

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

ENGROSSED

House Bill 4566

BY DELEGATES HANSHAW (MR. SPEAKER), MCGEEHAN,

STEELE, ROHRBACH, ANDERSON, J. KELLY, TONEY, D.

KELLY, HOTT AND HAMRICK

[Introduced February 07, 2022; referred to the

Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
2 designated §22C-1-6a, relating generally to additional powers of the West Virginia Water
3 Development Authority; providing for the creation of the Economic Enhancement Grant
4 Fund; establishing regulations for the fund; establishing a matching grant subaccount;
5 providing a purpose for the fund and the subaccount; authorizing the Water Development
6 Authority to enter into certain grant agreements; and allowing for an audit process.

Be it enacted by the Legislature of West Virginia:

ARTICLE 1. WATER DEVELOPMENT AUTHORITY.

**§22C-1-6a. Additional powers of the West Virginia Water Development Authority; Creation
of Economic Enhancement Grant Fund.**

1 (a) The Water Development Authority shall create and establish a special fund of moneys
2 made available by appropriations, grants, contributions or other sources to be known as the West
3 Virginia Economic Enhancement Grant Fund. This fund shall be governed, administered and
4 accounted for by the directors, officers and management staff of the Water Development Authority
5 as a special program account separate and distinct from any other money, fund or funds owned
6 and/or managed by the Water Development Authority. The Economic Enhancement Grant Fund
7 shall consist of subaccounts as deemed necessary by the Water Development Authority for the
8 deposit of any appropriations, grants, gifts, contributions or other moneys received by the
9 Economic Enhancement Grant Fund from any source, public or private, and all income earned on
10 moneys held in the Economic Enhancement Grant Fund. Amounts in the Economic Enhancement
11 Grant Fund shall be administered by the Water Development Authority separate and apart from
12 its other assets and programs. Amounts in the Economic Enhancement Grant Fund may not be
13 transferred to any other fund or account or used for the payment of any other programs of the
14 Water Development Authority except the Water Development Authority may use funds in the
15 Economic Enhancement Grant Fund to reimburse itself for any administration costs incurred by
16 it. Pending distribution of any money in the Economic Enhancement Grant Fund the Water

17 Development Authority shall invest and reinvest the money subject to the limitations of §22C-1-
18 15 of this code.

19 (b) The Water Development Authority shall establish the Matching Grant Subaccount in
20 the Economic Enhancement Grant Fund to be expended to provide the local or state match for
21 any federal or other programs that require a match for projects and infrastructure projects as
22 defined in §31-15A-2 of this code and where the commitment of the matching funds is required to
23 be made and submitted with the application for the federal or other grant. Upon receipt of a
24 recommendation from the West Virginia Infrastructure and Jobs Development Council and/or the
25 West Virginia Department of Economic Development, the Water Development Authority shall
26 review the application of a governmental agency or not-for-profit and if the governmental agency
27 or not-for-profit is eligible for the federal or other matching grant funding, set aside moneys in the
28 subaccount and provide a written binding commitment to the governmental agency or not-for-
29 profit to submit with its application. If the federal or other programs subsequently approve funding
30 to the governmental agency or not-for-profit, the Water Development Authority shall enter into a
31 grant agreement with the governmental agency or not-for-profit providing the grant funding if the
32 governmental agency or not-for-profit is in compliance with §12-4-14 of this code. The Water
33 Development Authority shall disperse funds under the grant agreement from time to time to
34 comply with the terms of the other funding sources.

35 (c) The Water Development Authority shall establish the Enhancement Grant Subaccount
36 in the Economic Enhancement Grant Fund to be expended as grants to governmental agencies
37 or not-for-profits to cover all or a portion of the costs of projects or infrastructure projects as
38 defined in §31-15A-2 of this code and more specifically:

39 (1) To cover the cost of bid overruns for projects and infrastructure projects approved by
40 the West Virginia Infrastructure and Jobs Development Council;

41 (2) To cover all or a portion of the costs of extending or expanding water, stormwater
42 and/or wastewater service to enhance economic development and/or tourism when

43 recommended by the Secretary of Commerce, the Secretary of Economic Development and/or
44 the Secretary of Tourism;

45 (3) To cover the costs of facilitating the merger and/or consolidation of water or wastewater
46 providers where all parties to the proposed merger make joint applications to the West Virginia
47 Infrastructure and Jobs Development Council;

48 (4) To cover the cost of water, stormwater and/or wastewater projects for governmental
49 agencies where the combined rates for water, stormwater and wastewater exceed 1.5% of the
50 governmental agency's Median Household Income;

51 (5) To cover the startup costs for governmental utilities that are providing or extending
52 service to unserved areas of the State;

53 (6) To provide a commitment to cover the difference between the cost of funded projects
54 and the updated cost estimate, and when the project is bid, to provide a grant for the dollar
55 difference between the committed funding and the bid results; and

56 (7) To cover all or a portion of the infrastructure projects to enhance economic
57 development and/or tourism when recommended by the Secretary of Commerce, the Secretary
58 of Economic Development and/or the Secretary of Tourism.

59 (d) The Water Development Authority is hereby authorized to enter into grant agreements
60 with governmental agencies and not-for-profits to evidence the grant which agreements shall
61 include the following provisions:

62 (1) The estimated cost of the project or infrastructure project, the amount of the grant and
63 the other funding sources;

64 (2) The specific purpose for which the grant proceeds shall be expended and the
65 conditions and procedures for distributing the grant proceeds;

66 (3) The duties and obligations imposed regarding the acquisition, construction,
67 improvement, or operation of the project or infrastructure project; and

68 (4) The agreement of the governmental agency or not-for-profit to comply with all
69 applicable federal and state laws, and all rules and regulations issued or imposed by the Water
70 Development Authority or other state, federal, or local bodies regarding the acquisition,
71 construction, improvement, or operation of the infrastructure project or project.

72 (e) The Water Development Authority shall cause an annual audit to be made by an
73 independent certified public accountant of its books, accounts and records with respect to the
74 system and distributions and all matters relating to the financial application of the Economic
75 Enhancement Grant Fund including all subaccounts therein. The Water Development Authority
76 shall provide copies of the audit report to the Legislature.

NOTE: The purpose of this bill is to create the Economic Enhancement Grant Fund with the West Virginia Water Development Authority and authorize the Water Development Authority to make grants to cover all or a portion of the costs of water, sewer, economic development and tourism projects.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.