WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1989

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ENROLLED

HOUSE BILL No. 2761

(By Mr. Speaker, Mr. Charles, and Del. Bob Bech) [By Request of the Executive]

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Passed April 8, 1989

In Effect from Passage
AN ACT to amend and reenact sections five and twenty-four, article five-c, chapter twenty of the code of West Virginia, one thousand nine hundred thirty-one, as amended, all relating to the West Virginia water development authority by adding thereto provisions authorizing the refinancing of certain existing debt of local governmental agencies and increasing the limit on borrowing by the water development authority from one hundred million dollars to two hundred million dollars.

Be it enacted by the Legislature of West Virginia:

That sections five and twenty-four, article five-c, chapter twenty of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted to read as follows:

ARTICLE 5C. WEST VIRGINIA WATER DEVELOPMENT AUTHORITY.

§20-5C-5. Authority may construct, finance, maintain, etc., water development projects; loans to governmental agencies shall be subject to terms of loan agreements.

1 To accomplish the public policies and purposes and to meet the responsibility of the state as set forth in this article, the West Virginia water development authority may initiate, acquire, construct, maintain, repair and
operate water development projects or cause the same
to be operated pursuant to a lease, sublease or agree-
ment with any person or governmental agency; may
make loans and grants to governmental agencies for the
acquisition or construction of water development
projects by such governmental agencies, which loans
may include amounts to refinance debt issued for
existing water development projects of the governmen-
tal agency when such refinancing is in conjunction with
a loan for a new water development project: Provided,
That the amount of the refinancing may not exceed fifty
percent of the loan to the governmental agency; and may
issue water development revenue bonds of this state,
payable solely from revenues, to pay the cost of, or
finance, in whole or in part, by loans to governmental
agencies, such projects. A water development project
shall not be undertaken unless it has been determined
by the authority to be consistent with any applicable
comprehensive plan of water management approved by
the director of the department of natural resources or
in the process of preparation by such director and to be
consistent with the standards set by the state water
resources board, for the waters of the state affected
thereby. Any resolution of the authority providing for
acquiring or constructing such projects or for making
a loan or grant for such projects shall include a finding
by the authority that such determinations have been
made. A loan agreement shall be entered into between
the authority and each governmental agency to which
a loan is made for the acquisition or construction of a
water development project, which loan agreement shall
include without limitation the following provisions:

(1) The cost of such project, the amount of the loan,
the terms of repayment of such loan and the security
therefor, which may include, in addition to the pledge
of all revenues from such project after a reasonable
allowance for operation and maintenance expenses, a
deed of trust or other appropriate security instrument
creating a lien on such project;

(2) The specific purposes for which the proceeds of the
loan shall be expended including the refinancing of
existing water development project debt as provided
above, the procedures as to the disbursement of loan
proceeds and the duties and obligations imposed upon
the governmental agency in regard to the construction
or acquisition of the project;

(3) The agreement of the governmental agency to
impose, collect, and, if required to repay the obligations
of such governmental agency under the loan agreement,
increase, service charges from persons using said
project, which service charges shall be pledged for the
repayment of such loan together with all interest, fees
and charges thereon and all other financial obligations
of such governmental agency under the loan agreement;
and

(4) The agreement of the governmental agency to
comply with all applicable laws, rules and regulations
issued by the authority or other state, federal and local
bodies in regard to the construction, operation, mainte-
nance and use of the project.


The aggregate principal amount of bonds and notes
issued by the authority shall not exceed two hundred
million dollars outstanding at any one time: Provided,
That in computing the total amount of bonds and notes
which may at any one time be outstanding, the principal
amount of any outstanding bonds or notes refunded or
to be refunded either by application of the proceeds of
the sale of any refunding bonds or notes of the authority
or by exchange for any such refunding bonds or notes,
shall be excluded.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

F. P. Berkey
Chairman Senate Committee

T. Lott
Chairman House Committee

Originating in the House.

Takes effect from passage.

LANCE A. WHEELER
Clerk of the Senate

DONALD T. KROPP
Clerk of the House of Delegates

TOM J. TUSLER
President of the Senate

BEACH
Speaker of the House of Delegates

The within bill approved this the 25th day of April, 1989.

MARTIN C. CASERTON
Governor