

WEST VIRGINIA LEGISLATURE  
REGULAR SESSION, 1955

ENROLLED

HOUSE BILL No. 222

(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)

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

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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  
2 acquire or construct and thereafter maintain and operate  
3 a combined waterworks and sewerage system either  
4 within or partly without the corporate limits thereof,  
5 under the provisions of this article, and any municipality  
6 owning and operating either a waterworks or a sewerage  
7 system, but not both, may acquire or construct the water-  
8 works or sewerage system which it does not then own  
9 and operate, and in either of such cases such municipality  
10 may provide by ordinance that when such waterworks  
11 or sewerage system, or both, shall have been acquired or  
12 constructed, same shall thereafter be owned, maintained  
13 and operated as a combined undertaking under the pro-  
14 visions of this article, and any municipality already own-  
15 ing and operating an existing waterworks system and  
16 an existing sewerage system may by ordinance combine  
17 the same into a single undertaking under the provisions  
18 of this article. Any municipality which has combined

19 its waterworks and sewerage system under the provisions  
20 of this article, or pursuant to provisions of any other law,  
21 may thereafter construct extensions and improvements  
22 to either the waterworks system or the sewerage system  
23 of said combined waterworks and sewerage system, or  
24 both, and may finance the construction or acquisition  
25 of any such waterworks or sewerage system, or both, or  
26 the construction of extensions and improvements to either  
27 the waterworks system or the sewerage system of such  
28 combined waterworks and sewerage system, or both, by  
29 the issuance of revenue bonds under the provisions of  
30 this article. Notwithstanding the provisions of any other  
31 law or laws to the contrary, any such municipality may  
32 serve and supply the area included within twenty miles  
33 outside its corporate limits with the water or sewer  
34 services and facilities, or both, of its combined water-  
35 works and sewerage system: *Provided, however,* That  
36 such water or sewer services and facilities shall not be  
37 served or supplied within the corporate limits of any  
38 other municipality without the consent of the governing  
39 body thereof.

Sec. 11-a. *Operating Contract.*—Any such municipality  
2 may enter into contracts or agreements with any persons,  
3 firms or corporations for the operation and management  
4 of the facilities and properties of said combined water-  
5 works and sewerage system, or any part thereof, for such  
6 period of time and under such terms and conditions as  
7 shall be agreed upon between such municipality and such  
8 persons, firms or corporations. Such municipality shall  
9 have power to provide in the resolution authorizing the  
10 issuance of bonds hereunder, or in any trust indenture  
11 securing such bonds, that such contracts or agreements  
12 shall be valid and binding upon the municipality as long  
13 as any of said bonds, or interest thereon, are outstanding  
14 and unpaid.

Sec. 11-b. *Exemption From Taxation.*—Said bonds and  
2 the interest thereon, together with all properties and  
3 facilities of said municipality owned or used in connection  
4 with said combined waterworks or sewerage system, and  
5 all the moneys, revenues and other income of such munici-  
6 pality derived from such combined waterworks and  
7 sewerage system shall be exempt from all taxation by the

8 state of West Virginia or any county, municipality, politi-  
9 cal subdivision or agency thereof.

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

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

14 (b) The pledging of all or any part of the revenues  
15 derived from the ownership, operation or control of such  
16 combined waterworks and sewerage systems, including  
17 any part thereof heretofore or hereafter constructed or  
18 acquired or derived from any other sources, to the pay-  
19 ment of the principal of or interest thereon of bonds issued

20 hereunder and for such reserve or other funds as may  
21 be deemed necessary or desirable;

22 (c) The fixing, establishing and collecting of such fees,  
23 rentals or other charges for the use of the services and  
24 facilities of the combined waterworks and sewerage sys-  
25 tem, including the parts thereof heretofore or hereafter  
26 constructed or acquired and the revision of same from  
27 time to time, as will always provide revenues at least  
28 sufficient to provide for all expenses of operation, main-  
29 tenance and repair of such combined waterworks and  
30 sewerage system, the payment of the principal of and  
31 interest on all bonds or other obligations payable from  
32 the revenues of such combined waterworks and sewerage  
33 system, and all reserve and other funds required by the  
34 terms of the ordinance authorizing the issuance of such  
35 bonds;

36 (d) The transfer from the general funds of the munici-  
37 pality to the account or accounts of the combined water-  
38 works and sewerage system of an amount equal to the cost  
39 of furnishing the municipality or any of its departments,

40 boards or agencies with the services and facilities of such  
41 combined waterworks and sewerage system;

42 (e) Limitations or restrictions upon the issuance of  
43 additional bonds or other obligations payable from the  
44 revenues of such combined waterworks and sewerage  
45 system, and the rank or priority, as to lien and source  
46 and security for payment from the revenues of such com-  
47 bined waterworks and sewerage system, between bonds  
48 payable from such revenues;

49 (f) The manner and terms upon which all bonds and  
50 other obligations issued hereunder may be declared im-  
51 mediately due and payable upon the happening of a  
52 default in the payment of the principal of or interest  
53 thereon, or in the performance of any covenant or agree-  
54 ment with bondholders, and the manner and terms upon  
55 which such defaults may be declared cured and the ac-  
56 celeration of the maturity of such bonds rescinded and  
57 repealed;

58 (g) Budgets for the annual operation, maintenance and  
59 repair of such combined waterworks and sewerage system  
60 and restrictions and limitations upon expenditures for



61 such purposes, and the manner of adoption, modification,  
62 repeal or amendment thereof, including the approval of  
63 such budgets by consulting engineers designated by  
64 holders of bonds issued hereunder;

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

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

75 (j) Such other additional covenants as shall be deemed  
76 necessary or desirable for the security of the holders of  
77 bonds issued hereunder, notwithstanding that such other  
78 covenants are not expressly enumerated hereunder, it  
79 being the intention hereof to grant to such municipalities  
80 the power to make any and all covenants or agreements  
81 necessary in order to secure greater marketability for

82 bonds issued hereunder as fully and to the same extent  
83 as such covenants or agreements could be made by a  
84 private corporation rendering similar services and facili-  
85 ties and to grant such municipalities full and complete  
86 power to enter into any contracts, covenants or agree-  
87 ments with holders of bonds issued hereunder not incon-  
88 sistent with the constitution of the state of West Virginia.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*[Signature]*  
Chairman Senate Committee

*[Signature]*  
Chairman House Committee

Originated in the House of Delegates

Takes effect 90 days from passage.

*[Signature]*  
Clerk of the Senate

*[Signature]*  
Clerk of the House of Delegates

*[Signature]*  
President of the Senate

*[Signature]*  
Speaker House of Delegates

The within approved this the 8  
day of March, 1955.

*[Signature]*  
Governor



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**D. PITT O'BRIEN**  
SECRETARY OF STATE