



STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
1201 DUNBAR AVENUE
DUNBAR, WV 25064

(304) 348-3612

August 30, 1984

The Honorable A. James Manchin
Secretary of State
Capitol Building
Charleston, WV 25305

As provided in Chapter 29A, enclosed are the amended Administrative Regulations adopted by the Water Development Board regarding requirements governing disbursement of hardship grant funds for assisting in the construction of sewage treatment facilities and appurtenances. Included with the amended regulations are the required Notice of Approval, findings and determinations, and an Affidavit of Publication of public notice. Also enclosed is the fiscal note required for these amended regulations.

These Administrative Regulations are designated Series I of Chapter 20, Article 5C, of the West Virginia Administrative Regulations and are classified as Legislative Rules.

By copy of this letter, the Water Development Authority is supplying 15 copies of the abovementioned documents to the Legislative Rule-Making Review Committee.

Edgar N. Henry
EDGAR N. HENRY, PE - DIRECTOR

bbm

Enclosures

- c Water Development Board
- John Homburg, Legislative Services
- Richard Hartman, Legislative Rule-Making Review Committee

FILED IN THE OFFICE OF
A. JAMES MANCHIN
SECRETARY OF STATE
THIS DATE 8-30-84
Administrative Law Division



STATE OF WEST VIRGINIA
OFFICE OF THE SECRETARY OF STATE
CHARLESTON 25305

STATE REGISTER FILING

I, Edgar N. Henry, Director,
Name Title or Position

Water Development Authority hereby submit to record
Department or Division

in the State Register on 8 1/2" x 11" paper two (2) copies of

- () proposed rules and regulations concerning topics or
material not covered by existing rules and regulations;
- (x) proposed rules and regulations superseding rules and
regulations already on file;
- (x) a notice of hearing;
- (x) findings and determinations;
- () rules and regulations; or
- (x) other - specify (Notice of Approval) .

This filing pertains to

Chapter 20
Article 5C
Series I
Section 7
Page No. 38 - 43

August 30, 1984
Date Submitted

Edgar N. Henry
Signature of Person Authorizing this
Filing

FISCAL NOTE FOR PROPOSED RULES

Rule No. Chapter 20-5C, Series I, Section 7 Subject Hardship Grant Regulation

Type of Rule: Legislative Interpretive Procedural

Agency Water Development Authority Address 1201 Dunbar Avenue
Dunbar, WV 25064

Authorized Representative Edgar N. Henry, Director Phone 348-3612

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
Estimated Total Cost *	\$	\$	\$	\$	\$
Personal Services	None	None	None	None	None
Current Expense	None	None	None	None	None
Repairs and Alterations	None	None	None	None	None
Equipment	None	None	None	None	None
Others	None	None	None	None	None

2. Explanation of above estimates.

*The WDA, through its revenue bond program, is self-sufficient in the areas of concern; e.g., personal services, etc. All funds that have been appropriated to the WDA during the past two years have been used to provide grants and loans to municipalities and public service districts to assist in the financing of construction of their sewer systems.

3. Date August 30, 1984 Agency Water Development Authority

Signature of Agency Head

Edgar N. Henry

Signature of Authorized Representative

Edgar N. Henry

STATEMENT OF ECONOMIC IMPACT OF PROPOSED RULES OR REGULATIONS

Agency Water Development Authority

Rule No. Chapter 20-5C, Series I, Section 7

Subject Hardship Grant Regulation

1. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

The grants would provide the funds necessary to capture federal grants that, combined, enable the financing of sewer system construction. The overall effect is the provision of construction and related jobs as well as additional tax revenues.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of citizens.

The grants would enable the financing of construction of sewage facilities that might otherwise be unattainable. This would affect the municipalities and public service districts. Industries such as engineering, contracting (construction), equipment, etc., would benefit.

C. Economic Impact on Citizens/Public at Large.

The economic impact on citizens and the public at large would be the provision of jobs as well as the provision of assistance in reducing sewer bills.

Date August 30, 1984

Agency Water Development Authority

Signature of Agency Head

Edgar N. Henry

Signature of Authorized Representative

Edgar N. Henry

DATE: August 30, 1984
TO: Edgar N. Henry, Director, Water Development Authority
FROM: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE
SUBJECT: INFORMATION TO BE SUPPLIED TO THE COMMITTEE
RULES: Chapter 20-5C, Series I, Section 7

INFORMATION REQUIRED

1. Please give the citation of the statute which authorizes your promulgation of these rules.

Chapter 20, Article 5C, Section 6 (5) of the Code of West
Virginia.

2. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:
(29A-3-5)

- a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

July 25, 1984

- b. Was the hearing held on the date scheduled and were all interested parties permitted to be heard?

Yes

- c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

August 30, 1984

- d. Is the transcript of all evidence received preserved and available for public inspection and copying?

Yes.

3. For all rules promulgated:

- a. When did you file the rules in the State Register together with notice of a hearing time, date and location? (29A-3-5)

July 25, 1984

- b. Did you give at least 30 days notice and no more than 60 days notice? (29A-3-7)

Yes.

- c. What other notice, including advertising, did you give of the hearing? (29A-3-5)

Legal advertisement in Charleston newspapers on July 25, 1984. Mailed notices to 35 interested persons.

- d. Was the hearing held on the scheduled date? If not, why not?

Yes.

- e. Was the opportunity given for all interested parties to submit data, objections, suggested amendments, views, evidence or arguments?

Yes.

- f. List all persons who appeared at the hearing and what type of comment they made about the proposed rules (for, against, suggested and amendments). Please attach a copy of the minutes of the hearing.

An attendance list is included in the minutes of the hearing.

- g. On what date did you file in the State Register notice of your action on the proposed rules together with the text of such rules?

August 30, 1984

- h. Are your proposed rules for the purpose of implementing a federally subsidized or assisted program? If so, give details of the program.

Sewer systems are funded through the U. S. Environmental Protection Agency's 75-percent grants program. After October 1, 1984, these grants will be reduced to 55 percent. Hardship grants would be awarded to qualifying entities who participate under this same EPA construction grants program. These amendments essentially bring the existing hardship regulations in line with federal changes.

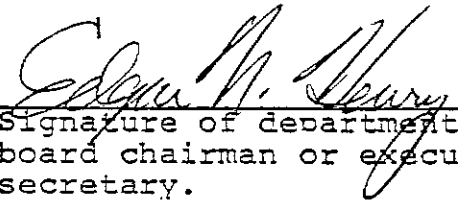
- i. What will be the economic impact of these proposed rules on: (i) those persons directly affected by the operation of these rules and (ii) the general public?

Because these amendments relate to existing hardship grant regulations and these grants are made to assist in the funding of publicly owned sewer systems, the persons directly affected and the general public are one and the same. The funding assistance is intended to reduce the financial impact on the sewer systems' users.

- j. What are the additional costs to your agency for administering these rules?

This program of grants is an ongoing program; and, for

this reason, no additional costs to the agency would be expected.


Signature of department head,
board chairman or executive
secretary.

August 30, 1984

(Please attach additional sheets if necessary)



STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
1201 DUNBAR AVENUE
DUNBAR, WV 25064
(304) 348-3612

August 30, 1984

The Honorable A. James Manchin
Secretary of State
Capitol Building
Charleston, WV 25305

SUBJECT: Notice of Approval

Enclosed are the amended Administrative Regulations adopted by the Water Development Board regarding requirements governing disbursement of hardship grant funds for assisting in the construction of sewage treatment facilities and appurtenances.

These Administrative Regulations are designated Series I of Chapter 20, Article 5C, of the West Virginia Administrative Regulations and are classified as Legislative Rules.

I hereby certify the enclosed are true and accurate copies of the Administrative Regulations subject to public hearing on August 27, 1984, and adopted by the Water Development Board.

A handwritten signature in cursive script, reading "Averil L. Ramsey".

AVERIL L. RAMSEY - CHAIRMAN, WATER DEVELOPMENT BOARD

bbm

Enclosures

c Water Development Board
John Homburg, Legislative Services
Richard Hartman, Legislative Rule-Making
Review Committee

PUBLIC HEARING
ADMINISTRATIVE REGULATIONS
WATER DEVELOPMENT AUTHORITY

On August 27, 1984, at 9 a.m., a public hearing was held in the Water Development Authority office, 1201 Dunbar Avenue, Dunbar, West Virginia, by the Water Development Board. The proposed amendments to regulations of the West Virginia Water Development Authority pertain to disbursement of hardship grant funds for assisting in the construction of sewage treatment facilities and appurtenances.

Mr. Averil L. Ramsey, Chairman of the Water Development Board, opened the hearing by stating the hearing is being held in compliance with Chapter 20, Article 5C, Section 6 (5) which states the West Virginia Water Development Authority has the power and capacity to . . . make loans and grants to governmental agencies for the acquisition or construction of water development projects . . . and, in accordance with Chapter 29A of this Code, adopt rules and procedures for making such loans and grants.

In the adoption of regulations, the requirement of public notice has been carried out. The public hearing aspect is being satisfied by this hearing. Upon completion of this hearing, the oral and written statements will be compiled and reviewed; and the regulations will be promulgated.

The Chairman then stated the ground rules of the hearing are as follows:

Statements, both written and oral, will be received during the hearing. Anyone wishing to make an oral statement should so indicate upon registering into the hearing.

If an oral statement is to be made from a written statement, this should be a summary of the written statement. Any such oral statement should not exceed five minutes. All other oral statements are also to be held to five minutes and are to be germane to the issue before the hearing. I will reserve the right to decline receipt of comments not germane to the issue; namely, the proposed amendments to regulations concerning disbursement of hardship grant funds for assisting in the construction of sewage treatment facilities and appurtenances. It is the intention of the Board that anyone wishing to be heard under these guidelines will be heard; thus the five-minute limitation on statements is necessary.

As provided by statute, copies of the proposed amendments to the hardship regulations have been available to interested persons since public notice which appeared in the Charleston newspapers on July 25, 1984.

At this time, Mr. Edgar N. Henry, Director of the Water Development Authority will review the proposed amendments. After his presentation, the Board will entertain oral statements from those present who have so indicated at registration.

Director Henry stated that, because of changes made in the construction grants program under the EPA and in anticipation of additional changes on October 1, 1984, the WDA has initiated amendments to its hardship grant regulation that comply with those federal changes. In addition, the WDA has initiated certain language changes that further clarify the hardship grant program regulation.

The WDA has carried out two main efforts in regard to these proposed amendments. First, to avoid any delay in its award of hardship grants, the WDA has filed the amended hardship grant regulation under the emergency provisions of Chapter 29A. This action was taken in view of the extended period required for enactment under the normal procedures. It has also appeared before the Legislative Rule-Making Review Committee and explained its actions. Second, the hardship grant regulation amendments have been filed under the normal promulgation procedures.

Director Henry then briefly reviewed the proposed amendments.

Chairman Ramsey asked for both written and oral statements. There were none. For the record, an attendance list is attached.

Chairman Ramsey then called for a brief recess.

Following discussion, Mr. Miles Dean moved the approval of the hardship grant regulation as amended. Mr. Paul Martin seconded the motion. All agreed.

There being no further business, Chairman Ramsey adjourned the hearing at 9:15 a.m.

Barbara Butcher Meadows, CPS

Attachment

ATTENDANCE LIST

BOARD: Averil L. Ramsey, Chairman
Paul B. Martin, Member
Miles Dean, Ex Officio Member
Robert Wheeler, Proxy for Dr. Clark Hansbarger, Ex Officio Member
Ron Potesta, Representing Willis Hertig, Ex Officio Member

STAFF: Edgar N. Henry, Director
Earle P. Bisher, Engineer
Daniel B. Yonkosky, Administrative Assistant

PUBLIC: None

Affidavit of Publication

No. _____

STATE OF WEST VIRGINIA,

Kanawha County, to-wit:

I, Teresa Edwards of the

☐ Sunday Gazette-Mail ☒ Charleston Gazette, a daily Democratic newspaper ☒ Daily Mail, a daily Republican newspaper, published in the City of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of public hearing

was duly published in said paper once a day for one successive day commencing with the issue of the 25th day of July, 19 84, and ending with the issue of the 25th day of July, 19 84, and was posted at the front door of the Court House of said Kanawha County, West Virginia, on the 26th day of July, 19 84

Dates Published: 07-25-84

Teresa Edwards
Subscribed and sworn to before me this 25th day of July, 19 84

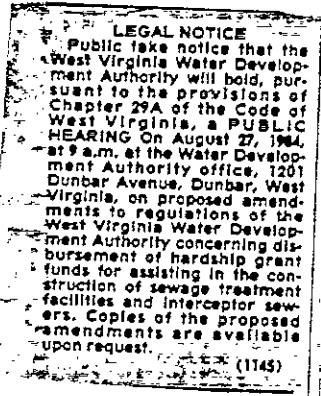
Andrew D. Miller
Notary Public of Kanawha County, West Virginia

My Commission expires Oct. 28, 1991

Printer's Fee \$ 17.24

ACCT-7

RECEIVED
JUL 27 1984
WATER DEVELOPMENT AUTHORITY



WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
ADMINISTRATIVE REGULATIONS

Requirements concerning disbursement
of hardship grant funds
for assisting in the construction
of sewage treatment facilities
and ~~interceptor-sewers~~
appurtenances.

Chapter 20-5C
Series I
(1976)
~~(Amended-1981)~~
(Amended 1984)



WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY
1201 Dunbar Avenue
Dunbar, West Virginia 25064

ADMINISTRATIVE REGULATIONS
OF
THE STATE OF WEST VIRGINIA

REQUIREMENTS CONCERNING DISBURSEMENT
OF HARDSHIP GRANT FUNDS
FOR ASSISTING IN THE CONSTRUCTION
OF SEWAGE TREATMENT FACILITIES
AND INTERCEPTOR-SEWERS
APPURTENANCES

Chapter 20, Article 5C
Code of West Virginia

West Virginia
Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

TABLE OF CONTENTS

	<u>Page</u>
WEST VIRGINIA ADMINISTRATIVE REGULATIONS- WATER DEVELOPMENT AUTHORITY.	38
GENERAL.	38
SECTION 7 - PRIORITY SYSTEM FOR CONSTRUCTION GRANT RECIPIENTS TO DETERMINE WHETHER A SUPPLEMENTAL STATE HARDSHIP GRANT SHOULD BE PROVIDED TO HELP RELIEVE A HARDSHIP IN LOCAL FUNDING.	39
Section 7.01. Introduction.	39
Section 7.02. Criteria.	39
Section 7.03. Definitions of Terms.	42

WEST VIRGINIA ADMINISTRATIVE REGULATIONS
Water Development Authority

Chapter 20-5C
Series I
(1976)
(Amended-1981)
(Amended 1984)

SUBJECT: Requirements concerning the disbursement of hardship grant funds for assisting in the construction of sewage treatment facilities and interceptor-sewers appurtenances.

The Water Development Authority has the power and capacity to make loans and grants to governmental agencies for the acquisition or construction of water development projects as provided in Chapter 20, Article 5C, Code of West Virginia.

In this capacity, consideration will be given to the circumstances related to availability of funds, water quality in the area of concern and status of the project being considered.

GENERAL: SCOPE - These regulations establish requirements concerning the disbursement of hardship grant funds for assisting in the construction of sewage treatment facilities and interceptor-sewers appurtenances.

AUTHORITY - These regulations are issued under authority of West Virginia Code, Chapter 20, Article 5C, Section 6.

EFFECTIVE DATE - These regulations were promulgated on _____ and became effective on _____.

FILING DATE - These regulations were filed in the Office of the Secretary of State on _____.

CERTIFICATION - These regulations were certified authentic by the Chairman of the West Virginia Water Development Board by Certification No. 7

8.

SECTION 7 - PRIORITY SYSTEM FOR CONSTRUCTION GRANT RECIPIENTS TO DETERMINE
WHETHER A SUPPLEMENTAL STATE HARDSHIP GRANT SHOULD BE PROVIDED TO
HELP RELIEVE A HARDSHIP IN LOCAL FUNDING.

SECTION 7.01. INTRODUCTION.

In fiscal year 1975-76, the West Virginia Water Development Authority (WDA) received funds for the first time to assist communities in the funding of needed sewage facilities.

In accordance with Public Law 92-500, the Federal Water Pollution Control Act Amendments of 1972, as amended, the Division of Water Resources of the Department of Natural Resources has established a priority rating system for determination of construction grant recipients to accomplish the goals set forth in the act. The priority system is a mechanism through which water quality problems are ranked State-wide relative to their severity and volume. Once a community has obtained a priority, the eligible portions of the project are recommended for a 75-percent federal grant. A-5-percent-State-grant-with-the-remaining-20-percent-coming-from-local-sources-is-the-normal-funding-for-Step-III-(construction)-projects-

In accordance with provisions of Chapter 20, Article 5C, Code of West Virginia, the WDA has developed the following criteria to identify grant applicants who may experience a financial hardship and thereby qualify for additional State hardship grant funds. However, availability of hardship funds will NOT be retroactive to entities where construction has been initiated.

SECTION 7.02. CRITERIA.

In-general,-a-construction-grant-is-awarded-in-a-series-of-three steps-or-a-combination-of-these-steps-

Step-I----Facilities-Plan-Preparation
Step-II---Preparation-of-construction-drawings-and-specifications
Step-III--Building-and-erection-of-a-complete-and-operable-treatment
works

In order to accurately evaluate the financial impact a proposed system will have on a given community, several factors must be considered. The most accurate information relating to the financial impact of a proposed sewage system is not available, however, until the applicant is ready to initiate the Step-III-phase construction of the project. Therefore, a hardship grant will not be awarded until a project is ready for construction, as determined by the WDA.

A.--Applicants-in-the-Step-I-and-Step-II-phases-are-eligible for-the-total-25-percent-nonfederal-share-of-the-eligible-project-cost in-the-form-of-a-loan-from-the-WDA---This,--coupled-with-the-75-percent grant-from-the-U.-S.-Environmental-Protection-Agency,--provides-100-percent funding-for-the-Step-I-and-Step-II-projects.

B.--All-Step-III-projects-in-the-State-are-eligible-for-basie-5 percent-grants-from-the-WDA---Funds-from-both-the-basie-5-percent-grants and-the-hardship-grants-may-be-used-to-repay-the-WDA-loans-made-for-Step I-and-Step-II-projects.

7.02.01. Criteria for Step-III Grant Applicants. The WDA intends to evaluate the financial impact a proposed system will have on a community due to the installation of wastewater treatment facilities. Therefore, the following constraints will be used to determine the eligibility of projects for State hardship grants:

(1) The applicant must have an-approved-Step-I-project-(201 Facilities-Plan)-or-equivalent-that-has adequately addressed the cost-effective aspects of the project and project alternatives.

(2) The applicant must have ~~an approved Step-II-project-or~~ approvable plans and specifications, as determined by the WDA.

(3) As appropriate, the applicant must have been awarded a Step ~~III-project~~ construction grant by the U. S. Environmental Protection Agency and, ~~where appropriate, a Step-III-project-grant-by-the-WDA.~~

~~(4) Hardship-grant-funds-may-be-withdrawn-from-a-project-if the project-does-not-proceed-promptly-(as-determined-by-the-WDA)-to-completion--- upon-award-of-a-hardship-grant.~~

A. Criteria to determine Step-III grant applicants that qualify as hardship:

(1) The State median family income is used as the basis for determining the acceptable sewer user charge level. The determination will be made using a methodology to be the subject of periodic review by the Water Development Board at public meetings held as required.

(2) Projects with proposed user charges in excess of the values determined in item (1) would be considered for hardship grant award.

B. Criteria to determine allocation of hardship funds:

Applicants recommended as hardship under Section 7.02.01 A. will be allocated funds in such a manner that those communities with a relatively high user charge will be eligible for a larger hardship fund allocation.

(1) Funding of projects recommended as hardship under Section 7.02.01 A. will be developed in the following manner: The hardship grant amount is based on the difference between the proposed user charge, which is derived using criteria prescribed by the WDA, and the recommended (see 7.02.01 A.) sewer user charge. The difference in costs would then be used to calculate the reduction in the project's debt service necessary to reduce the proposed

user charge to the recommended level. Since the maximum size of the hardship grant is set by the Water Development Board, the grant may be insufficient to meet the needs of the project in bringing the user charge down to the recommended level.

(2) In the event a community funded by a hardship grant is able to reduce its user charge rates to the recommended level and subsequently receives additional grant funds for the project, the community must return the WDA funds in excess of those required to maintain the user charge at the recommended level.

(3) Hardship grant funds may be withdrawn from a project if the project does not proceed promptly (as determined by the WDA) to completion upon award of a hardship grant.

(4) Appropriations in any fiscal year may not be sufficient to fund all the recommended applicants. Grants will be made until all qualifying projects have received grants or grant funds are exhausted, whichever occurs first.

SECTION 7.03. DEFINITIONS OF TERMS.

7.03.01. State Median Family Income. This is the median income for the State. This value will be provided by the WDA.

7.03.02. User Charge. As a minimum, these are charges levied to recover from the system's users the cost of operation and maintenance, existing debt service and debt service incurred from the proposed project. These represent the anticipated costs of serving each family unit on an individual connection.

7.03.03. WDA. This is the abbreviation for the West Virginia Water Development Authority.

7.03.04. Construction. As used in this regulation, this means any wastewater project where a formal award of construction contracts has been made.



**STATE OF WEST VIRGINIA
WATER DEVELOPMENT AUTHORITY**
1201 DUNBAR AVENUE
DUNBAR, WV 25064

(304) 348-3612

August 6, 1984

TO: Legislative Rule-Making Review Committee
FROM: Edgar N. Henry, Director 
RE: Amendments to Hardship Grant Regulation

Due to changes made in the construction grants program under the EPA and in anticipation of additional changes on October 1, 1984, the WDA has initiated amendments to its hardship grant regulation that comply with those federal changes. In addition, the WDA has initiated certain language changes that further clarify the hardship grant program regulation.

In terms of the federal grants program under the EPA, the federal agency no longer makes Step I or Step II grants. More specifically, Step I (planning) grants are no longer made; however, Step II (design) grants have been replaced with what are called "allowances." These "allowances" are much less generous than the former Step II grants. As to the Step III grants by the federal agency (EPA), grant participation will be reduced on October 1, 1984, from the current 75 percent to 55 percent of eligible project costs. In addition, collector sewers that are now eligible will no longer be eligible for federal participation.

Based on the probability that the hardship grant regulation amendments would not be final until April of 1985 under the normal procedures, legal counsel advised that the WDA enact the recommended change under the emergency provisions to assure continuation of the award of hardship grants to communities that are and will be moving into the financing of their sewer system construction.

For your information, the following presentation cites the changes made and comments on the reasoning behind each change:

Cover Sheets - "Interceptor sewers" has been deleted and replaced with "appurtenances." "Appurtenances" is a broader term and covers all structures other than the treatment facilities. Those other structures include: interceptor sewers, collector sewers, lift stations, etc. In this way, the total sewage collection and treatment facilities are included in the term used.

Table of Contents - "Supplemental" has been deleted because it is an unnecessary term; "hardship" has been added to define the type assistance being considered.

Page 38 - "Interceptor sewers" is replaced with "appurtenances" in two places; the reasoning is the same as that given for the cover sheets.

Page 39 - SECTION 7. "Supplemental" is deleted and "hardship" is added for the same reasons set forth in the Table of Contents.

Page 39 - SECTION 7.01. INTRODUCTION. "As amended" is self-explanatory; however, it deals with changes already made and with the anticipated changes to the federal act that become effective on October 1, 1984. The "75 percent" is stricken to denote that these grants will no longer be awarded. "A 5-percent State grant with the remaining 20 percent coming from local sources is the normal funding for Step III (construction) projects" is all deleted because it will no longer be true after October 1, 1984. "Additional" is stricken because the basic grant, to which hardship grants were added, are no longer awarded. "Hardship" is added to identify the type grant in question.

Pages 39-40 - SECTION 7.02. CRITERIA. "In general, a construction grant . . . operate treatment works" is all deleted. This is no longer the case under the federal construction grants program.

Page 40 - The words "the Step III phase" are replaced with "construction." This change is necessitated by the new Step II/III or Step IV grants made by the EPA. The award of Step II/III or Step IV grants could occur a year or more before a project is ready to initiate construction. The intent of the original language was to enable the award of a hardship grant only when a project was ready to proceed immediately to construction. Using the word "construction" meets this intent. Addition of the words "Therefore, a hardship grant . . . WDA" further meets the intent of awarding a hardship grant only when a project is truly ready to initiate construction.

Page 40 - The deletion of "A. Applicants in the Step I . . . projects" is necessitated by the changes to the federal act and by the WDA's program which no longer provides Step I or Step II loans.

Page 40 - The deletion of "B. All Step III projects . . . projects" is in agreement with the cessation of WDA 5-percent grants and with the understanding that it is not necessary to spell out the fact that hardship grant funds can be used to repay WDA Step I and Step II loans.

Page 40 - SECTION 7.02.01. The term "Step III" is replaced with "grant" which is more in keeping with the present and future changes to the federal act.

Page 40 - SECTION 7.02.01. (1). Deletion of the words "an approved Step I project (201 Facilities Plan) or equivalent that has" recognizes the cessation of the Step I grant program under EPA and the Step I loan program of the WDA.

Page 41 - SECTION 7.02.01. (2). Deletion of "an approved Step II project or" once again recognizes the changes to the Step II programs of the EPA and the WDA.

Page 41 - SECTION 7.02.01. (3). Replacing the words "Step III project" with "construction" is in keeping with an earlier, similar change in SECTION 7.02. Also in this item, deletion of "and, where appropriate, a Step III project grant by the WDA" reflects the cessation of the award of basic Step III grants by the WDA.

Page 41 - SECTION 7.02.01. (4). This item is deleted in its entirety and added as item (3) under SECTION 7.02.01. B. (3) on page 42. This change places this particular provision more appropriately in the regulation.

Page 41 - SECTION 7.02.01. A. The words "Step III" are deleted in keeping with earlier reference to federal changes.

Page 42 - SECTION 7.02.01. B. (3). The sentence "Hardship grant funds . . . grant" was moved from page 41 as noted above.

Page 42 - SECTION 7.02.01. B. (4). The deletion of "(3)" and replacement with "(4)" merely corrects the numbering.

bbm

PROPOSED LEGISLATIVE RULE ANALYSIS

AGENCY: WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

RULE: REQUIREMENTS CONCERNING DISBURSEMENT OF HARDSHIP GRANT FUNDS FOR ASSISTING IN THE CONSTRUCTION OF SEWAGE TREATMENT FACILITIES AND APPURTENANCES. CHAPTER §20-5C, SERIES I, 1984

ABSTRACT

These are amendments to an existing rule. The existing rule establishes criteria to be met and methodology used in determining applicant eligibility for hardship grants to communities constructing sewage treatment facilities and associated systems. The amendments are proposed to meet changes in the construction grants program under the EPA and to clarify some existing language within the existing rule. No comments received at public hearing.

AUTHORITY

§20-5C-6.

"(1) Adopt, and from time to time, amend and repeal bylaws necessary and proper for the regulation of its affairs and the conduct of its business and rules and regulations to implement and make effective its powers and duties, such rules and regulations to be promulgated in accordance with the provisions of chapter twenty-nine-a of this code."

"(5) Make loans and grants to governmental agencies for the acquisition or construction of water development projects by any such governmental agency and, in accordance with the provisions of chapter twenty-nine-a of this code, adopt rules and procedures for making such loans and grants."

PERTINENT DATES

Filed for public hearing: July 25, 1984
Date of public hearing: August 27, 1984
Filed following public hearing: August 30, 1984
Filed with LRMRC: August 30, 1984
Filed as emergency: August 1, 1984

ANALYSIS

Section 7.01. Introduction section amended to remove the 75%, 5% and 20% grants formula being changed by EPA.

Section 7.02. Criteria section amended to remove references to steps I and II phases of EPA grants which EPA is removing from their grant programs. Section 7.02 also is amended by the Water Development Authority limiting grants to only those projects ready for construction as determined by the awarding of bids for construction.

Section 7.02A. Criteria section for qualifying for the hardship grant.

NB-1 The methodology used to determine an acceptable sewer user charge level utilizes the state median family income. The WDA uses 1975 figures and arrives at an "acceptable sewer user charge level" of \$19.75 per month for a family of four. This information is not included in these rules. The WDA does not use the available 1980 figures since this would raise the "acceptable level" above \$19.75 and thus reduce the number of eligible projects.

NB-2 The WDA also has an unwritten policy that no community may receive more than one million dollars in grant money regardless of eligibility. This ceiling is not spelled out in these rules. The committee may wish to have the ceiling clarified and included in these rules.

Section 7.03. Definitions.

STAFF COMMENTS

The amendments proposed are needed since EPA has changed its grants program. However, there are portions of the existing rule which need clarification. The failure to use more current 1980 data on state median family income may cause problems and the exclusion from these rules of the one million dollar ceiling limit is unwarranted.