WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1955

ENROLLED

HOUSE BILL No. xxx

(By Mr. Amos)

PASSED Mar 2 1955

In Effect 90 Days from Passage

Filed in the Office of the Secretary of State of West Virginia MAR 9 1955

D. PITT O'BRIEN
SECRETARY OF STATE
ENROLLED

House Bill No. 222
(By Mr. Burke)

[Passed March 2, 1955; in effect ninety days from passage.]

AN ACT to amend and reenact section two, article thirteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, and to amend said article thirteen by adding thereto three new sections, to be designated sections eleven-a, eleven-b, and eleven-c, all relating to combined municipal waterworks and sewerage systems, so as to provide for the acquisition, construction, extension and improvement of combined waterworks and sewerage systems and the issuance of revenue bonds in connection therewith and providing for the rights and remedies of the holders of said bonds.

Be it enacted by the Legislature of West Virginia:

That section two, article thirteen, chapter eight of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, and that said article
thirteen be amended by adding thereto three new sections, to be designated sections eleven-a, eleven-b and eleven-c, all to read as follows:

Section 2. General Powers.—Any municipality may acquire or construct and thereafter maintain and operate a combined waterworks and sewerage system either within or partly without the corporate limits thereof, under the provisions of this article, and any municipality owning and operating either a waterworks or a sewerage system, but not both, may acquire or construct the waterworks or sewerage system which it does not then own and operate, and in either of such cases such municipality may provide by ordinance that when such waterworks or sewerage system, or both, shall have been acquired or constructed, same shall thereafter be owned, maintained and operated as a combined undertaking under the provisions of this article, and any municipality already owning and operating an existing waterworks system and an existing sewerage system may by ordinance combine the same into a single undertaking under the provisions of this article. Any municipality which has combined
its waterworks and sewerage system under the provisions of this article, or pursuant to provisions of any other law, may thereafter construct extensions and improvements to either the waterworks system or the sewerage system of said combined waterworks and sewerage system, or both, and may finance the construction or acquisition of any such waterworks or sewerage system, or both, or the construction of extensions and improvements to either the waterworks system or the sewerage system of such combined waterworks and sewerage system, or both, by the issuance of revenue bonds under the provisions of this article. Notwithstanding the provisions of any other law or laws to the contrary, any such municipality may serve and supply the area included within twenty miles outside its corporate limits with the water or sewer services and facilities, or both, of its combined waterworks and sewerage system: Provided, however, That such water or sewer services and facilities shall not be served or supplied within the corporate limits of any other municipality without the consent of the governing body thereof.
Sec. 11-a. Operating Contract.—Any such municipality may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the facilities and properties of said combined waterworks and sewerage system, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons, firms or corporations. Such municipality shall have power to provide in the resolution authorizing the issuance of bonds hereunder, or in any trust indenture securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality as long as any of said bonds, or interest thereon, are outstanding and unpaid.

Sec. 11-b. Exemption From Taxation.—Said bonds and the interest thereon, together with all properties and facilities of said municipality owned or used in connection with said combined waterworks or sewerage system, and all the moneys, revenues and other income of such municipality derived from such combined waterworks and sewerage system shall be exempt from all taxation by the
state of West Virginia or any county, municipality, political subdivision or agency thereof.

Sec. 11-c. Covenants With Bond Holders.—Any resolution authorizing the issuance of bonds hereunder, or any trust indenture with any bank or trust company within, or without the state, for the security of said bonds, which any such municipality is hereby authorized to enter into and execute, may contain covenants with the holders of such bonds as to:

(a) The purpose or purposes to which the proceeds of sale of such bonds, or the revenues derived from said combined waterworks and sewerage system, may be applied and the securing, use and disposition thereof, including, if deemed desirable, the appointment of a trustee or depositary for any of such funds;

(b) The pledging of all or any part of the revenues derived from the ownership, operation or control of such combined waterworks and sewerage systems, including any part thereof heretofore or hereafter constructed or acquired or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued
hereunder and for such reserve or other funds as may
be deemed necessary or desirable;
(c) The fixing, establishing and collecting of such fees,
rentals or other charges for the use of the services and
facilities of the combined waterworks and sewerage sys-
tem, including the parts thereof heretofore or hereafter
constructed or acquired and the revision of same from
time to time, as will always provide revenues at least
sufficient to provide for all expenses of operation, main-
tenance and repair of such combined waterworks and
sewerage system, the payment of the principal of and
interest on all bonds or other obligations payable from
the revenues of such combined waterworks and sewerage
system, and all reserve and other funds required by the
terms of the ordinance authorizing the issuance of such
bonds;
(d) The transfer from the general funds of the munici-
pality to the account or accounts of the combined water-
works and sewerage system of an amount equal to the cost
of furnishing the municipality or any of its departments,
boards or agencies with the services and facilities of such combined waterworks and sewerage system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenues of such combined waterworks and sewerage system, and the rank or priority, as to lien and source and security for payment from the revenues of such combined waterworks and sewerage system, between bonds payable from such revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which such defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual operation, maintenance and repair of such combined waterworks and sewerage system and restrictions and limitations upon expenditures for
such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon such combined waterworks and sewerage system, or any part thereof, and the use and disposition of the proceeds of any insurance;

(i) The keeping of books of account, relating to such undertakings and the audit and inspection thereof, and the furnishing to the holders of bonds issued hereunder or their representatives, reports prepared, certified, or approved by accountants designated or approved by the holders of bonds issued hereunder;

(j) Such other additional covenants as shall be deemed necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to such municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for
bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holders of bonds issued hereunder not inconsistent with the constitution of the state of West Virginia.
The Joint Committee on Enrolled Bills hereby certifies that
the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the House of Delegates

Takes effect 90 days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within approved this the 8th

day of March, 1955.

Governor

Filed in the Office of the Secretary of State
MAR 9 1955
of West Virginia.

D. Pitt O'Brien
Secretary of State