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Funding Water and Sewer Projects: Essential for the Prosperity of West Virginia

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Marie Prezioso is Executive Director of the West Virginia Water Development Authority. Appointed to this position by Governor Jim Justice, she is responsible for the management of the Authority and serves as a member of the West Virginia Infrastructure and Jobs Development Council, where she chairs the funding committee.

Prezioso retired in 2016 from Piper Jaffray, where she was Senior Vice President and Manager of the West Virginia Public Finance Investment Banking office. Her career included 32 years as a public finance investment banker. Prior to that, she taught classes at Fairmont State College and worked in state government, where she served as Deputy Commissioner of Finance and Administration, Executive Director of the Municipal Bond Commission and as the Acting Director of Investments for the State Treasurer's office.

Prezioso currently serves as Vice Chair of the West Virginia Investment Management Board and on the Board of Commissioners for the Charleston-Kanawha Housing Authority. She earned her bachelor's and master's in business administration from West Virginia University. She is also a graduate of Leadership West Virginia.

West Virginia Governor Jim Justice, along with the legislature, is diligently working to make the Mountain State a place where young people want to stay, where good jobs are available and where all of us want to remain when we retire. Funding water and sewer construction projects plays an essential role in the prosperity of West Virginia.

People want to live in places that have safe drinking water and reliable sewer service. Companies will not locate and spend millions of dollars on facilities that do not have adequate water and sewer service available.

It is very expensive to construct water and sewer projects. Many local communities cannot afford the projects unless they receive low interest loans and/or grants. The costs do not stop after the construction is complete. It is also costly to operate and maintain the systems. There are



WEST VIRGINIA
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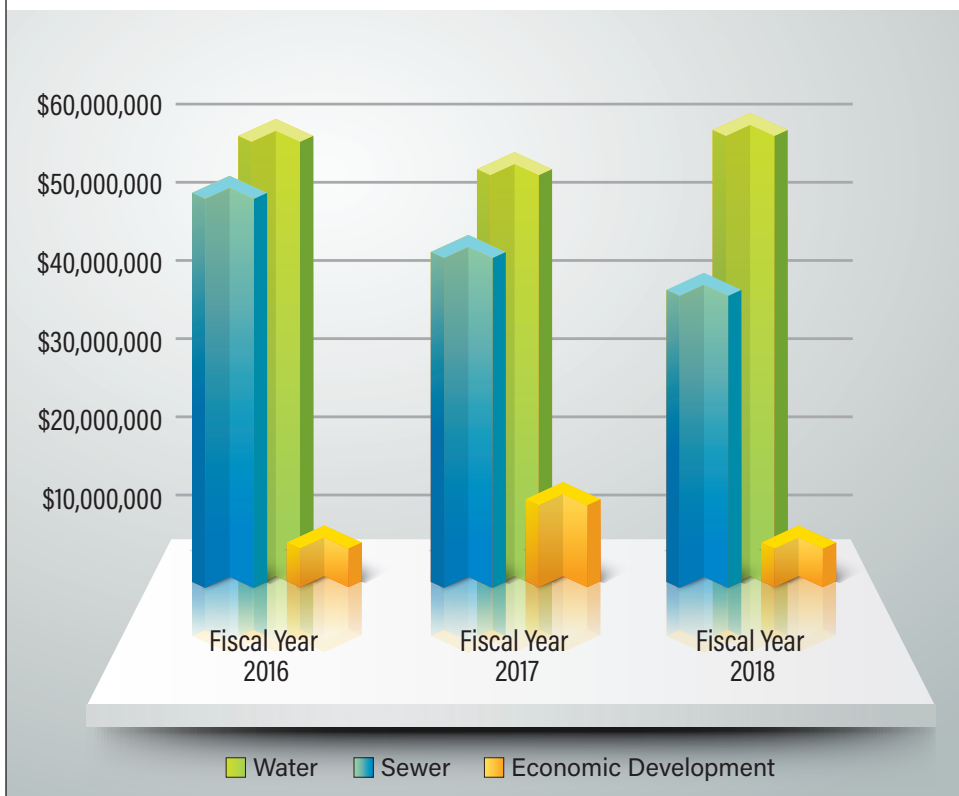
many areas in West Virginia that do not have the population to afford public systems. The most difficult part of our job is finding a way to finance these projects and make them affordable for residents and businesses.

In 1972, the West Virginia Legislature created the West Virginia Water Development Authority (WDA). It was authorized to provide financial assistance to local governmental agencies to help them meet the requirements of state and federal water pollution control and safe drinking water laws, thereby protecting the health of the state's citizens, improving water quality and protecting the environment while constructing and upgrading infrastructure to attract economic development. The WDA operates under the



West Virginia Water Development Authority

Loans & Grants Processed



supervision of a seven-member board chaired by Governor Justice. Ann Urling, the Governor's Deputy Chief of Staff, serves as his designee on the board.

The WDA administers a variety of programs to provide financings at favorable rates for design, construction,

improvement and acquisition of water and sewer systems. Generally, WDA revenue bond programs are funded with proceeds from water development bonds issued by WDA. Monies in the various WDA programs are loaned to municipalities, public service districts and other political subdivisions through the purchase of local revenue bonds and/or notes issued by these local governmental agencies. The loans are repaid from revenues of the systems or other permanent financings. These loans and federal grants have funded many projects over the years. Not only do these funded projects provide essential services to communities, but they also provide jobs during the construction process.

In 1994, the West Virginia Legislature created the Infrastructure and Jobs Development Council (IJDC) to coordinate the review and funding of water, wastewater and economic development projects in the state. The WDA serves as the administrative agency for the IJDC and the designated fiduciary of the infrastructure fund. In 1996, the state began issuing Infrastructure General

Obligation Bonds, for which mineral severance tax revenues paid the debt service. The proceeds of the bonds were used to make zero to three percent interest loans and grants to local entities. In 2000 and 2003, the WDA, on behalf of IJDC, issued revenue bonds for new loans and pledged the loan repayments from the local entities who received the loans from the general obligation bonds.

Water, sewer and economic development projects received a big boost beginning July 1, 2003 when the state began annually transferring lottery revenues to IJDC to make low interest loans and grants. Lottery revenues, loan repayments not pledged to debt service on the revenue bonds and interest earnings less administrative expenses are all available each year to make new loans and grants.

Another funding source for sewer projects is the Department of Environmental Protection Clean Water State Revolving Fund. The WDA administers the local bond process for these bonds. Likewise, an additional funding source for water projects is the Bureau for Public Health's Drinking Water Treatment Revolving Fund. The WDA administers the local bond process for these bonds and serves as its financial manager.

The chart on this page shows the new loans and grant dollars processed by WDA during the last three fiscal years. In addition to processing new loans, WDA continues to service over 974 outstanding loans and grants.

The WDA, in conjunction with other state and federal funding agencies, continues to work diligently to provide loans and grants to improve infrastructure throughout West Virginia. 