

# **WEST VIRGINIA LEGISLATURE**

## **2025 REGULAR SESSION**

### **Committee Substitute**

**for**

### **House Bill 3174**

By Delegate Howell, G.

[Originating in the Committee on Energy and Public

Works; Reported on March 20, 2025]

1 A BILL to amend and reenact §8-19-17, §8-20-16, §16-13-22a, and §16-13A-24 of the Code of  
2 West Virginia, 1931, relating to requiring municipalities and public service districts to  
3 determine the cost of adding potential customers to water service from the municipality or  
4 public service district; requiring municipalities and public service districts to apply through  
5 the West Virginia Infrastructure and Jobs Development Council for available funding;  
6 requiring municipalities and public service districts to extend service to potential customers  
7 who have paid required fees if a grant or grants are awarded to cover the fees for the  
8 service extension; and providing for funding and reimbursement of application costs to  
9 potential customers.

*Be it enacted by the Legislature of West Virginia:*

## **CHAPTER 8. MUNICIPAL CORPORATIONS.**

### **ARTICLE 19. MUNICIPAL AND COUNTY WATERWORKS AND ELECTRIC POWER SYSTEMS.**

#### **PART V. GRANTS, LOANS, ADVANCES AND AGREEMENTS;**

#### **CUMULATIVE AUTHORITY.**

#### **§8-19-17. Grants, loans, advances and agreements.**

1 (a) As an alternative to, or in conjunction with, the issuance of revenue bonds authorized  
2 by this article, any municipality or county commission is hereby empowered and authorized to  
3 accept loans or grants and procure loans or temporary advances evidenced by notes or other  
4 negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth  
5 with respect to bonds authorized to be issued under the provisions of this article, or otherwise  
6 enter into agreement, including, but not limited to, agreements of indemnity, assurance or  
7 guarantee with respect to, and for the purpose of financing part or all of, the cost of acquisition,  
8 construction, establishment, extension or equipment of waterworks or electric power systems and  
9 the construction of additions, betterments and improvements to existing waterworks systems or to

existing electric power systems, and for the other purposes herein authorized, from or with any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, or the municipality's or county's financial obligations contained in such other agreements, which need not bear interest, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of or proceeds from the said waterworks system or electric power system or grants to the municipality or county commission from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and may be secured in the manner provided in sections eight, nine and sixteen of this article to secure bonds issued under the provisions of this article, but shall not otherwise be subject to the requirements of sections eleven and twelve of this article, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual.

In no event shall any such loan or temporary advance or agreement be a general obligation of the municipality or county and such loans or temporary advances or agreements, including the interest thereon, shall be paid solely from the sources specified in this section.

(b) When potential customers apply for water or sewer service from the municipality, the municipality must determine the cost of the extension and the customer cost responsibility for the cost of the extension (customer share) in accordance with rules of the Public Service Commission. Once the cost and customer share are determined, if those potential customers wish to continue, and they, or any person or entity desiring to do so, provide an up-front customer contribution for the customer share of the extension costs, then the municipality shall extend service pursuant to the rules of the Public Service Commission. If, before continuing with the extension, the potential

customers request that the municipality make application for grant funds to finance the total costs of the extension, then the potential customers, or any person or entity desiring to do so, must provide funds to cover the cost of the application, and, once provided, the municipality shall then apply through the West Virginia Infrastructure and Jobs Development Council for any available funding.

(c) Notwithstanding any other provisions of this code to the contrary, if a grant or grants are awarded that cover the total costs for a project to extend service to unserved potential customers, the municipality is required to extend service to said potential customers after the potential customers have paid any required fees, including their required contributions. Grant funds shall be used to reimburse the potential customers or any other person or entity who were contributors for any front contributions, including, but not limited to, the cost of the application, in accordance with the rules of the Public Service Commission, including the rule that reimbursements will not exceed the original amount of the customer contribution.

## **ARTICLE 20. COMBINED SYSTEMS.**

### **§8-20-16. Grants, loans and advances.**

(a) Any municipality is hereby empowered and authorized to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition, construction, establishment, extension or equipment of combined systems and the construction of additions, betterments and improvements thereto, and for the other purposes herein authorized, from any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of the said combined system or grants to the municipality from any agency of the

state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article notwithstanding, interest on any loans or temporary advances may be paid from the proceeds thereof until the maturity of the notes or other negotiable instrument.

In no event shall any loan or temporary advance be a general obligation of the municipality and the loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section.

(b) When potential customers apply for water or sewer service from the municipality, the municipality must determine the cost of the extension and the customer cost responsibility for the cost of the extension (customer share) in accordance with rules of the Public Service Commission. Once the cost and customer share are determined, if those potential customers wish to continue, and they, or any person or entity desiring to do so, provide an up-front customer contribution for the customer share of the extension costs, then the municipality shall extend service pursuant to the rules of the Public Service Commission. If, before continuing with the extension, the potential customers request that the municipality make application for grant funds to finance the total costs of the extension, then the potential customers, or any person or entity desiring to do so, must provide funds to cover the cost of the application, and, once provided, the municipality shall then apply through the West Virginia Infrastructure and Jobs Development Council for any available funding.

(c) Notwithstanding any other provisions of this code to the contrary, if a grant or grants are awarded that cover the total costs for a project to extend service to unserved potential customers, the municipality is required to extend service to said potential customers after the potential

customers have paid any required fees, including their required contributions. Grant funds shall be used to reimburse the potential customers or any other person or entity who were contributors for any front contributions, including, but not limited to, the cost of the application, in accordance with the rules of the Public Service Commission, including the rule that reimbursements will not exceed the original amount of the customer contribution.

## CHAPTER 16. PUBLIC HEALTH.

### ARTICLE 13. SEWAGE WORKS AND STORMWATER WORKS.

#### §16-13-22a. Grants, loans and advances.

(a) Any municipality is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto, and for the other purposes herein authorized, from any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of the said sewage works or grants to the municipality from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the

proceeds thereof until the maturity of such notes or other negotiable instrument.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section.

(b) When potential customers apply for water or sewer service from the municipality, the municipality must determine the cost of the extension and the customer cost responsibility for the cost of the extension (customer share) in accordance with rules of the Public Service Commission. Once the cost and customer share are determined, if those potential customers wish to continue, and they, or any person or entity desiring to do so, provide an up-front customer contribution for the customer share of the extension costs, then the municipality shall extend service pursuant to the rules of the Public Service Commission. If, before continuing with the extension, the potential customers request that the municipality make application for grant funds to finance the total costs of the extension, then the potential customers, or any person or entity desiring to do so, must provide funds to cover the cost of the application, and, once provided, the municipality shall then apply through the West Virginia Infrastructure and Jobs Development Council for any available funding.

(c) Notwithstanding any other provisions of this code to the contrary, if a grant or grants are awarded that cover the total costs for a project to extend service to unserved potential customers, the municipality is required to extend service to said potential customers after the potential customers have paid any required fees, including their required contributions. Grant funds shall be used to reimburse the potential customers or any other person or entity who were contributors for any front contributions, including, but not limited to, the cost of the application, in accordance with the rules of the Public Service Commission, including the rule that reimbursements will not exceed the original amount of the customer contribution.

<b>ARTICLE</b>	<b>13A.</b>	<b>PUBLIC</b>	<b>SERVICE</b>	<b>DISTRICTS.</b>
<b>§16-13A-24.</b>	<b>Acceptance</b>	<b>of</b>	<b>loans, grants or temporary</b>	<b>advances.</b>

1        (a) Any public service district created pursuant to the provisions of this article is authorized  
2 and empowered to accept loans or grants and procure loans or temporary advances evidenced by  
3 notes or other negotiable instruments issued in the manner, and subject to the privileges and  
4 limitations, set forth with respect to bonds authorized to be issued under the provisions of this  
5 article, for the purpose of paying part or all of the cost of construction or acquisition of water  
6 systems, sewage systems, stormwater systems or stormwater management systems or gas  
7 facilities, or all of these, and the other purposes herein authorized, from any authorized agency or  
8 from the United States of America or any federal or public agency or department of the United  
9 States or any private agency, corporation or individual, which loans or temporary advances,  
10 including the interest thereon, may be repaid out of the proceeds of the bonds authorized to be  
11 issued under the provisions of this article, the revenues of the said water system, sewage system,  
12 stormwater system or associated stormwater management system or gas facilities, or grants to  
13 the public service district from any authorized agency or from the United States of America or any  
14 federal or public agency or department of the United States or from any private agency,  
15 corporation or individual or from any combination of such sources of payment, and to enter into the  
16 necessary contracts and agreements to carry out the purposes hereof with any authorized agency  
17 or the United States of America or any federal or public agency or department of the United States,  
18 or with any private agency, corporation or individual. Any other provisions of this article to the  
19 contrary notwithstanding, interest on any such loans or temporary advances may be paid from the  
20 proceeds thereof until the maturity of such notes or other negotiable instrument.

21        (b) When potential customers apply for water or sewer service from the public service  
22 district, the public service district must determine the cost of the extension and the customer cost  
23 responsibility for the cost of the extension (customer share) in accordance with rules of the Public  
24 Service Commission. Once the cost and customer share are determined, if those potential  
25 customers wish to continue, and they, or any person or entity desiring to do so, provide an up-front  
26 customer contribution for the customer share of the extension costs, then the public service district



27 shall extend service pursuant to the rules of the Public Service Commission. If, before continuing  
28 with the extension, the potential customers request that the public service district make application  
29 for grant funds to finance the total costs of the extension, then the potential customers, or any  
30 person or entity desiring to do so, must provide funds to cover the cost of the application, and,  
31 once provided, the public service district shall then apply through the West Virginia Infrastructure  
32 and Jobs Development Council for any available funding.

33 (c) Notwithstanding any other provisions of this code to the contrary, if a grant or grants are  
34 awarded that cover the total costs for a project to extend service to unserved potential customers,  
35 the public service district is required to extend service to said potential customers after the  
36 potential customers have paid any required fees, including their required contributions. Grant  
37 funds shall be used to reimburse the potential customers or any other person or entity who were  
38 contributors for any front contributions, including, but not limited to, the cost of the application, in  
39 accordance with the rules of the Public Service Commission, including the rule that  
40 reimbursements will not exceed the original amount of the customer contribution.

NOTE: The purpose of this bill is to require municipalities and public service districts to determine the cost of adding potential customers to water service from the municipality and public service districts, apply through the West Virginia Infrastructure and Jobs Development Council for available funding, and to extend service to potential customers who have made required deposits if a grant or grants are awarded to cover the fees for the service extension.

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