEST. CALL IF YOU HAVE ANY QUESTIONS.

SERIES: 1 TITLE: 54 Solid Waste Management

* THE ATTACHED RULE HAS BEEN REVIEWED AND IS CORRECT.

SIGNED: _____

TITLE OF PERSON SIGNING: _____

DATE: _____

* THE ATTACHED RULE HAS BEEN REVIEWED AND NEEDS CORRECTING. THE CORRECTIONS HAVE BEEN MARKED.

SIGNED: Charles F. Jordon

TITLE OF PERSON SIGNING: Director

DATE: 5/16/96

NOTE: IF YOU ARE NOT THE PERSON WHO HANDLES THIS RULE, PLEASE FORWARD TO THE CORRECT PERSON.