

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1963



ENROLLED

HOUSE BILL No. 543

(By Mr. Rugum)



PASSED March 9, 1963

In Effect ninety days from Passage

Filed in Office of the Secretary of State  
of West Virginia 3-16-63

JOE F. BURDETT  
SECRETARY OF STATE

543 #

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AN ACT to amend chapter sixteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article twenty-one, creating a "West Virginia Water Development Commission", as an agency of the state of West Virginia; prescribing its powers and duties; authorizing it to construct water works systems, to acquire existing water works systems not now publicly owned, to improve water works systems so constructed or acquired, to establish rates to be charged for water service rendered by such systems, to operate and maintain water works systems so constructed or acquired, to dispose of any water works sys-

tems so acquired or constructed only to political subdivisions or other public agencies or instrumentalities, to issue water revenue bonds to finance such construction, acquisitions and improvements; providing for the payment of said bonds solely from the revenues of water works systems so constructed or acquired; providing for the terms of said revenue bonds and the rights, security and remedies of the holders of said revenue bonds; and providing that such commission shall be subject to the jurisdiction of the public service commission.

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

That chapter sixteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article twenty-one, to read as follows:

**Section 1. Definitions.**—The following terms, whenever used or referred to in this article, shall have the following meanings unless a different meaning clearly appears from the context:

The term “commission” shall mean the West Virginia water development commission created by section two of this article.

8 The term "bonds" shall mean revenue bonds issued by  
9 the commission pursuant to this article, including refund-  
10 ing revenue bonds.

11 The term "water works system" or "water works" as  
12 used in this article shall include a water supply, treat-  
13 ment and distribution system in its entirety, or any in-  
14 tegral part thereof, including but not limited to mains,  
15 distribution lines, hydrants, meters, valves, standpipes,  
16 storage tanks, pumping stations, intakes, wells, impound-  
17 ing reservoirs, treatment plants, buildings, supplies, ease-  
18 ments, rights of way, and all other property, real or per-  
19 sonal, ordinarily used in connection with the operation of  
20 a water works system.

21 The term "public body" shall mean any municipality or  
22 other political subdivision, or any agency or instrumental-  
23 ity of such municipality or other political subdivision.

24 The term "publicly owned" shall mean owned by a mu-  
25 nicipality or other political subdivision, or public body.

**Sec. 2. West Virginia Water Development Commis-**  
2 **sion; How Constituted.**—There shall be a state water de-  
3 velopment commission, to be known as the West Virginia

4 water development commission, and the same is hereby  
5 made a body corporate, and is hereby declared to be an  
6 agency of the state of West Virginia. The commission  
7 shall consist of five members who shall be citizens of the  
8 state, appointed by the governor, by and with the advice  
9 and consent of the senate, for overlapping terms of five  
10 years, except that the original appointments shall be for  
11 terms of one, two, three, four and five years, respectively,  
12 and each subsequent term for a period of five years. For  
13 the purpose of purchasing any system or systems, the  
14 commission shall not enter into any binding contract or  
15 agreement nor sell any bonds herein provided for, nor  
16 enter into any other contract or agreement for the pur-  
17 chase or acquisition of any water system or systems until  
18 the members of such commission have been confirmed  
19 by the state senate: *Provided*, That not more than one  
20 member of the commission shall be selected from each  
21 congressional district, and that not more than three  
22 members shall be of the same political party.

23 The governor shall appoint all members of the commis-  
24 sion as soon after the effective date hereof as is practic-

25 able for respective terms of office beginning on the first  
26 day of April, one thousand nine hundred sixty-three. Any  
27 vacancy on the commission shall be filled by appointment  
28 for the unexpired term.

**Sec. 3. Compensation of Members of Commission.—**

2 The compensation and expenses of members of the com-  
3 mission shall be fixed by resolution of the commission but  
4 shall not exceed the sum of twenty-five dollars per day  
5 for compensation for each member and the amount of  
6 the actual bona fide expenses of each member while actu-  
7 ally engaged in the business of the commission and the  
8 compensation and expenses of each member shall not  
9 exceed in the aggregate the sum of four thousand dollars  
10 per annum for compensation and four thousand dollars  
11 per annum for bona fide expenses.

**Sec. 4. Powers of the Commission.—**The commission

2 shall have power:

- 3 1. To sue and be sued, plead and be impleaded;
- 4 2. To have a seal and alter the same at pleasure;
- 5 3. To acquire, construct, improve and operate, in the  
6 name of the commission, by purchase or otherwise, water

7 works systems wherever located in West Virginia, and to  
8 acquire rights, easements, franchises and permits neces-  
9 sary or convenient for the acquisition, construction, im-  
10 provement and operation of water works systems; *Pro-*  
11 *vided, however,* That the commission may not acquire wa-  
12 ter works systems which are now publicly owned;

13 4. To acquire by purchase, hold and dispose of real  
14 and personal property for any proper purpose;

15 5. To make bylaws for the management and regula-  
16 tion of its affairs;

17 6. To employ counsel, appoint officers, agents and em-  
18 ployees and to fix their compensation, paying for the  
19 same from the income of the water works system or sys-  
20 tems operated by the commission;

21 7. To renegotiate all contracts entered into by it when-  
22 ever, due to <sup>a</sup>change in situation, it appears to the com-  
23 mission that its interest will be best served;

24 8. To fix and establish fees, rates and other charges  
25 for the supply of water and the services and facilities of  
26 any water works system or systems owned and operated  
27 by the commission, and such fees, rates or other charges

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28 shall be subject to the rules and regulations of the  
29 public service commission. It shall be the mandatory  
30 duty of the commission to fix and establish such fees,  
31 rates or other charges, and to revise the same whenever  
32 necessary, as will always provide revenues in each year  
33 at least sufficient to pay the principal of and interest  
34 on all bonds issued by the commission, and reserves  
35 therefor, as the same shall become due in such year,  
36 together with the cost of the operation and maintenance  
37 of such water works system or systems in such year, and  
38 and together with all other payments required in such  
39 year by the proceedings which authorized the issuance  
40 of such bonds, including reasonable margins for any  
41 of such purposes. Such fees, rates and other charges  
42 shall further comply with any covenants made by the  
43 commission with the holders of such bonds, including cov-  
44 enants prohibiting the reduction of such fees, rates or  
45 other charges except under the terms, conditions and lim-  
46 itations provided in such covenants with such bond-  
47 holders;

48 9. To establish by resolution and enforce regulations  
49 relating to the billing and collecting of the fees, rates or



50 other charges for the services and facilities of any water  
51 works system or systems, including penalties for the de-  
52 linquent payment of such fees, rates or other charges and  
53 for the restoration of service after the same has been dis-  
54 continued;

55 10. To shut of and discontinue the supply of water  
56 and the services and facilities of any water works system  
57 or systems for the failure of the users of such system or  
58 systems to pay such fees, rates or other charges as the  
59 same become due, and to make valid and legally binding  
60 covenants with the holders of such bonds as to the time,  
61 manner and method of the shutting off and discontinu-  
62 ance of the services and facilities of such system or sys-  
63 tems for the failure to pay such fees, rates or other  
64 charges, and the penalties to be imposed for restoration  
65 of service upon the payment of such delinquent fees, rates  
66 or other charges, which covenants shall be enforceable by  
67 the holders of any of said bonds in any court of competent  
68 jurisdiction;

69 11. To use and apply the revenues derived from  
70 any water works system or systems for the reimburse-

71 ment of municipalities and other political subdivisions  
72 and public bodies for any taxes which would have ac-  
73 crued to such municipalities and other political subdivi-  
74 sions and public bodies if such water works system or sys-  
75 tems were privately owned and operated, under such  
76 terms and conditions as shall be determined by the com-  
77 mission: *Provided, however,* That all such payments shall  
78 be subject to and comply fully with all terms, covenants  
79 and provisions contained in any resolutions, trust agree-  
80 ments or mortgages which authorized the issuance of any  
81 bonds of the commission then outstanding;

82 12. To issue negotiable revenue bonds and to provide  
83 for the rights of the holders thereof;

84 13. To enter on any lands and premises for the purpose  
85 of making surveys and examinations;

86 14. To do any and all things necessary or convenient  
87 to carry out the powers given in this article.

**Sec. 5. Commission Authorized to Acquire, Construct,**

2 **Improve and Operate Water Works Systems.**—The com-  
3 mission shall have authority to acquire any existing water  
4 works system, or systems, in this state not now publicly

5 owned, to construct new water works systems, to con-  
6 struct betterments and improvements to systems acquired  
7 or constructed and to operate any and all water works  
8 systems so acquired, constructed or improved: *Provided,*  
9 *however,* That the commission shall not purchase or  
10 acquire any water works system or water works, located  
11 in any municipality in this state, unless the municipality  
12 in which the same is located shall have a period of sixty  
13 days within which to contract for the purchase or ac-  
14 quisition thereof, with the owner or owners thereof,  
15 at the same price as the commission proposes to pur-  
16 chase or acquire the same.

**Sec. 6. Estimate of Cost and Resolution for Issuance of**  
2 **Revenue Bonds; Interest, etc.**—Whenever the commission  
3 shall determine to acquire, construct or improve a water  
4 works system under the provisions of this article, it shall  
5 cause an estimate to be made of the cost thereof, and shall,  
6 by resolution, provide for the issuance of revenue bonds  
7 under the provisions of this article, which resolution shall  
8 set forth a brief description of the contemplated acqui-  
9 sition, construction or improvement, the estimated cost

10 thereof, the rate or maximum rates of interest, the  
11 amount, time and place of payment of such bonds, and  
12 other information in connection with the issuance of the  
13 bonds. Such bonds shall be in such form and shall be is-  
14 sued in such manner, at such prices and upon such terms  
15 as the commission may by resolution specify, as provided  
16 in section seven hereof. All such bonds and the interest  
17 thereon and all properties and revenues and income de-  
18 rived from such water works systems, shall be exempt  
19 from all taxation by the state of West Virginia, or by any  
20 county, municipality, political subdivision or agency  
21 thereof. Such bonds shall bear interest at not more than  
22 six per centum per annum semi-annually, and shall be  
23 payable at such times, not exceeding forty years from  
24 their date, and at such place or places, within or without  
25 the state, as shall be prescribed in the resolution provid-  
26 ing for their issuance. Such resolution shall also declare  
27 that a statutory mortgage lien shall exist upon the prop-  
28 erty so to be acquired, constructed or improved, and the  
29 events of default and terms and conditions upon which  
30 such statutory mortgage lien may be foreclosed by bond-

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31 holders or any trustee for such bondholders. Such sta-  
32 tutory mortgage lien may be foreclosed in the same man-  
33 ner as a mortgage upon real property may be foreclosed  
34 under the laws of the state of West Virginia. Such resolu-  
35 tion or any trust agreement or mortgage may pledge all  
36 or any part of the revenues derived from the water works  
37 system or systems then being acquired, constructed or  
38 improved, either alone or in combination with other water  
39 works systems then to be acquired or constructed or  
40 which have been theretofore or shall thereafter be ac-  
41 quired or constructed, for the purpose of paying the prin-  
42 cipal of and interest on such bonds, and reserves therefor  
43 and any other payments required by such resolution or  
44 trust agreement or mortgage, and may provide for the or-  
45 der and priority of the application of such revenues be-  
46 tween the payment of the principal of and interest on  
47 such bonds and reserves therefor, and the payment of the  
48 cost of the operation and maintenance of such water  
49 works system or systems and reserves therefor, and any  
50 other payments required by such resolution, trust agree-  
51 ment or mortgage. The commission may also provide for

52 such rank and priority as to payment from said revenues  
53 and in any other respect between any bonds issued by the  
54 commission either between bonds of the same issue or  
55 any other bonds theretofore or thereafter issued. The  
56 commission may acquire, construct or improve more than  
57 one water works system at one time and may, in its dis-  
58 cretion, combine any two or more of said systems for the  
59 purpose of financing, and may further provide in any res-  
60 olution, trust agreement or mortgage for the financing of  
61 any water works system or systems, or additions, exten-  
62 sions or improvements to any existing water works sys-  
63 tem or systems, pursuant to such resolution, trust agree-  
64 ment or mortgage under such terms, conditions and pro-  
65 visions as shall be contained in such resolution, trust  
66 agreement or mortgage.

**Sec. 7. Revenue Bonds; Further Provisions.—All**

2 bonds issued hereunder shall have and are hereby de-  
3 clared to be and have all the qualities of negotiable in-  
4 struments under the law merchant and the negotiable  
5 instruments law of the state of West Virginia; they may  
6 be made redeemable at the option of the commission, at

7 such price and under such terms and conditions as the  
8 commission may fix prior to the issuance of such bonds.

9 The commission shall determine the form of such bonds,  
10 including coupons to be attached thereto to evidence the  
11 right of interest payments, which bonds shall be signed  
12 by the chairman and secretary of the commission, under  
13 the great seal of the state, attested by the secretary of  
14 state, and the coupons attached thereto shall bear the  
15 facsimile signature of said chairman of the commission.

16 The great seal of the state may be affixed to or reproduced  
17 or imprinted on said bonds, and the signatures on said  
18 bonds may be either manual or facsimile signatures, pro-  
19 vided that the signature of either said chairman or secre-  
20 tary on said bonds of the commission shall be a manual  
21 signature. In case any of the officers whose signatures  
22 appear on the bonds or coupons shall cease to be such of-  
23 ficers before the delivery of such bonds, such signatures  
24 shall nevertheless be valid and sufficient for all purposes  
25 in like manner as if they had remained in office until such  
26 delivery. The commission shall fix the denomination of  
27 said bonds, the principal and interest of which shall be

28 payable at the office of the sinking fund commission of  
29 the state of West Virginia, at the capitol of said state, or,  
30 at the option of the holder, at some bank or trust company  
31 within or without the state to be named in the bonds, in  
32 such medium as may be determined by the commission.  
33 The commission may provide for the registration of such  
34 bonds as to principal alone, and as to both principal and  
35 interest, under such terms and conditions as the commis-  
36 sion may determine. The commission may exchange  
37 bonds, in whole or in part, for any water system or sys-  
38 tems or water properties being acquired or for outstand-  
39 ing bonds in the case of refunding bonds, or may sell such  
40 bonds in such manner as it may determine to be for the  
41 best interest of the state, taking into consideration the fi-  
42 nancial responsibility of the purchaser, the terms and con-  
43 ditions of the purchase, and especially the availability of  
44 the proceeds of the bonds when required for payment of  
45 the cost of water works system or systems or water im-  
46 provements to be constructed or acquired: *Provided, how-*  
47 *ever,* That such exchange or sale shall be made at a price  
48 not lower than the price which will yield to the pur-



49 chasers, or to the holders of outstanding bonds exchanged  
50 for refunding bonds, or to the owners of any water works  
51 system or systems or water properties exchanged for such  
52 bonds, net income at a rate of six per centum per annum  
53 to the maturity date or average maturity date of such  
54 bonds on the moneys paid for such bonds, or the principal  
55 amount of outstanding bonds exchanged for refunding  
56 bonds, or the fair value of any water system or systems or  
57 water properties exchanged for such bonds, computed in  
58 such manner as the commission shall in its discretion de-  
59 termine. The proceeds of such bonds shall be deposited  
60 and checked out as provided by section thirteen of this  
61 article, and under such restrictions as the commission may  
62 provide. If the proceeds of such bonds, by error in cal-  
63 culation or otherwise, shall be less than the cost of ac-  
64 quisition or construction of the system or systems for  
65 which they are issued, or the improvements thereto, or if,  
66 after such acquisition or construction, the commission de-  
67 termines that additions, improvements or betterments  
68 thereto should be acquired or constructed, additional  
69 bonds may in like manner be issued to provide the amount

70 of the deficiency or the cost of the additions, improve-  
71 ments or betterments, as the case may be, and, unless  
72 otherwise provided for in the trust agreement or mort-  
73 gage hereinafter mentioned, shall be deemed to be of the  
74 same issue, and shall be entitled to payment from the  
75 same fund, without preference or priority, as the bonds  
76 before issued relating to the same system or systems.  
77 Prior to the preparation of definitive bonds, the commis-  
78 sion may, under like restrictions, issue temporary bonds,  
79 with or without coupons, exchangeable for definitive  
80 bonds upon the issuance of the latter. Such bonds may be  
81 issued without any other proceedings or the happening of  
82 any other conditions or things than those proceedings,  
83 conditions and things which are specified and required by  
84 this article or by the constitution of the state.

85 Bonds issued under the authority of this article shall  
86 constitute securities eligible for deposit as collateral for  
87 all public deposits or funds.

88 Under no circumstances shall the commission have  
89 the right to exercise the power of eminent domain or  
90 condemnation.

**Sec. 8. Acquisition by Purchase.**—The Commission  
2 shall be under no obligation to accept and pay for any  
3 property purchased except from the funds provided  
4 pursuant to this article. In event of the acquisition by  
5 purchase, the commission may obtain and exercise an  
6 option from the owner or owners of said property for  
7 the purchase thereof, or may enter into a contract for the  
8 purchase thereof, and such purchase may be made upon  
9 such terms and conditions, and in such manner as the  
10 commission may deem proper.

**Sec. 9. Cost of Works.**—The cost of the works shall be  
2 deemed to include: the cost of acquisition or construction  
3 thereof, the cost of all property, rights, easements, and  
4 franchises deemed necessary or convenient therefor and  
5 for the improvements determined upon as provided in this  
6 article; interest upon bonds prior to and during construc-  
7 tion or acquisition and for a reasonable period thereafter,  
8 not exceeding two years; engineering and legal expenses;  
9 expenses for estimates of cost and of revenues; expenses  
10 for plans, specifications and surveys; fees for financial  
11 services or advisors or consultants; other expenses neces-

12 sary or incident to determining the feasibility or prac-  
13 ticability of the enterprise; administrative expense; and  
14 such other expenses as may be necessary or incident to  
15 the financing herein authorized and the construction or  
16 acquisition of the works and the placing of the works in  
17 operation and the performance of the things herein re-  
18 quired or permitted in connection therewith.

**Sec. 10. Credit of State not Pledged.**—Water works sys-  
2 tem revenue bonds issued under the provisions of this ar-  
3 ticle shall be known as “West Virginia Water Revenue  
4 Bonds” and shall not be deemed to constitute a debt of  
5 the state or of any political subdivision thereof or a pledge  
6 of the faith and credit of the state or of any political sub-  
7 division thereof, but such bonds shall be payable solely  
8 from the funds herein provided therefor from revenues.  
9 All such revenue bonds shall contain on the face thereof  
10 a statement to the effect that neither the state nor any  
11 political subdivision thereof shall be obligated to pay the  
12 same or the interest thereon except from revenues of the  
13 system or systems for which they are issued, and that nei-  
14 ther the faith nor the credit nor the taxing power of the

15 state or any political subdivision thereof is pledged to the  
16 payment of the principal of, or the interest on, such bonds.

**Sec. 11. Combining Systems for Issuance of Bonds.—**

2 The commission may provide, by said resolution author-  
3 izing the issuance of the bonds or in the trust agreement  
4 hereinafter referred to, for combining two or more water  
5 works systems for the purpose of financing the acquisition  
6 or construction of and improvements to such systems, or  
7 any of them, and may also provide in said resolution or  
8 in said trust agreement that additional bonds may there-  
9 after be authorized and issued at one time or from time  
10 to time under such limitations and restrictions as may be  
11 set forth in said resolution and/or trust agreement, for the  
12 purpose of acquiring or constructing other water works  
13 systems, or for the purpose of extending, improving or  
14 bettering water works systems acquired or constructed by  
15 the commission, when deemed desirable in the public in-  
16 terest, such additional bonds, subject to any provisions  
17 contained in such resolution or trust agreement, to be se-  
18 cured and be payable from the revenues of such water  
19 works system or systems equally with all other bonds

20 issued pursuant to said resolution without preference or  
21 distinction between any one bond and any other bond by  
22 reason of priority of issue, the identity of the water works  
23 systems whose revenues were pledged to secure any one  
24 bond or series of bonds, or otherwise.

**Sec. 12. Trust Agreement to Secure Holders of Bonds.—**

2 The commission may enter into an agreement or agree-  
3 ments with any corporate trustee, in or out of the state,  
4 having power and authority to act as trustee in a security  
5 trust, as trustee, securing the bonds issued or which may  
6 be issued pursuant to the resolution of the commission.  
7 Such agreement, whether in the form of a trust agreement  
8 only, or a trust agreement and a mortgage of any water  
9 works system or systems, may contain such provisions for  
10 protecting and enforcing the rights and remedies of the  
11 bondholders as the commission considers reasonable and  
12 proper, including, without limitation, covenants regard-  
13 ing the duties of the commission in relation to the con-  
14 struction, acquisition, improvement, operation, repair,  
15 maintenance and insurance of the water works system or  
16 systems, the revenues which are to pay the bonds, the cus-

17 tody, safeguarding and application by such trustee of the  
18 proceeds of such bonds, the revenues derived from such  
19 water works system or systems, and any other moneys of  
20 the commission, and may provide that the water works  
21 systems to be acquired, constructed or improved, shall be  
22 contracted for, constructed, continuously operated and  
23 paid for under the supervision and approval of consulting  
24 engineers employed or designated by the commission and  
25 satisfactory to the bondholders or their designated repre-  
26 sentatives or nominees. Such agreement may set forth  
27 the rights and remedies of bondholders and/or such trust-  
28 tee, restricting the individual right of action of bondhold-  
29 ers as is customary in trust indentures securing bonds and  
30 debentures of corporations; may provide for the fore-  
31 closure of any mortgage executed in connection therewith  
32 in the manner provided in the laws of the state for the  
33 foreclosure of mortgages on real property; may provide  
34 for the appointment of a receiver by any court of com-  
35 petent jurisdiction of any water works system or systems  
36 on default of the commission to pay any principal of or in-  
37 terest on such bonds as the same become due or to comply

38 with any covenants with bondholders, and the terms and  
39 conditions of such receivership; may provide for the in-  
40 vestment or reinvestment of any funds of the commission;  
41 and may provide for such other and additional covenants,  
42 agreements and provisions as shall be deemed desirable  
43 or necessary by the commission for the security of the  
44 holders of such bonds.

**Sec. 13. Funds of Commission.**—All monies of the com-  
2 mission, unless the trust agreement referred to in sec-  
3 tion twelve shall provide for such moneys to be held and  
4 applied by a trustee, from whatever source derived shall  
5 be paid to the state treasurer, with advice to the treasurer  
6 in each case as to the water works system (or group of  
7 systems, where appropriate) to which such money shall  
8 be credited. The state treasurer shall not commingle said  
9 monies with any other monies, but shall deposit them in  
10 a separate bank account for each water works system (or  
11 group of systems if so instructed by the commission).  
12 The monies in each said account shall be paid out on  
13 check of the treasurer on requisition of the chairman of  
14 the commission, or of such other person as the commis-



15 sion may authorize to make such requisition. All de-  
16 posits of such money shall be secured by obligations of the  
17 United States, of the state of West Virginia, or of the com-  
18 mission, of a market value equal at all times to the  
19 amount of the deposit, and all banking institutions are  
20 authorized to give such security for such deposits. The  
21 state tax commissioner and his legally authorized repre-  
22 sentatives are hereby authorized and empowered from  
23 time to time to examine the accounts and books of the  
24 commission, including its receipts, disbursements, con-  
25 tracts, leases, sinking funds, investments, and any other  
26 matters relating to its financial standing. All monies re-  
27 quired by the bond resolution to be remitted to the state  
28 sinking fund commission for principal, interest and re-  
29 serve funds, shall be transferred by the state treasurer to  
30 the state sinking fund commission, upon requisition of the  
31 commission. The commission may withdraw monies from  
32 the state treasurer as it may deem desirable from time to  
33 time and deposit same with the state sinking fund com-  
34 mission for investment, in such manner as may be pro-  
35 vided by law, in direct obligations of the government of  
36 the United States.

**Sec. 14. Disposition of Water Works Systems.**—When-  
2 ever the principal and interest on all bonds issued to fi-  
3 nance the acquisition, construction and improvement of  
4 a water works system (or any group of systems combined  
5 for the purpose of issuing bonds hereunder) have been  
6 fully paid, the commission may convey and transfer any  
7 such water works systems, or any part thereof, to any ap-  
8 propriate municipality or other political subdivision or  
9 other public body which the commission deems advisable  
10 and in the best interest of the state, and upon such terms  
11 and conditions as the commission may determine to be  
12 just and proper.

13 The commission shall also have power, at any time, to  
14 sell, transfer and convey all or any part of any water works  
15 system or systems acquired or constructed by it to any  
16 municipality or other political subdivision or other public  
17 body under such terms, conditions and restrictions and at  
18 such price as the commission shall deem proper and in  
19 the best interests of the state and such municipality or  
20 other political subdivision or other public body; *Provided,*  
21 *however,* That no such sale, conveyance or transfer shall

22 ever be made which will jeopardize the security of the  
23 holders of any bonds of the commission then outstanding,  
24 and any such sale, conveyance or transfer shall be made  
25 only in full and strict compliance with any and all terms,  
26 restrictions, conditions, covenants and agreements con-  
27 tained in the resolutions, trust agreements or mortgages  
28 pursuant to which any bonds of the commission then out-  
29 standing were issued. The proceeds derived from the sale  
30 of any part or all of said water works system, or systems,  
31 shall be applied as provided in such resolutions, trust  
32 agreements or mortgages pursuant to which any bonds  
33 of the commission then outstanding were issued, and  
34 after full compliance with such resolutions, trust agree-  
35 ments or mortgages, in such manner as the commission  
36 shall deem proper.

**Sec. 15. Commission a Corporation.**—The commission is  
2 hereby made and shall be a body corporate, and is hereby  
3 declared to be an agency of the State of West Virginia,  
4 and shall continue in existence until dissolved by an act  
5 of the Legislature of the State of West Virginia: *Pro-*  
6 *vided, however,* That the commission shall in any event

7 continue in existence as long as any bonds issued by  
8 the commission are outstanding and unpaid as to both  
9 principal and interest.

**Sec. 16. Management and Control of Water Works Sys-**  
2 **tems.**—The commission shall maintain, repair, operate,  
3 manage and control all water works systems acquired,  
4 constructed or improved by it, fix rates or charges for  
5 water and water service furnished to customers, and  
6 establish bylaws and rules and regulations for the use  
7 and operation of such water works systems and each of  
8 them, and may make and enter into all contracts or  
9 agreements necessary and incidental to the performance  
10 of its duties and the execution of its powers under this  
11 article.

**Sec. 17. Issuance of Refunding Bonds.**—The commission  
2 shall have power to issue refunding bonds for the pur-  
3 pose of funding or refunding any bonds theretofore issued  
4 and then outstanding, and may either sell such refund-  
5 ing bonds for the purpose of paying and redeeming such  
6 outstanding bonds or may exchange such refunding bonds  
7 for such outstanding bonds in such manner and under

8 such terms and conditions as the commission shall deem  
9 **advisable.**

10 The commission shall have power to refund any of  
11 said outstanding bonds either at or prior to the maturity  
12 thereof or on the first date upon which such outstanding  
13 bonds are redeemable prior to maturity. If the com-  
14 mission shall determine to refund said outstanding bonds  
15 prior to maturity, or prior to the first date upon which  
16 such outstanding bonds are redeemable prior to maturity,  
17 and shall not exchange such refunding bonds for said  
18 outstanding bonds, then the commission shall be author-  
19 ized to issue and sell such refunding bonds and invest  
20 the proceeds or part of the proceeds in obligations of  
21 the United States of America or other securities ap-  
22 proved by the commission or in time deposits in banks  
23 or trust companies represented by certificates of deposit,  
24 pending the payment or prior redemption of said out-  
25 standing bonds to be refunded. In such event the pro-  
26 ceeds of such refunding bonds, together with the securi-  
27 ties in which the same are invested, shall be deposited  
28 in an irrevocable trust fund and used only for the pur-

29 pose of paying the principal, interest and redemption  
30 premiums, if any, on said outstanding bonds as the same  
31 mature and become due at the maturity or date of prior  
32 redemption thereof.

33 In making the deposit into said irrevocable trust fund,  
34 the commission may either deposit the full amount which  
35 will be sufficient to pay all the principal of and interest  
36 on the outstanding bonds maturing prior to and on the  
37 date on which such outstanding bonds are to be redeemed  
38 prior to maturity, together with the principal of and  
39 redemption premiums thereon due on the date of such  
40 prior redemption; or, may deposit in such irrevocable  
41 trust fund only the amount which the commission shall  
42 determine will be sufficient, together with the income to  
43 be realized from the investment of such money so de-  
44 posited, to pay all the principal of and interest on the  
45 outstanding bonds maturing prior to and on the date on  
46 which such outstanding bonds are to be redeemed prior  
47 to maturity, together with the principal of and redemp-  
48 tion premiums thereon due on the date of such prior  
49 redemption.

50 The issuance of said refunding bonds shall as to the  
51 manner of sale and exchange thereof for outstanding  
52 bonds and in all other respects be subject to all the  
53 applicable provisions of this article relating to the au-  
54 thorization and issuance of bonds.

**Sec. 18. Jurisdiction of Public Service Commission.—**

2 The West Virginia water development commission shall  
3 at all times comply with the provisions of chapter twenty-  
4 four of this code in carrying out the provisions of this  
5 article and shall be subject to the jurisdiction of the  
6 public service commission.

**Sec 19. Construction of Article.—**Being for the public

2 health, safety and welfare, this article shall be liberally  
3 construed to effectuate the purposes thereof.

**Sec. 20. Provisions of Article Separable and Severable.**

2 —The various provisions of this article shall be construed  
3 as separable and several, and should any of the pro-  
4 visions or parts thereof be construed or held to be un-  
5 constitutional or for any other reason invalid, the re-  
6 maining provisions of this article shall not be thereby  
7 affected.

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

*Clay Parker*  
Chairman Senate Committee

*Ethel L. Randall*  
Chairman House Committee

Originated in the House.

Takes effect *ninety days from* passage.

*Howard Meyer*  
Clerk of the Senate

*C A Blankenship*  
Clerk of the House of Delegates

*Howard W. Larson*  
President of the Senate

*Julius W. Singleton Jr.*  
Speaker House of Delegates

The within *approved* this the *16<sup>th</sup>*  
day of *March*, 1963.

*WTT Bama*  
Governor

