

**REPRINT**

**REPORT OF THE  
JOINT SUBCOMMITTEE  
STUDYING**

**Water Supply  
and  
Wastewater Treatment**

**TO THE GOVERNOR AND  
THE GENERAL ASSEMBLY OF VIRGINIA**



**House Document No. 13**

**COMMONWEALTH OF VIRGINIA  
RICHMOND  
1987**

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Report of the  
Joint Subcommittee Studying  
Water Supply and Wastewater Treatment  
(HJR 7)

To  
The Governor and the General Assembly of Virginia  
Richmond, Virginia  
October, 1986

To: Honorable Gerald L. Baliles, Governor of Virginia,  
and  
The General Assembly of Virginia

I. INTRODUCTION

The Joint Subcommittee on Water Supply and Wastewater Treatment was established pursuant to HJR 7 by the 1986 Session of the General Assembly. The subcommittee was charged with the following objectives:

1. To assess the problems associated with the abandonment of water supply systems in communities and to determine the options that may be available to localities when such an abandonment takes place;
2. To review the relationship between the adequacy of water supply and wastewater treatment facilities and the economic and industrial development of a community;
3. To determine what financing alternatives are available to various localities for the construction, operation and maintenance of water supply and wastewater treatment plants.

It has been estimated by the State Water Control Board and the Department of Health that achieving the water supply needs of the Commonwealth and meeting the federal standards for wastewater treatment in Virginia will together cost approximately \$4 billion through the year 2000. A good portion of the work of this joint subcommittee was devoted to assessing the breakdown of these needs and analyzing the state and federal financial programs which make funding available to meet such needs.

The joint subcommittee also addressed the issue of the abandonment of water supply systems and heard the specific problems which arose when such a system was actually abandoned in 1985 by the Bedford County Public Service Authority.

Based on the knowledge gained thus far by the joint subcommittee in its review of the issues, several recommendations have been developed which appear in Part III herein.

This document is submitted as the joint subcommittee's report on its 1986 activities.

## II. 1986 DELIBERATIONS

### A. FINANCING WASTEWATER TREATMENT PROJECTS

At its first meeting, the joint subcommittee was presented with an overview of Virginia's wastewater needs. It was noted that wastewater treatment has developed a great deal through the years. In 1946, when the State Water Control Law was passed, 6.5 million pounds per day of waste pollutants were being generated and only 11% were removed by treatment. In 1980, 95% of the 7.5 million pounds per day of pollutants were being removed.

The subcommittee was informed by the State Water Control Board that the main challenges facing the Commonwealth regarding wastewater treatment are (1) ensuring that local governments comply with provisions of the Clean Water Act by July 1, 1988, and (2) assisting with the construction of sewage treatment plants which will meet the National Municipal Policy requirements.

The State Water Control Board has estimated the cost of new construction and upgrading existing facilities to be approximately \$2 billion through the year 2000. (See Appendix A.) Federal construction grants are a decreasing source of this funding and they are scheduled to be phased out in the early 1990's. Revolving fund loan programs implemented on the state level are expected to replace the grant program. (See Appendix B.) In the attempt to make up for the reduction and the eventual elimination of federal support, the Commonwealth has implemented several programs. The State has authorized a bond issue of \$300 million by the Virginia Resources Authority (VRA). Also, the 1985 General Assembly appropriated \$3.3 million in grant funds and the 1986 General Assembly approved a state revolving loan to localities to be funded at \$10 million per year through 1988 in addition to \$400,000 in grant money to be awarded during the same period.

The state revolving loan fund is expected to be quite helpful in making up for the reduction in federal funds. If the State's appropriation of \$10 million per year for the period 1986 through 1990 is combined with a federal appropriation of about \$50 million per year over the same period of time, the resulting \$300 million loaned at 8% interest will meet Virginia's wastewater treatment needs by 2009. Under the revolving fund program, the State Water Control Board (SWCB) has the responsibility for deciding such policy questions as who receives the loans, the amount of the loan, the interest rate and the loan period. The SWCB even has the authority to make loans at 0% interest rates to needy communities. (Appendix C lists hardship communities which have been identified by the SWCB under the National Municipal Policy.) The trustee of the revolving fund charged with investing, managing and disbursing the funds is the Virginia Resources Authority.

Several members of the joint subcommittee expressed optimism as to the potential of the revolving fund. But even with the VRA, state grant funds,

and the revolving fund program, the sewer bills in some localities are likely to double or triple due to the fact that federal funding was so prevalent in past years.

#### B. FINANCING WATER SUPPLY FACILITIES

Surveys of localities performed by the Department of Health have identified approximately \$2 billion in water needs through the year 2000. Historically, federal funding of waterworks and water supply projects has not been available to the same degree as wastewater funding. Department of Health officials also informed the subcommittee that the bulk of state funds have gone for wastewater treatment and that there is a need for more state funding of waterworks projects. Localities usually provide the funds for water supply systems through user fees which are designed to pay off bonds offered by public service authorities. A safe and adequate potable water supply has typically been perceived as the responsibility of the locality, however, subcommittee members noted that it was also the state's responsibility to assure that its citizens have an adequate supply of clean drinking water.

#### C. FUTURE FUNDING OF WATER SUPPLY AND WASTEWATER NEEDS

Department of Health officials presented the joint subcommittee with a summary of the state and federal programs which provided funding for both water supply and wastewater treatment plants from 1982 through June of 1986. (See Appendix D, pages 2 and 3.) Over this five-year period, the average of the total spent was \$85.5 million. The average per year expenditures were \$17.9 million for water projects and \$67.6 million for sewerage projects. This equates to an average of 21% of the total expenditure going towards water projects and 79% to sewerage. It should be noted that during this five-year period, the trend in recent years has been toward increasing expenditures for water projects in proportion to sewerage expenditures. (See Appendix D, page 3.)

The Department of Health projects estimated needs through the year 2000 to be \$1.9 billion for water projects and \$2.1 billion for sewerage projects. Comparing this need to the five-year funding survey as described above results in an estimated annual shortfall of \$108.8 million for water and an estimated annual shortfall of \$72.43 million for sewerage. This "shortfall" represents the funds that localities will have to finance locally as opposed to obtaining funds from public assistance programs, should the programs continue at their current funding level. (See Appendix D, page 2.)

The subcommittee asked Department of Health officials to provide some projections as to the level of funding which is anticipated for the next few years. (See Appendix E, page 3.) The sources of funding for public systems are listed in a separate chart (see Appendix E(1)). Since the funding from the Environmental Protection Agency (EPA) has not been finalized, the projections were made under both the Congressional and the Presidential proposals. Estimating state and federal funding for publicly owned water and sewer projects in Virginia and considering the Congressional funding level formula, the Department of Health projects an annual shortfall of about \$96 million for water projects and a \$17 million annual shortfall for sewerage projects. Using the Presidential funding

level formula, the annual shortfall for water projects is the same (\$96 million), but the annual shortfall for sewerage projects increases to about \$67 million. (See Appendix E, page 2.)

Representatives from the Department of Housing and Community Development (DCHD) provided the joint subcommittee with information on the availability of community development block grants for water and sewer projects. Federal funds for these grants have amounted to about \$60 million since the inception of the program in 1982. For the fiscal year 1986-87, Virginia is receiving \$19.7 million under the community development block grant program for water and sewer projects. It is expected that this level of funding will continue at least through the next fiscal year. A list was provided by DHCD which shows the Virginia counties, cities and towns receiving block grant funds and the amounts allocated, up through August, 1986. (See Appendix F.)

#### D. NEEDS OF LOCALITIES/SPECIAL PROGRAMS

During its deliberations, the joint subcommittee focused on the needs of localities and received briefings from a few specific communities.

A town official from Drakes Branch, Virginia, reported that the town had entered a consent agreement with the State Water Control Board to improve the local sewage treatment plant by 1992. To accomplish this, about \$300,000 will have to be borrowed. The town anticipated increasing the water and sewer fees for users and receiving a loan to produce the necessary funds.

A town official from Pearisburg explained that the town was allowed to proceed on a post-1988 compliance schedule. A \$2.7 million secondary treatment plant is planned for construction in 1995 and the funds will be raised by bond issues, raising rates, or both.

The president of the Virginia Water and Sewer Authorities Association explained that the various water and sewer authorities across the Commonwealth cannot cope with the high cost of developing new or additional water supplies without the participation of local and state governments with the powers to tax the values of all beneficial areas.

The persons addressing the joint subcommittee regarding the needs of localities appeared to be in agreement that the State should increase the funding available to the localities in order for their needs to be met. With federal funding being reduced and considering the bleak economic situation in many rural communities, the State is in a position of having to "fill the gap" to create the funds needed for the widespread water and sewer needs. In order for the Commonwealth to create such funds, several methods may have to be implemented, such as direct allocations or grants, new funding programs, innovative taxing formulas, affordable loans, and increasing the current state programs (i.e., Virginia Resources Authority, Water Facilities Revolving Fund).

Another vehicle by which the local needs might be met is the continued support of special programs which have been established particularly for water and wastewater problems. For example, the Virginia Water Project,

Inc. (VWP), established in 1969, is a non-profit corporation that provides training, technical assistance, and seed funds to rural communities and to individuals to solve such problems.

The Executive Director of VWP reported to the joint subcommittee on the scope of VWP programs and their sources of funding. Since VWP was created, over 200 Virginia communities and 83,000 rural residents of these communities have benefited from new or improved facilities funded by VWP. The seed funds which assist in paying up-front and upgrade costs for the neediest communities and ensure that low-income residents are connected to the services, are provided by appropriations from the General Assembly and private sector contributions. Grants from the Ford Foundation have also contributed a great deal to the effectiveness of VWP.

A Study\* by VWP has documented that the presence of new or expanded water and wastewater facilities in rural communities had very positive impacts on the economic growth of the community. Better health services, fire protection, and more jobs are a few of the results measured by VWP in its study of the impacts.

VWP received \$250,000 from the Commonwealth for the fiscal year beginning July 1, 1986. As of October, all but \$20,000 of this amount had been allocated for specific local projects. In order to increase the grant assistance available to low-income households, VWP is requesting a \$750,000 per year appropriation from the General Assembly. This appropriation would be used in part to upgrade water and sewer systems, build community wells, tap into water and sewer services, and provide individual emergency grants (See Appendix G). The amount of this appropriation request is based on the fact that VWP received grant assistance requests totaling \$791,085 in 1985. VWP estimates that with an allocation of \$750,000, approximately 2270 low-income households could be served at an average cost of \$330.40.

A VWP paper describing past assistance efforts and supporting the \$750,000 allocation request appears as Appendix H.

#### E. SEPTIC TANKS

The ability of rural areas to access central sewer systems has come about largely through the availability of federal funds. These federal funds are being eliminated and, as a result, more Virginians will turn to on-site wastewater disposal systems. The traditional septic tank system requires appropriate soils to function and increasing development is occurring in areas with only marginal soils for such a system. The joint subcommittee was informed that alternative on-site wastewater disposal systems may be the only satisfactory solution to this problem.

Members agreed that active research and development of these alternative systems is crucial to the health and economic well-being of Virginians and also emphasized the need for such systems to be affordable and effective.

The work of the Senate Joint Subcommittee Studying Sewage Handling Laws (SJR 82) was alluded to. Requests by that subcommittee for additional

funds to be allocated for alternative on-site sewage systems research were viewed as necessary in order to achieve the widespread implementation of such systems.

In light of this, the joint subcommittee voted to recommend further research and development of alternative on-site sewage systems and to support the future funding of this work. Members also expressed an interest in having the Department of Health report to the General Assembly on its policy regarding septic tank use and alternative on-site sewage systems. (See recommendation #6, Part III herein.)

Discussion as to the frequency of failing septic tanks in the Commonwealth also arose during the subcommittee deliberations. A representative of the Hollins Community Development Project stated to the joint subcommittee that several areas of the Commonwealth have a history of failed septic tanks which necessitate the construction of public sewer systems. In the effort to follow up and document these claims, the joint subcommittee requested that the Department of Health provide some statistics that indicate the scope of septic tank failure across the Commonwealth. (See Appendix I.) Department of Health officials explained that the statistics they provided were based on the number of requests for repair and from the number of registered complaints. They emphasized that the surveys conducted by the Department thus far would not represent the actual number of failed or failing septic tanks. However, the joint subcommittee was told that a new data collection system was being developed which would better document the reliability of septic tank systems throughout the State. The Department of Health estimates that over 648,000 Virginia households (34%) are served by on-site wastewater disposal facilities (See Appendix J).

#### F. ABANDONED WATER SUPPLY SYSTEMS; THE BEDFORD COUNTY PROBLEM

Another objective of the joint subcommittee study relates to the abandonment of water lines by the suppliers of potable water. The case in point involves the abandonment of the drinking water supply by the Bedford County Public Service Authority in a subdivision in Bedford County.

Isle of Pines is a subdivision located off State Route 655 approximately 5 1/2 miles south of Moneta, Virginia. The subdivision is located along Smith Mountain Lake. Beginning in 1979, periodic sampling of the water by the Health Department was conducted and results indicated high radium concentrations. The high levels of radium appear to be a result of a natural occurrence of high levels of radioactivity in some of the subsurface areas in the subdivision. The Health Department determined that the radium levels exceeded the EPA standards of 5 picocuries/liter. The Bedford County Service Authority decided that it would not be feasible to meet that standard. Instead of upgrading the water supply system or paying numerous fines, the decision was made to abandon the water supply system entirely and the Authority notified the Department of Health of this decision on April 19, 1985.

The DOH maintains that Bedford County PSA should be required to provide drinking water to its customers that is safe and does not violate state or EPA standards. No one who testified before the joint subcommittee could say for certain how much it would cost to bring the water system into



compliance. Health Department officials estimated the installation of filters to reduce the radioactivity level might cost more than \$80,000. Also, there was uncertainty as to whether the Bedford County PSA had asked residents if they were willing to pay higher rates for cleaner water.

The Isle of Pines case in Bedford County was settled out of court by an agreement which was reached several days prior to the scheduled court date of September 17, 1986. (Bedford County PSA agreed to take the steps necessary to lower the radium level in the drinking water to an acceptable standard.) However, the concern of the joint subcommittee is that future abandonments might occur. In other parts of the Commonwealth where conformity to standards appears to be somewhat complicated or expensive, the local public service authority might choose to just abandon the system to avoid additional costs and liability.

House Bill 51 (See Appendix K) was introduced by Delegate Lacy E. Putney (Bedford) during the 1986 Session of the General Assembly to avoid such abandonments. This bill, which was referred to the House Committee on Counties, Cities and Towns, was carried over until the 1987 General Assembly. The bill provides that once an authority begins to operate a water system or a sewer system, it shall not abandon the system without the consent of the locality which the proposed abandoned service would affect.

While the joint subcommittee did not vote to endorse HB 51 verbatim, there was a consensus among members that the concept of the bill should be supported. That is, citizens of a locality who rely on the water and sewer services provided by a public service authority should be afforded some safeguard against the abandonment of that service. During the discussion regarding the support of this concept, the joint subcommittee found that many questions remained pertaining to the relationship between water and sewer authorities and local governments. Some members expressed the desire to see local governing bodies maintaining more control over the decisions of public service authorities even though such authorities are often created as separate entities or corporations apart from the local government. It was suggested that the joint subcommittee recommend that a new study group be formed. The new subcommittee would analyze the relationship between local governments and public service authorities and make suggestions as to how the activities of both bodies can be better coordinated. A recommendation to this effect appears in Part III and a draft resolution to create the new subcommittee appears as Appendix L.

### III. RECOMMENDATIONS

The Joint Subcommittee Studying Water Supply and Wastewater Treatment recommends the following:

1. It was made evident to the joint subcommittee through testimony it received and through documents which are incorporated into this report, that there is a real likelihood that funding for water supply upgrading and construction projects will fall short of the water needs throughout many localities in the Commonwealth through the year 2000. In the effort to enhance the ability of localities to finance such water supply projects, draft legislation is proposed which is modeled after the

existing Virginia Water Facilities Revolving Fund which provides funds for sewage treatment. The draft legislation (See Appendix M) is entitled the "Virginia Water Supply Revolving Fund" and would operate to provide loans to localities for water supply projects exclusively. It is the recommendation of this joint subcommittee that the draft legislation be adopted by the 1987 Session of the General Assembly. The joint subcommittee further recommends that the initial monies appropriated by the General Assembly to implement this fund should be \$10 million for the first year of the fund's operation, with appropriations continuing thereafter at the same rate.

2. The Virginia Water Project has assisted over 20,000 low-income state residents in obtaining safe drinking water and sanitary waste disposal facilities since 1969. It is the only entity in the state that provides small seed fund grants and technical assistance to low-income communities and individuals for water and waste disposal services. VWP relies a great deal on state funds in order to make the grants available. The joint subcommittee wishes to commend VWP for its record of service to individuals and communities throughout the Commonwealth and endorses their 1987 appropriation request for \$750,000. (See Appendices G & H.)
3. The joint subcommittee recognizes that citizens rely on the water and sewer services provided by over 60 public service authorities in the Commonwealth. Since these services relate to the public welfare of the citizens, there should be some safeguard in place to restrict the ability of the authority to abandon such services at will. While the joint subcommittee has not endorsed the actual wording of carry-over House Bill 51 (Appendix K), it does endorse the concept of the bill and recommends that the House Committee on Counties, Cities and Towns support the bill's objectives.
4. The joint subcommittee recommends that the 1987 Session of the General Assembly establish a subcommittee to study the respective legal responsibilities of public service authorities and local governments in providing water and sewer services to the public (See Appendix "L").
5. The joint subcommittee feels that the Virginia Water Facilities Revolving Fund established in 1986 will help address most of the Commonwealth's significant wastewater treatment needs. The joint subcommittee endorses the continued state appropriation of at least \$10 million annually through the biennium ending in 1992.
6. The joint subcommittee realizes that due to diminishing federal funding for building or retrofitting central sewage systems and growth in the Commonwealth's population, increasing numbers of Virginians will be seeking permits for on-site sewage disposal systems. Because the soil conditions in many areas of the State are unsuitable for conventional septic tanks and drainfields,

the joint subcommittee encourages the development of alternative on-site sewage disposal systems. In support of the development of such systems, the Joint Subcommittee endorses the request of the joint subcommittee on Sewage Handling Laws (SJR 82) for state general funds to be appropriated to the Department of Health to support research in alternative on-site sewage systems at Virginia Polytechnic Institute and State University.

This subcommittee also recommends that the Department of Health submit a report to the 1988 General Assembly on the Department's policy and long-range plans regarding the use of septic tanks and alternative on-site sewage systems in the Commonwealth. The report should include estimates as to the number of septic tanks in use in the Commonwealth and estimates as to the number of failing septic tanks in the State.

Respectfully submitted,

Clive L. DuVal, 2d, Chairman  
C. Richard Cranwell, Vice-Chairman  
Madison E. Marye  
Alson H. Smith, Jr.  
Stuart B. Fallen  
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## FOOTNOTES

\*The Relationship Between Economic Development and Rural Water/Wastewater Development in Virginia. A study prepared for National Demonstration Water Project by Virginia Water Project, Inc., March, 1982.

APPENDIX A

Virginia's Sewer Needs  
1985-2000

	<u>Number of Communities</u>	<u>Dollars</u>
1. New Construction		
o on approved priority list, FY 86-89		
75% federal funding	5	\$ 90.7 million
25% local match		30.2 million
55% federal funding	48	91.4 million
45% local match		74.8 million
o on extended priority list	29	603.8 million *
o not yet on list	199	941.0 million *
2. Upgrades Required by NMP		
o not yet on list	57	223.0 million
3. Phosphorus Removal		
o post precipitation	36	200.0 million
TOTAL		over \$ 2.0 billion

(Source: State Water Control Board)

\* Adjusted for inflation

APPENDIX B

IF \$50 MILLION IN EPA FUNDS ARE AVAILABLE  
EACH YEAR FROM NOW TO FY 1994,  
THE FOLLOWING UNCOMMITTED FEDERAL FUNDS COULD BE PUT INTO  
VIRGINIA'S STATE REVOLVING FUND

<u>Fiscal Year</u>	<u>Amount</u>
1986	\$ 5 million *
1987	\$ 11 million
1988	\$ 31 million
1989	\$ 46 million
1990	\$ 46 million
1991	\$ 46 million
1992	\$ 46 million
1993	\$ 46 million
1994	\$ 46 million
TOTAL	\$323 million

\* Potential recovered loan funds

NOTE: Federal law requires that a portion of the \$50 million  
(approximately \$4 million) be set aside for other mandated federal programs.

Source: State Water Control Board

APPENDIX B (continued)

CLEAN WATER ACT AMENDMENTS

1986

CONSTRUCTION GRANT/LOAN AUTHORIZATIONS  
PROJECTED VIRGINIA SHARE (in million \$)

<u>YEAR</u>	<u>GRANT</u>	<u>GRANT/LOAN</u>	<u>LOAN</u>
1987	25	25	0
1988	12	37	0
1989	0	25	25
1990	0	25	25
1991	0	0	50
1992	0	0	37
1993	0	0	25
1994	0	0	12
TOTAL	37	112	174

Note: Some of these funds (probably \$15-20 million) will have to be set aside for certain federally mandated grant-related programs.

10/24/86

Source: State Water Control Board

APPENDIX C

NATIONAL MUNICIPAL POLICY  
HARDSHIP CASES USING ESCROW

<u>Locality</u>	<u>\$ Required</u>	<u>Compliance Date</u>
Amelia	\$1,978,800	July 1, 1993
Bath County (Bacova)	\$ 245,000	May 30, 1999
Buchanan	\$9,000,000	April 1, 1993
Chase City	\$3,349,770	May 1, 2001
Crewe	\$1,346,200	July 1, 1997
Dillwyn	\$ 429,000	No schedule yet
Drakes Branch	\$ 436,940	January 31, 1993
Farmville	\$2,905,500	July 1, 1994
Glasgow	\$ 900,000	January 1, 1997
Jarratt	\$1,264,000	July 1, 2011
Lacrosse	\$ 419,640	April 1, 2003
Narrows	\$2,015,000	December 31, 1996
Pearisburg	\$1,699,380	July 1, 1996
Rich Creek	\$1,370,000	January 1, 2003
Victoria	\$1,832,000	July 1, 1994
Waynesboro	\$6,000,000	July 1, 1993



APPENDIX D

**Funding History in Virginia  
of Water and Sewerage Projects**

**Report to HJR 7 Subcommittee**

**July 24, 1986**

**By: Virginia Department of Health  
Division of Water Programs**

SUMMARY

From Table I the following is derived for the historical amounts of public assistance program money spent on water and sewerage for a 5-year time frame. Figures are in terms of millions of dollars unless otherwise indicated.

<u>Historical</u>	Water	Sewerage
Average <u>per year</u>	17.9	67.57
Average Total		85.47
Average <u>%</u> of Total	21	79

Therefore comparing the previously documented 15-year needs (through the year 2000) of \$1.9 billion for water and \$2.1 billion for sewerage to the above historical information, the following (in millions of dollars) is derived:

<u>Projected</u>	Water	Sewerage	Total
Average annual need	126.7	140.	266.7
Average annual available	17.9	67.57	85.47
Average annual <u>shortfall</u>	108.8	72.43	181.23
Shortfall as % of need	85.9	51.7	68.0

This shortfall represents the funds that localities will have to finance locally as opposed to obtaining funds from public assistance programs.

SUMMARY OF STATE AND FEDERAL FUNDING FOR WATER AND WASTEWATER PROJECTS IN VIRGINIA  
(Millions of Dollars)

	1982		1983		1984		1985		1986		5-YEAR			Percent of		
	W	S	W	S	W	S	W	S	W	S	Subtotal		Total	5-year Total		
											W	S		W	S	
EPA Construction Grants	0	46.3	0	50.07	0	50.07	0	50.07	0	12.1*	0	208.61	208.61	0	100	
FmHA Water & Waste Disposal Loans and Grants	6.76	0	4.69	4.91	0.71	8.16	9.21	9.10	6.14	8.55*	27.51	30.72	58.23	47	53	
HUD "Large Cities"***	1.75	1.75	1.75	1.75	1.45	1.45	1.35	1.35	1.25	1.24	7.55	7.55	15.1	50	50	
CDBG "Small Cities"	3.24	5.11	5.30	8.90	7.54	8.27	9.21	5.79	3.56	2.82*	28.85	30.89	59.74	48	52	
Appalachian Regional Commission (ARC)	0	0	1.71	0.89	1.18	0.27	0.49	1.68	0.67	0.50	4.05	3.34	7.39	55	45	
Residential Shoreline Sanitation Program	--	--	--	--	0	0.11	0	0.15	0	0.15	0	0.410	0.410	0	100	
Economic Development Administration (EDA)	0.14	0.14	2.08	0.45	1.65	0.19	0.48	0.53	0.64	1.06	4.99	2.37	7.36	68	32	
Virginia Resources Authority	--	for W & S Projects; created on July 1, 1984 with a \$300 million limit								15.5	48.12	15.5	48.12	63.62	24	76
Virginia Water Project	0.077	0.022	0.063	0.04	0.07	0.074	0.156	0.04	0.297	0.115	0.663	0.291	0.954	69	31	
VDH - Fluoridation	0.08	0	0.08	0	0.08	0	0.08	0	0.08	0	0.4	0	0.4	100	0	
SWCB Chesapeake Bay	--	--	--	--	--	--	0	1.54	0	0.72	0	2.26	2.26	0	100	
SWCB Special Programs	--	--	--	--	--	--	--	--	0	3.3	0	3.3	3.3	0	100	
SWCB Virginia Water Revolving Loan Fund	--	--	--	--	For Sewerage Projects; created on July 1, 1986 (i.e. State FY 87)						--	--	--	--	--	
SUBTOTALS	12.047	53.322	15.673	67.01	12.68	68.594	20.976	70.25	28.137	78.685	89.513	337.861	////	////	////	
TOTAL	65.369		82.683		81.274		91.226		106.822		////		427.374	100		
PERCENT OF TOTAL	18	82	19	81	16	84	23	77	26	74	////		////	21	79	

\* As of 24 June 1986

NOTE: W stands for Water; S stands for Sewerage

\*\* HUD figures are approximations as HUD records lump W & S together

This chart compiled by Thomas B. Gray, P.E., Division of Water Programs, VA Dept. of Health, Richmond, VA. Individual numbers were supplied by each respective grant or loan source.

TABLE I

APPENDIX E

PROJECTED FUNDING FOR  
WATER AND SEWERAGE PROJECTS

Report to HJR 7 Subcommittee

August 21, 1986

BY: Virginia Department of Health  
Division of Water Programs

## DISCUSSION

The following discussion is only for publicly owned facilities. No consideration is given to investor owned facilities and individual home systems.

The attached Table indicates that most assistance sources believe that level funding will continue for the next few years; EPA funding is not yet finalized therefore both the Presidential and Congressional proposals are shown. Also the Virginia Resources Authority (VRA) is shown to reach their \$300 million cap after FY 1990. With these thoughts, the following (in millions of dollars) is derived:

### Projection A (using EPA-Congressional level funding):

	Water	Sewerage	Total
Average annual need	126.7	140	266.7
Maximum annual available	30.42	123	153.42
Minimum annual <u>shortfall</u>	96.28	17	113.28
Shortfall as % of need	76	12.1	42.5

### Projection B (using EPA-Presidential level funding):

Average annual need	126.7	140	266.7
Minimum annual available	30.42	73	103.42
Maximum annual <u>shortfall</u>	96.28	67	163.28
Shortfall as % of need	76	47.9	61.2

These two projections give the relative range of funding shortfall that will be faced by publicly owned facilities trying to obtain funds from public assistance sources.



APPENDIX E(1)

**SOURCES OF ASSISTANCE TO PUBLIC SYSTEMS**

Agency	Program	Type of Aid	Clients
Farmer's Home Administration	Rural Water & Waste Disposal Systems	Loans	political subdivisions
		grants	political subdivisions
Economic Development Administration	Public Works Facilities	grants	association representing an EDA designated area or Economic Development Center
Virginia's State Water Control Board	Special Purpose Grants Program	grants	hardship political subdivision for infiltration/inflow and design of wastewater Treatment Plants
	Revolving Loan Fund	loans	
Virginia's State Water Control Board	Chesapeake Bay Initiatives	grants	political subdivisions discharging wastewater into Bay's watershed
Virginia Dept. of Housing and Community Development	Community Development	grants for planning/construction	cities/towns {50,000 people and counties {200,000
U.S. Dept. of Housing & Urban Development	Community Development	grants for construction	cities } 50,000 people and urban counties } 200,000 people
Environmental Protection Agency	Safe Drinking Water	---	public water systems
	Wastewater	grants	public wastewater systems
Virginia Resource Auth.	Wastewater, Water Drainage	loans	political subdivisions
		grants	political subdivisions
Virginia Dept. of Health	Flouridation	grants	political subdivisions
Virginia Water Project	Rural Systems	grants	political subdivisions or non-profit organizations
		loans	
Appalachian Regional Commission	Water & Wastewater	grants for construction	political subdivisions

Source: Division of Water Programs, Virginia Department of Health

APPENDIX F

Virginia Community Development Block Grant Water and Wastewater  
Projects

1982

<u>Water</u>		<u>Sewer</u>	
Alleghany County	\$ 476,000	Alleghany County	\$ 58,980
City of Covington	70,000	City of Buena Vista	700,000
Town of Fries	284,460	City of Covington	35,000
City of Galax	44,800	City of Galax	450,000
Giles County	81,180	Giles County	16,100
Town of Halifax	165,155	Greene County	541,800
Town of Independence	11,000	Greensville County	586,026
Town of Jarratt	167,400	Town of Grottoes	500,000
Town of Pocahontas	560,850	Town of Halifax	441,500
Washington County	678,785	Town of Independence	12,600
Wise County	<u>700,000</u>	Pittsylvania County	646,451
	\$3,239,630	Pulaski County	99,000
		Scott County	700,000
		Town of Stony Creek	<u>318,000</u>
			\$5,105,451

1983

<u>Water</u>		<u>Sewer</u>	
Town of Blackstone	\$ 325,300	Town of Alberta	\$ 372,900
Town of Cleveland	420,000	Town of Appomattox	525,800
Carroll County	188,600	Town of Blackstone	325,300
Dinwiddie County	224,745	Carroll County	510,300
Town of Exmore	139,796	Town of Cleveland	210,000
Town of Halifax	644,140	Dinwiddie County	430,062
Henry County	700,000	Halifax County	32,472
Town of Pulaski	460,272	Town of Haysi	630,000
Smyth County	665,000	Town of Hillsville	665,000
Spotsylvania County	160,394	Montgomery County	556,000
Town of Stuart	24,250	Prince George County	604,089
City of Suffolk	600,000	Town of Pulaski	196,228
Surry County	50,790	Rappahannock County	475,500
Town of Wytheville	<u>700,000</u>	Town of Rural Retreat	668,000
	\$5,303,287	Town of South Hill	630,000
		Spotsylvania County	530,000
		Town of Stuart	637,000
		Surry County	8,000
		Tazewell County	511,235
		Town of Wise	<u>385,000</u>
			\$8,902,886



Virginia Community Development Block Grant Water and Wastewater  
Projects

1984

<u>Water</u>		<u>Sewer</u>	
Town of Craigsville	\$ 575,000	Town of Boones Mill	\$ 39,414
Town of Iron Gate	289,000	Buchanan County	654,500
Town of Jonesville	627,000	Town of Clarksville	161,750
Town of Kenbridge	243,725	Town of Clover	496,605
Town of Lawrenceville	22,400	Town of Gate City	336,500
Town of Lebanon	47,400	Town of Honaker	654,500
Town of Marion	700,000	Town of Iron Gate	358,350
Town of Pamplin City	576,100	Town of Kenbridge	112,835
Town of Pound	667,000	Town of Lawrenceville	537,098
Town of Purcellville	700,000	Town of Lebanon	348,500
Town of Rocky Mount	126,129	Pittsylvania County	614,705
Shenandoah County	406,500	Rockbridge County	700,000
Town of Surry	685,660	Town of Rocky Mount	283,723
Town of Tazewell	338,500	Shenandoah County	167,000
Town of Vinton	150,900	Town of Shenandoah	640,500
City of Waynesboro	690,000	Smyth County	663,500
Wythe County	<u>693,250</u>	Stafford County	300,000
	\$7,538,564	Town of Timberville	455,029
		Town of Vinton	73,400
		York County	<u>672,204</u>
			\$8,271,113

1985

<u>Water</u>		<u>Sewer</u>	
Town of Alberta	\$284,317	Town of Alberta	\$ 54,000
Town of Appalachia	75,650	Town of Appalachia	224,500
Bath County	169,046	Town of Clintwood	652,500
Town of Brodnax	407,330	Town of Coeburn	700,000
Charles City County	102,500	City of Covington	665,000
Chesterfield County	176,900	Town of Dungannon	688,500
Town of Dendron	398,585	City of Galax	681,700
Town of Farmville	19,020	Town of Grundy	648,500
Town of Halifax	228,800	Town of Halifax	448,200
Henry County	700,000	Town of Kilmarnock	62,400
Highland County	310,732	King George County	253,332
Town of Kilmarnock	119,800	Town of LaCrosse	105,150
King George County	232,368	Town of Lovettsville	598,000
Town of LaCrosse	493,929	Town of Scottsville	<u>9,168</u>
Town of Pocahontas	648,500		\$5,790,950
Town of Rich Creek	686,700		
Town of Round Hill	660,668		
Russell County	558,500		
Town of Saltville	645,700		
Town of St. Charles	574,823		
City of Staunton	267,928		
Town of Troutdale	648,386		
Wise County	673,000		
Town of Wise	<u>131,000</u>		
	\$9,214,192		

Virginia Community Development Block Grant Water and Wastewater  
Projects

1986 (through August 20, 1986)

Water

Town of Brookneal	\$147,100
Caroline County	276,000
City of Clifton Forge	320,000
Town of Exmore	287,255
Town of Glade Spring	614,000
Town of Goshen	391,900
Town of Mt. Crawford	269,346
Nelson County	179,713
City of Neriton	412,000
Washington County	<u>664,000</u>
	\$3,561,314

Sewer

Town of Brookneal	\$423,700
Caroline County	424,000
Town of Chase City	627,000
City of Clifton Forge	216,000
Town of Exmore	167,535
Town of Jarratt	680,000
Town of Mt. Crawford	<u>286,654</u>
	\$2,824,889

# VIRGINIA WATER PROJECT, INC.

## Projected Uses of Increased Water/Wastewater Grant Funds for Low-Income Rural Virginians

Purpose	VWP 1985 Requests	Proposed \$750,000 Allocation	# Low- Income Households
Predevelopment costs	\$ 57,500	\$ 50,000	600 L.I. households (Approx. 30 communities)
Tap-Hook costs	\$377,350	\$270,000	900 @\$300 ea.
System Upgrade	\$169,500	\$175,000	500 L.I. households (Approx. 18 communities)
Community Wells	\$ 52,500	\$ 30,000	35
Individual Emergency Grants	\$ 74,235	\$ 75,000	185 @\$400 ea.
On-site system development & Rehabilitation (Individual wells, septic tanks, vault privies)	\$ 60,000	\$100,000	50
Administrative costs (Staff and support costs)		\$ 50,000	
<b>TOTALS</b>	<b>\$791,085</b>	<b>\$750,000</b>	<b>2270</b>

Predevelopment costs include those expenses incurred as part of preliminary development of a project, prior to approval and funding of construction. For the purposes of this fund, FmHA guidelines apply as to eligible costs.

"Tap" refers to the costs of subscribing to system services, typically called a "connection fee". "Hook" refers to the cost of connecting the home plumbing to the water or sewer service. Maximum VWP grant is \$300 per connection.

Many older water and wastewater systems in Virginia are in need of repair and upgrading. VWP's newly created loan fund can loan at 7% up to \$50,000 to eligible communities for this purpose, but an accompanying grant is often needed to make the loan affordable.

A community well is a centrally-located, public-access water source placed in a small community or settlement where residents have been using unacceptable water sources and where a central system is not feasible or affordable.

Individual Emergency Grants are provided in cases where there is a problem of an emergency nature such as a broken pump, frozen pipes, etc. These funds have also been used creatively by some workers as initial payment toward more extensive rehabilitation of failing or inadequate facilities. Maximum grant is \$400.

Historical VWP data over 16 years indicates that the average construction cost of each connection on a water or sewer system is slightly over \$4,000. This is also a reasonable average cost of developing an individual well and septic system for a rural household. It must be noted, however, that the cost of receiving service on public system only entails the "Tap-Hook" costs, whereas an individual must pay the entire cost of well and septic construction "up front".

# VIRGINIA WATER PROJECT, INC.

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## Improving Water/Wastewater Development Assistance For Low-Income Rural Communities and Residents in Virginia

The primary long-term objective of the Virginia Water Project is "to provide access to safe drinking water and sanitary wastewater disposal facilities to all rural Virginia residents at affordable cost." Over the years, real progress has been made toward this goal as a result of the agency's work, through the application of training, technical assistance, and very limited grant funds. Since 1969, we have assisted with 226 projects in rural communities across the state. Overall, we have helped provide water and/or wastewater services to 8,988 low-income families throughout the state on projects which served a total of 28,367 households altogether.

While the training and technical assistance, or "capacity-building" aspect of the program is the key to the long-term success of local efforts, it is unquestionably the small amounts of money provided to fill funding gaps that catalyze the process and make the first steps possible. Almost invariably, small communities lack the financial resources needed for predevelopment costs, such as engineering studies and test wells, which are required before a project can be considered for federal or state funds. Another critical aspect to small systems development is assuring maximum participation in the services by residents. VWP's funds are used here to help pay for the cost of connecting low-income families to the system.

From 1969 until 1977, VWP received a total of about \$1,000,000 to be used for these purposes from federal sources. When these funds were eliminated, the Virginia General Assembly was approached for an appropriation to replace the lost resource, and in 1978, a fund was established through the Department of Housing and Community Development to provide water/wastewater grants to low-income rural Virginians. The original allocation was \$100,000 per year, and became part of the Governor's budget in 1984. Also in 1984, the amount was increased to \$150,000 per year.

In addition to the regular appropriation, the 1985 General Assembly approved two special allocations to VWP. The first was \$90,000 to be used in the community of Hollins in Roanoke County, and the second was for \$47,000 to be used to correct individual, on-site sewage disposal problems along the Chesapeake Bay. The 1986 General Assembly appropriated \$250,000 for each year of the biennium for VWP grants.

VWP's grant funds have been used in this gap-filling role since the beginning, but recently the requests from communities far outweigh the amount of funds available. The attached chart indicates requests received for the most recent year's funds. The total of requests is typically about \$700,000 to \$800,000 per year.

In many cases, grant funds are the only appropriate response, but there are a substantial number of requests for which a small, low-interest loan would accomplish the intended purpose, and still be affordable for the community. To help address these needs, VWP has initiated a lower-interest loan fund of \$1,000,000 which became operational during the spring of 1986. To date, two communities' applications have been approved.

The loan fund addresses only certain categories of need, however, and the ability to loan money provides an excellent opportunity to package loan and grant combinations for greater effectiveness. This would allow VWP to provide more comprehensive funding for such purposes as system upgrades, which traditional funding sources are not serving.

Another major need for grant funds is in the case of individual, on-site systems, such as wells and septic systems. Based upon 1980 census figures, and given the rate of improvement shown between 1970 and 1980, it could be reasonably estimated that there are still well over 50,000 rural households in the Commonwealth that lack complete plumbing. There is no really accurate count of homes that are served by small public or private systems, or have on-site systems which are deteriorating, contaminated, or otherwise inadequate. A reasonable estimate would be about 60%. In fact, failing septic systems are frequently cited as the major contributor to groundwater contamination in Virginia. There are virtually no federal or state funds which can be used for these purposes.

If the appropriation to VWP from the General Assembly were to be increased to \$750,000, VWP would not only have adequate funds to begin packaging loan/grant combinations and providing more significant assistance to those communities most in need, but also would be able to initiate a pilot project designed to begin addressing the critical problem of inadequate on-site systems. Recent legislation from Maryland provides examples of how such a program might be developed. VWP's experience with the Chesapeake Bay Residential Shoreline Improvement effort provided a sampling of what might be done with adequate amounts of funds that could be directed at individual problems. The attached chart projects a likely breakdown of a \$750,000 yearly allocation, based upon past experience and requests from the most recent period.

## APPENDIX I

SUMMARY OF  
DRAINFIELD REPAIRS  
BY REGION & DISTRICT  
July 1985 to June 1986

Northern Region

Health District	Homesite Repairs	Other Repairs
Fairfax	137	7
Alexandria	-	8
Arlington	1	1
Loudoun	27	4
Prince William	<u>37</u>	<u>50</u>
<b>TOTAL</b>	<b>202</b>	<b>70</b>

Eastern Region

Eastern Tidewater	260	6
Northern Neck	136	3
Peninsula	145	46
Portsmouth	-	3
City of Norfolk	117	22
Virginia Beach	142	31
Middle Peninsula	312	3
Hampton	16	4
Eastern Shore	672	103
Chesapeake H.D.	<u>100</u>	<u>45</u>
<b>TOTAL</b>	<b>1900</b>	<b>266</b>

Central Region

Health District	Homesite Repairs	Other Repairs
Chesterfield	58	6
Crater Health Dist	51	25
Hanover	28	4
Henrico	7	2
Piedmont	1	-
Southside	27	-
Richmond City	<u>49</u>	<u>2</u>
<b>TOTAL</b>	<b>221</b>	<b>39</b>

### Northwest Region

Central Shenandoah	42	7
Lord Fairfax	54	2
Rappahannock	21	14
Rappahannock/Rapidan	55	6
Thomas Jefferson	<u>31</u>	<u>5</u>
TOTAL	203	34

### Southwest Region

Alleghaney	5	4
Central Virginia	14	1
Cumberland Plateau	71	22
Pittsylvania/Danville	23	11
West Piedmont	8	4
Lenowisco	67	18
Mount Rogers	56	15
New River	57	17
Roanoke	<u>5</u>	<u>5</u>
TOTAL	306	97

### REGIONAL TOTALS

Northern	197	70
Eastern	1900	266
Central	221	39
Southwest	306	97
Northwest	<u>203</u>	<u>34</u>
TOTAL	2827	506



## APPENDIX J

## Department of Health

Comparative Summary  
 Domestic Wastewater Disposal Practices in Virginia  
 Public Sewer Use vs. On-Site Disposal  
 1980 Census Household Characteristic Data

## SUMMARY

Jurisdiction	Households				Total
	Sewered	%	On-Site	%	
Virginia	1,315,815	65.8	684,260	34.2	2,000,075

## PD #1 - LENOWISCO

County/City	Households				Total
	Sewered	%	On-Site	%	
Lee	1,440	14.9	8,212	85.1	9,652
Scott	1,213	12.5	8,528	87.5	9,741
Wise	6,887	44.0	8,754	56.0	15,645
Norton	1,706	92.8	133	7.2	1,839
Total	11,246	30.5	25,631	69.5	36,877

## PD #2 - CUMBERLAND PLATEAU

County/City	Households				Total
	Sewered	%	On-Site	%	
Buchanan	1,022	8.0	11,742	92.0	12,764
Dickenson	935	13.6	5,964	86.4	6,899
Russell	2,450	21.3	9,068	78.7	11,518
Tazewell	8,401	46.1	9,829	53.9	18,230
Total	12,808	25.9	36,603	74.1	49,411

Comparative Summary (continued)

PD #3 - MOUNT ROGERS

County/City	Households				
	Sewered	%	On-Site	%	Total
Bland	115	5.3	2,064	94.7	2,179
Carroll	914	8.2	10,262	91.8	11,176
Galax	2,583	92.3	216	7.7	2,799
Grayson	733	11.1	5,859	88.9	6,592
Smyth	4,322	35.5	7,867	64.5	12,189
Washington	3,582	20.2	14,109	78.8	17,691
Bristol	6,734	87.0	1,007	13.0	7,415
Wythe	3,218	33.1	6,502	66.9	9,720
Total	22,201	31.7	47,886	68.3	70,087

PD #4 - NEW RIVER VALLEY

County/City	Households				
	Sewered	%	On-Site	%	Total
Floyd	320	6.7	4,459	93.3	4,779
Giles	2,271	34.2	4,369	65.8	6,640
Montgomery	13,244	59.3	9,091	40.7	22,335
Pulaski	5,868	44.5	7,320	55.5	13,188
Radford	3,962	95.2	200	4.8	4,162
Total	25,665	50.2	25,439	49.8	51,104

Comparative Summary (continued)

PD #5 - FIFTH

County/City	Households				
	Sewered	%	On-Site	%	Total
Alleghany	2,096	35.9	3,206	60.5	5,302
Clifton Forge	2,001	96.9	63	3.1	2,064
Covington	3,643	97.9	78	2.1	3,721
Botetourt	811	9.6	7,656	90.4	8,467
Craig	164	9.7	1,523	90.3	1,687
Roanoke	17,574	65.7	9,175	34.3	7,515
Roanoke	40,721	95.4	1,965	4.6	42,686
Salem	8,213	91.1	800	8.9	9,013
<b>Total</b>	<b>75,223</b>	<b>75.5</b>	<b>24,467</b>	<b>24.5</b>	<b>99,690</b>

PD #6 - CENTRAL SHENANDOAH

County/City	Households				
	Sewered	%	On-Site	%	Total
Augusta	5,264	27.1	14,127	72.9	19,391
Staunton	8,318	96.5	299	3.5	8,617
Waynesboro	5,803	93.6	399	6.4	6,202
Bath	611	25.8	1,756	74.2	2,367
Highland	256	17.8	1,183	82.2	1,439
Rockbridge	1,171	16.7	5,833	83.3	7,004
Buena Vista	2,298	95.5	108	4.5	2,406
Lexington	2,329	97.5	60	2.5	2,389
Rockingham	5,652	27.6	14,814	72.4	20,466
Harrisonburg	6,057	98.2	113	1.8	6,170
<b>Total</b>	<b>37,759</b>	<b>49.4</b>	<b>38,692</b>	<b>50.6</b>	<b>76,451</b>

COMPARATIVE SUMMARY (continued)

PD #7 - LORD FAIRFAX

County/City	Households				
	Sewered	%	On-Site	%	Total
Clarke	1,174	30.4	2,685	69.6	3,859
Frederick	3,476	28.3	8,806	71.7	12,282
Winchester	7,987	95.3	395	4.7	8,382
Page	2,316	28.7	5,746	71.3	8,062
Shenandoah	4,249	35.8	7,616	64.2	11,865
Warren	4,321	48.7	4,553	51.3	8,874
Total	23,523	44.1	29,801	55.9	53,324

PD #8 - NORTHERN VIRGINIA

County/City	Households				
	Sewered	%	On-Site	%	Total
Arlington	74,957	99.7	218	0.3	75,147
Fairfax	197,183	91.4	18,488	8.6	215,671
Alexandria	51,811	99.6	211	0.4	52,022
Fairfax	6,890	97.8	154	2.2	7,044
Falls Church	4,484	99.6	19	0.4	4,503
Loudoun	12,544	63.8	7,122	36.2	19,666
Prince William	36,688	79.0	9,744	21.0	46,432
Manassas	5,242	95.1	269	4.9	5,511
Manassas Park	1,913	99.1	18	0.9	1,931
Total	391,712	91.5	36,243	8.5	427,955

PD #9 - RAPPAHANNOCK RAPIDAN

County/City	Households				
	Sewered	%	On-Site	%	Total
Culpeper	2,495	30.3	5,752	69.7	8,247
Fauquier	2,956	23.6	9,561	76.4	12,517
Madison	252	6.6	3,566	93.4	3,818
Orange	2,708	37.0	4,619	63.0	7,327
Rappahannock	114	4.4	2,492	95.6	2,606
<b>Total</b>	<b>8,525</b>	<b>24.7</b>	<b>25,990</b>	<b>75.3</b>	<b>34,515</b>

PD #10 - THOMAS JEFFERSON

County/City	Households				
	Sewered	%	On-Site	%	Total
Albemarle	7,159	35.4	13,090	64.6	20,249
Charlottesville	15,683	98.1	297	1.9	15,980
Fluvanna	395	10.4	3,404	89.6	3,799
Greene	228	7.9	2,641	92.1	2,869
Louisa	581	8.7	6,115	91.3	6,696
Nelson	415	8.6	4,409	91.4	4,824
<b>Total</b>	<b>24,461</b>	<b>45.0</b>	<b>29,956</b>	<b>55.0</b>	<b>54,417</b>

COMPARATIVE SUMMARY (continued)

PD #11 - CENTRAL VIRGINIA

County/City	Households				
	Sewered	%	On-Site	%	Total
Amherst	1,685	17.6	7,887	82.4	9,572
Appomattox	700	15.8	3,736	84.2	4,436
Bedford	722	5.5	12,407	94.5	13,129
Bedford	2,289	87.8	319	12.2	2,608
Campbell	2,366	14.6	13,868	85.4	16,234
Lynchburg	20,980	82.6	4,413	17.4	25,393
Total	28,742	40.3	42,630	59.7	71,372

PD #12 - WEST PIEDMONT

County/City	Households				
	Sewered	%	On-Site	%	Total
Franklin	2,068	16.0	10,838	84.0	12,906
Henry	6,400	30.6	14,535	69.4	20,935
Martinsville	6,930	98.0	144	2.0	7,074
Patrick	754	11.1	6,060	88.9	6,814
Pittsylvania	2,407	10.1	21,416	89.9	23,823
Danville	18,199	98.9	204	1.1	18,403
Total	36,758	40.9	53,197	59.1	89,955

PD #13 - SOUTHSIDE

County/City	Households				
	Sewered	%	On-Site	%	Total
Brunswick	695	12.1	5,071	87.9	5,766
Mecklenburg	3,884	32.0	8,245	68.0	12,129
Halifax	1,097	9.8	10,154	90.2	11,251
South Boston	2,570	91.3	246	8.7	2,816
Total	8,246	25.8	23,716	74.2	31,962

Comparative Summary (continued)

PD #14. PIEDMONT

County/City	Households				
	Sewered	%	On-Site	%	Total
Amelia	200	6.7	2,776	93.3	2,976
Buckingham	330	7.3	4,180	92.7	4,510
Charlotte	426	9.4	4,087	90.6	4,513
Cumberland	190	6.3	2,812	93.7	3,002
Lunenburg	1,438	30.0	3,353	70.0	4,791
Nottoway	2,499	44.6	3,110	55.4	5,609
Prince Edward	1,762	31.9	3,769	68.1	5,531
<b>Total</b>	<b>6,845</b>	<b>22.1</b>	<b>24,078</b>	<b>77.9</b>	<b>30,932</b>

PD #15 - RICHMOND REGIONAL

County/City	Households				
	Sewered	%	On-Site	%	Total
Charles City	111	5.2	2,022	94.8	2,133
Chesterfield	31,350	64.1	17,528	35.9	48,878
Goochland	89	2.2	3,902	97.8	3,991
Hanover	3,639	21.1	13,593	78.9	17,232
Henrico	60,802	86.4	9,608	13.6	70,410
Richmond	87,992	96.2	3,488	3.8	91,480
New Kent	117	3.7	3,059	96.3	3,176
Powhatan	77	2.0	3,746	98.0	3,823
<b>Total</b>	<b>184,177</b>	<b>76.4</b>	<b>56,946</b>	<b>23.6</b>	<b>241,123</b>

Comparative Summary (continued)

PD #16 - RADCO

County/City	Households				
	Sewered	%	On-Site	%	Total
Caroline	612	9.6	5,787	90.4	6,399
King George	812	20.6	3,129	79.4	3,941
Spotsylvania	4,977	42.2	6,830	57.8	11,807
Fredericksburg	6,286	99.4	36	0.6	6,322
Stafford	5,705	43.4	7,441	56.6	13,146
<b>Total</b>	<b>18,392</b>	<b>44.2</b>	<b>23,223</b>	<b>55.8</b>	<b>41,615</b>

PD #17 - NORTHERN NECK

County/City	Households				
	Sewered	%	On-Site	%	Total
Lancaster	474	10.4	4,096	89.6	4,570
Northumberland	269	5.9	4,284	94.1	4,553
Richmond	392	14.1	2,397	85.9	2,789
Westmoreland	1,351	22.4	4,683	77.6	6,034
<b>Total</b>	<b>2,486</b>	<b>13.8</b>	<b>15,460</b>	<b>86.2</b>	<b>17,946</b>

PD #18 - MIDDLE PENINSULA

County/City	Households				
	Sewered	%	On-Site	%	Total
Essex	720	20.4	2,811	79.6	3,531
Gloucester	667	8.5	7,211	91.5	7,878
King and Queen	50	2.2	2,239	97.8	2,289
King William	1,069	31.6	2,315	68.4	3,384
Mathews	179	4.9	3,442	95.1	3,621
Middlesex	393	11.2	3,116	88.8	3,509
<b>Total</b>	<b>3,078</b>	<b>12.7</b>	<b>21,134</b>	<b>87.3</b>	<b>24,212</b>



Comparative Summary (continued)

PD #19 - CRATER

County/City	Households				
	Sewered	%	On-Site	%	Total
Dinwiddie	1,344	19.9	5,415	80.1	6,759
Greenville	279	7.4	3,488	92.6	3,767
Emporia	1,884	96.6	67	3.4	1,951
Prince George	2,616	37.7	4,320	62.3	6,936
Colonial Heights	6,014	98.9	64	1.1	6,078
Hopewell	9,098	97.9	193	2.1	9,291
Petersburg	15,773	97.7	366	2.2	16,139
Surry	61	2.5	2,362	97.5	2,432
Sussex	1,226	31.0	2,726	69.0	3,952
Total	38,295	66.8	19,001	33.2	57,296

PD #20 - SOUTHEASTERN VIRGINIA

County/City	Households				
	Sewered	%	On-Site	%	Total
Chesapeake	28,622	75.3	9,413	24.7	38,035
Isle of Wight	1,186	15.5	6,467	84.5	7,653
Norfolk	92,783	97.8	2,039	2.2	94,822
Portsmouth	37,561	97.3	1,024	2.7	38,585
Southampton	612	9.8	5,639	90.2	6,251
Franklin	2,585	96.2	103	3.8	2,688
Suffolk	5,576	33.4	11,133	66.6	16,709
Virginia Beach	76,885	84.1	14,555	15.9	91,440
Total	245,810	83.0	50,373	17.0	296,183

Comparative Summary (continued)

PD #21 - PENINSULA

County/City	Households				Total
	Sewered	%	On-Site	%	
Hampton	41,810	96.0	1,752	4.0	43,562
James City	5,036	59.1	3,488	40.9	8,524
Williamsburg	2,945	96.8	96	3.2	3,041
York	5,112	44.8	6,289	55.2	11,401
Poquoson	1,659	56.4	1,284	43.6	2,943
Newport News	51,323	93.3	3,663	6.7	54,986
<b>Total</b>	<b>107,885</b>	<b>86.7</b>	<b>16,572</b>	<b>13.3</b>	<b>124,457</b>

PD #22 - ACCOMACK - NORTHAMPTON

County/City	Households				Total
	Sewered	%	On-Site	%	
Accomack	1,044	7.9	12,105	92.1	13,149
Northampton	934	15.5	5,108	84.5	6,042
<b>Total</b>	<b>1,978</b>	<b>10.3</b>	<b>17,213</b>	<b>89.7</b>	<b>19,191</b>

1986 SESSION

LD0679550

HOUSE BILL NO. 51  
Offered January 8, 1986

A BILL to amend the Code of Virginia by adding a section numbered 15.1-1250.3, relating to abandonment of service by a water and sewer authority.

Patron—Putney

Referred to Committee on Counties, Cities and Towns

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 15.1-1250.3 as follows:

§ 15.1-1250.3. Abandonment of services.—Notwithstanding any contrary provision of this chapter, once an authority begins to operate a water system or a sewer system it shall not abandon service to any line of either such system without the consent of the county, city, town or other political subdivision which the proposed abandoned service would affect or in which it would occur. Consent to abandon service shall be in the form of an adopted resolution by the applicable governing body.

Official Use By Clerks

Passed By  
The House of Delegates  
without amendment   
with amendment   
substitute   
substitute w/amdt

Passed By The Senate  
without amendment   
with amendment   
substitute   
substitute w/amdt

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Clerk of the House of Delegates

Clerk of the Senate

APPENDIX L

Senate Joint Resolution No. \_\_\_\_\_

Requesting the creation of a joint subcommittee to study the roles of local governments and public service authorities in providing water and sewer services.

WHEREAS, water and sewer authorities are created by local governing bodies to provide for the public health and welfare, and

WHEREAS, such authorities are established as a separate instrumentality to exercise public and essential governmental functions; and

WHEREAS, once such authorities are formed, they undertake the responsibility of regulating their own business, including acquiring land and property, issuing bonds, entering contracts, and fixing and collecting rates; and

WHEREAS, local communities and individual citizens come to rely on the service provided by these authorities; and

WHEREAS, because of the independent nature of these authorities, the local governing body often has little control or assurance as to the public services which the authorities provide; and

WHEREAS, the decision by an authority to reduce or eliminate service from a particular area will have a substantial impact on the welfare of the public; now, therefore, be it

RESOLVED by the Senate, The House of Delegates concurring, That a joint subcommittee is hereby established to study the respective legal responsibilities of public service authorities and local governments. The subcommittee shall review the enabling statutes which allow for the creation of such authorities in order to more clearly define their functions and duties. The joint subcommittee shall also consider ways to assure that the services which are provided by an authority will not be reduced or abandoned in a manner which may prove detrimental to the health and welfare of the community.

The joint subcommittee shall consist of seven members to be appointed as follows:

Two members shall be from the Senate Committee on Local Government and one member from the Senate Committee on Agriculture, Conservation and Natural Resources, appointed by the Senate Committee on Privileges and Elections; two members from the House Committee on Counties, Cities and Towns, and one member from the House Committee on Conservation and Natural Resources, to be appointed by the Speaker of the House; and one citizen member to be appointed by the Senate Committee on Privileges and Elections.

The joint subcommittee shall submit any recommendations to the 1988 Session of the General Assembly.

The costs of this study, including direct and indirect costs, are estimated to be \$\_\_\_\_\_.

1 D 11/17/86 M. Ward T 11/18/86 owj

2 SENATE BILL NO. .... HOUSE BILL NO. ....

3 A BILL to amend and reenact § 62.1-203 of the Code of  
4 Virginia and to amend the Code of Virginia by adding in  
5 Title 62.1 a chapter numbered 23, consisting of  
6 sections numbered 62.1-233 through 62.1-241, the  
7 amended and added sections relating to the Virginia  
8 Water Supply Revolving Fund.

9

10 Be it enacted by the General Assembly of Virginia:

11 1. That § 62.1-203 of the Code of Virginia is amended and  
12 reenacted and that the Code of Virginia is amended by adding  
13 in Title 62.1 a chapter numbered 23, consisting of sections  
14 numbered 62.1-233 through 62.1-241 as follows:

15 § 62.1-203. Powers of Authority.--The Authority is  
16 granted all powers necessary or appropriate to carry out and  
17 to effectuate its purposes, including the following:

18 1. To have perpetual succession as a public body  
19 corporate and as a political subdivision of the  
20 Commonwealth;

21 2. To adopt, amend and repeal bylaws, and rules and  
22 regulations, not inconsistent with this chapter for the  
23 administration and regulation of its affairs and to carry  
24 into effect the powers and purposes of the Authority and the  
25 conduct of its business;

26 3. To sue and be sued in its own name;

27 4. To have an official seal and alter it at will  
28 although the failure to affix this seal shall not affect the

1 validity of any instrument executed on behalf of the  
2 Authority;

3 5. To maintain an office at any place within the  
4 Commonwealth which it designates;

5 6. To make and execute contracts and all other  
6 instruments and agreements necessary or convenient for the  
7 performance of its duties and the exercise of its powers and  
8 functions under this chapter;

9 7. To sell, convey, mortgage, pledge, lease, exchange,  
10 transfer and otherwise dispose of all or any part of its  
11 properties and assets;

12 8. To employ officers, employees, agents, advisers and  
13 consultants, including without limitations, attorneys,  
14 financial advisers, engineers and other technical advisers  
15 and public accountants and, the provisions of any other law  
16 to the contrary notwithstanding, to determine their duties  
17 and compensation without the approval of any other agency or  
18 instrumentality;

19 9. To procure insurance, in amounts and from insurers  
20 of its choice, against any loss in connection with its  
21 property, assets or activities, including insurance against  
22 liability for its acts or the acts of its directors,  
23 employees or agents and for the indemnification of the  
24 members of its Board of Directors;

25 10. To procure insurance, guarantees, letters of  
26 credit and other forms of collateral or security from any  
27 public or private entities, including any department, agency  
28 or instrumentality of the United States of America or the

1 Commonwealth, for the payment of any bonds issued by the  
2 Authority, including the power to pay premiums or fees on  
3 any such insurance, guarantees, letters of credit and other  
4 forms of collateral or security;

5 11. To receive and accept from any source aid, grants  
6 and contributions of money, property, labor or other things  
7 of value to be held, used and applied to carry out the  
8 purposes of this chapter subject to the conditions upon  
9 which the aid, grants or contributions are made;

10 12. To enter into agreements with any department,  
11 agency or instrumentality of the United States of America or  
12 the Commonwealth for the purpose of planning, regulating and  
13 providing for the financing of any projects;

14 13. To collect, or to authorize the trustee under any  
15 trust indenture securing any bonds to collect, amounts due  
16 under any local obligations owned by the Authority,  
17 including taking the action required by § 15.1-225 to obtain  
18 payment of any sums in default;

19 14. To enter into contracts or agreements for the  
20 servicing and processing of local obligations owned by the  
21 Authority;

22 15. To invest or reinvest its funds as provided in  
23 this chapter or permitted by applicable law;

24 16. Unless restricted under any agreement with holders  
25 of bonds, to consent to any modification with respect to the  
26 rate of interest, time and payment of any installment of  
27 principal or interest, or any other term of any local  
28 obligations owned by the Authority;



1 17. To establish and revise, amend and repeal, and to  
2 charge and collect, fees and charges in connection with any  
3 activities or services of the Authority;

4 18. To do any act necessary or convenient to the  
5 exercise of the powers granted or reasonably implied by this  
6 chapter; and

7 19. To pledge as security for the payment of any or  
8 all bonds of the Authority, all or any part of the Capital  
9 Reserve Fund transferred to a trustee for such purpose from  
10 the Water Facilities Revolving Fund pursuant to § 62.1-231  
11 or from the Water Supply Revolving Fund pursuant to §  
12 62.1-240 .

13 CHAPTER 23.

14 VIRGINIA WATER SUPPLY REVOLVING FUND.

15 § 62.1-233. Definitions.--As used in this chapter,  
16 unless a different meaning clearly appears from the context:

17 "Authority" means the Virginia Resources Authority  
18 created in Chapter 21 of Title 62.1 (§ 62.1-197 et seq.).

19 "Board" means the Board of Health.

20 "Cost," as applied to any project financed under the  
21 provisions of this chapter, means the total of all costs  
22 incurred by the local government as reasonable and necessary  
23 for carrying out all works and undertakings necessary or  
24 incident to the accomplishment of any project. It includes,  
25 without limitation, all necessary developmental, planning  
26 and feasibility studies, surveys, plans and specifications,  
27 architectural, engineering, financial, legal or other  
28 special services, the cost of acquisition of land and any

1 buildings and improvements thereon, including the discharge  
2 of any obligations of the sellers of such land, buildings or  
3 improvements, site preparation and development, including  
4 demolition or removal of existing structures, construction  
5 and reconstruction, labor, materials, machinery and  
6 equipment, the reasonable costs of financing incurred by the  
7 local government in the course of the development of the  
8 project, carrying charges incurred before placing the  
9 project in service, interest on funds borrowed to finance  
10 the project to a date subsequent to the estimated date the  
11 project is to be placed in service, necessary expenses  
12 incurred in connection with placing the project in service,  
13 the funding of accounts and reserves which the Authority may  
14 require and the cost of other items which the Authority  
15 determines to be reasonable and necessary.

16 "Fund" means the Virginia Water Supply Revolving Fund  
17 created by this chapter.

18 "Local government" means any county, city, town,  
19 municipal corporation, authority, district, commission or  
20 political subdivision created by the General Assembly or  
21 pursuant to the Constitution or laws of the Commonwealth or  
22 any combination of any two or more of the foregoing.

23 "Project" means any water supply facility located or to  
24 be located in the Commonwealth by any local government. The  
25 term includes, without limitation, water supply and intake  
26 facilities; water treatment and filtration facilities; water  
27 storage facilities; water distribution facilities; related  
28 office, administrative, storage, maintenance and laboratory

1 facilities; and interests in land related thereto.

2 § 62.1-234. Creation and management of Fund.--There  
3 shall be set apart as a permanent and perpetual fund, to be  
4 known as the "Virginia Water Supply Revolving Fund," sums  
5 appropriated to the Fund by the General Assembly, all  
6 receipts by the Fund from loans made by it to local  
7 governments, all income from the investment of moneys held  
8 in the Fund, and any other sums designated for deposit to  
9 the Fund from any source public or private. The Fund shall  
10 be administered and managed by the Authority as prescribed  
11 in this chapter, subject to the right of the Board,  
12 following consultation with the Authority, to direct the  
13 distribution of loans or grants from the Fund to particular  
14 local governments and to establish the interest rates and  
15 repayment terms of such loans as provided in this chapter.  
16 In order to carry out the administration and management of  
17 the Fund, the Authority is granted the power to employ  
18 officers, employees, agents, advisers and consultants,  
19 including, without limitation, attorneys, financial  
20 advisers, engineers and other technical advisers and public  
21 accountants and, the provisions of any other law to the  
22 contrary notwithstanding, to determine their duties and  
23 compensation without the approval of any other agency or  
24 instrumentality. The Authority may disburse from the Fund  
25 its reasonable costs and expenses incurred in the  
26 administration and management of the Fund and a reasonable  
27 fee to be approved by the Board for its management services.

28 § 62.1-235. Deposit of money; expenditures;

1 investments.--All money belonging to the Fund shall be  
2 deposited in an account or accounts in banks or trust  
3 companies organized under the laws of the Commonwealth or in  
4 national banking associations located in Virginia or in  
5 savings and loan associations located in Virginia organized  
6 under the laws of the Commonwealth or the United States.  
7 The money in these accounts shall be paid by check signed by  
8 the Executive Director of the Authority or other officers or  
9 employees designated by the Board of Directors of the  
10 Authority. All deposits of money shall, if required by the  
11 Authority, be secured in a manner determined by the  
12 Authority to be prudent, and all banks, trust companies and  
13 savings and loan associations are authorized to give  
14 security for the deposits. Money in the Fund shall not be  
15 commingled with other money of the Authority. Money in the  
16 Fund not needed for immediate use or disbursement may be  
17 invested or reinvested by the Authority in obligations or  
18 securities which are considered lawful investments for  
19 public funds under the laws of the Commonwealth.

20 § 62.1-236. Annual audit.--The Auditor of Public  
21 Accounts, or his legally authorized representatives, shall  
22 annually audit the accounts of the Authority, and the cost  
23 of such audit services as shall be required shall be borne  
24 by the Authority. The audit shall be performed at least  
25 each fiscal year, in accordance with generally accepted  
26 auditing standards and, accordingly, include such tests of  
27 the accounting records and such auditing procedures as  
28 considered necessary under the circumstances. The Authority

1 shall furnish copies of such audit to the Governor and to  
2 the Board.

3 § 62.1-237. Collection of money due Fund.--The  
4 Authority is empowered to collect, or to authorize others to  
5 collect on its behalf, amounts due to the Fund under any  
6 loan to a local government, including, if appropriate,  
7 taking the action required by § 15.1-225 to obtain payment  
8 of any amounts in default. Proceedings to recover amounts  
9 due to the Fund may be instituted by the Authority in the  
10 name of the Fund in the appropriate circuit court.

11 § 62.1-238. Loans to local governments.--Except as  
12 otherwise provided in this chapter, money in the Fund shall  
13 be used solely to make loans to local governments to finance  
14 or refinance the cost of any project. The local governments  
15 to which loans are to be made, the purposes of the loan, and  
16 the amount of each such loan, the interest rate thereon and  
17 the repayment terms thereof, which may vary between local  
18 governments, shall be designated in writing by the Board to  
19 the Authority following consultation with the Authority. No  
20 loan from the Fund shall exceed the total cost of the  
21 project to be financed or the outstanding principal amount  
22 of the indebtedness to be refinanced plus reasonable  
23 financing expenses.

24 Except as set forth above, the Authority shall  
25 determine the terms and conditions of any loan from the  
26 Fund, which may vary between local governments. Each loan  
27 shall be evidenced by appropriate bonds or notes of the  
28 local government payable to the Fund. The bonds or notes

1 shall have been duly authorized by the local government and  
2 executed by its authorized legal representatives. The  
3 Authority is authorized to require in connection with any  
4 loan from the Fund such documents, instruments,  
5 certificates, legal opinions and other information as it may  
6 deem necessary or convenient. In addition to any other  
7 terms or conditions which the Authority may establish, the  
8 Authority may require, as a condition to making any loan  
9 from the Fund, that the local government receiving the loan  
10 covenant to perform any of the following:

11 A. Establish and collect rents, rates, fees and  
12 charges to produce revenue sufficient to pay all or a  
13 specified portion of (i) the costs of operation,  
14 maintenance, replacement, renewal and repairs of the  
15 project; (ii) any outstanding indebtedness incurred for the  
16 purposes of the project, including the principal of and  
17 premium, if any, and interest on the loan from the Fund to  
18 the local government; and (iii) any amounts necessary to  
19 create and maintain any required reserve, including any rate  
20 stabilization fund deemed necessary or appropriate by the  
21 Authority to offset the need, in whole or part, for future  
22 increases in rents, rates, fees or charges;

23 B. Levy and collect ad valorem taxes on all property  
24 within the jurisdiction of the local government subject to  
25 local taxation sufficient to pay the principal of and  
26 premium, if any, and interest on the loan from the Fund to  
27 the local government;

28 C. Create and maintain a special fund or funds for the

1 payment of the principal of and premium, if any, and  
2 interest on the loan from the Fund to the local government  
3 and any other amounts becoming due under any agreement  
4 entered into in connection with the loan, or for the  
5 operation, maintenance, repair or replacement of the project  
6 or any portions thereof or other property of the local  
7 government, and deposit into any fund or funds amounts  
8 sufficient to make any payments on the loan as they become  
9 due and payable;

10 D. Create and maintain other special funds as required  
11 by the Authority; and

12 E. Perform other acts, including the conveyance of, or  
13 the granting of liens on or security interests in, real and  
14 personal property, together with all rights, title and  
15 interest therein, to the Fund, or take other actions as may  
16 be deemed necessary or desirable by the Authority to secure  
17 payment of the principal of and premium, if any, and  
18 interest on the loan from the Fund to the local government  
19 and to provide for the remedies of the Fund in the event of  
20 any default by the local government in the payment of the  
21 loan, including, without limitation, any of the following:

22 1. The procurement of insurance, guarantees, letters  
23 of credit and other forms of collateral, security, liquidity  
24 arrangements or credit supports for the loan from any  
25 source, public or private, and the payment therefor of  
26 premiums, fees or other charges;

27 2. The combination of one or more projects, or the  
28 combination of one or more projects with one or more other

1 undertakings, facilities, utilities or systems, for the  
2 purpose of operations and financing, and the pledging of the  
3 revenues from such combined projects, undertakings,  
4 facilities, utilities and systems to secure the loan from  
5 the Fund to the local government made in connection with  
6 such combination or any part or parts thereof;

7 3. The maintenance, replacement, renewal and repair of  
8 the project; and

9 4. The procurement of casualty and liability  
10 insurance.

11 All local governments borrowing money from the Fund are  
12 authorized to perform any acts, take any action, adopt any  
13 proceedings and make and carry out any contracts that are  
14 contemplated by this chapter. Such contracts need not be  
15 identical among all local governments, but may be structured  
16 as determined by the Authority according to the needs of the  
17 contracting local governments and the Fund.

18 Subject to the rights, if any, of the registered owners  
19 of any of the bonds of the Authority, the Authority may  
20 consent to and approve any modification in the terms of any  
21 loan to any local government subject to guidelines adopted  
22 by the Board.

23 § 62.1-239. Grants to local governments.--Subject to  
24 any restrictions which may apply to the use of money in the  
25 Fund, the Board in its discretion may approve the use of  
26 money in the Fund to make grants or appropriations to local  
27 governments to pay the cost of any project. The Board may  
28 establish such terms and conditions on any grant as it deems



1 appropriate. Grants shall be disbursed from the Fund by the  
2 Authority in accordance with the written direction of the  
3 Board.

4 § 62.1-240. Pledge of loans to secure bonds of  
5 Authority.--The Authority is empowered at any time and from  
6 time to time to transfer from the Fund to banks or trust  
7 companies designated by the Authority any or all of the  
8 assets of the Fund to be held in trust as security for the  
9 payment of the principal of and premium, if any, and  
10 interest on any or all of the bonds (as defined in §  
11 62.1-199) of the Authority. The interests of the Fund in  
12 any obligations so transferred shall be subordinate to the  
13 rights of the trustee under the pledge. To the extent funds  
14 are not available from other sources pledged for such  
15 purpose, any payments of principal and interest received on  
16 the assets transferred or held in trust may be applied by  
17 the trustee thereof to the payment of the principal of and  
18 premium, if any, and interest on such bonds of the Authority  
19 to which the obligations have been pledged, and, if such  
20 payments are insufficient for such purpose, the trustee is  
21 empowered to sell any or all of such assets and apply the  
22 net proceeds from the sale to the payment of the principal  
23 of and premium, if any, and interest on such bonds of the  
24 Authority. Any assets of the Fund transferred in trust as  
25 set forth above and any payments of principal, interest or  
26 earnings received thereon shall remain part of the Fund but  
27 shall be subject to the pledge to secure the bonds of the  
28 Authority and shall be held by the trustee to which they are

1 pledged until no longer required for such purpose by the  
2 terms of the pledge. On or before January 10 each year, the  
3 Authority shall transfer, or shall cause the trustee to  
4 transfer, to the Fund any assets transferred or held in  
5 trust as set forth above which are no longer required to be  
6 held in trust pursuant to the terms of the pledge.

7 § 62.1-241. Liberal construction of chapter.--The  
8 provisions of this chapter shall be liberally construed to  
9 the end that its beneficial purposes may be effectuated.  
10 Insofar as the provisions of this chapter are inconsistent  
11 with the provisions of any other law, general, special or  
12 local, the provisions of this chapter shall be controlling.

13

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