

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1998



ENROLLED

Com. Sub. for House Bill No. 4508

(By Mr. Speaker, Mr. Kiss, and Delegate Ashley)
[By Request of the Executive]



Passed March 14, 1998

In Effect Ninety Days from Passage

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COMMITTEE SUBSTITUTE

FOR

H. B. 4508

(BY MR. SPEAKER, MR. KISS, AND DELEGATE ASHLEY)

[By Request of the Executive]

[Passed March 14, 1998; in effect ninety days from passage.]

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 thirteen-d, all relating to the establishment of the regional water and wastewater authority act; setting forth the purpose of the Legislature to enable public agencies to join together to secure and provide water for resale and other purposes, or to join together for the transportation and treatment of wastewater; providing definitions; setting forth requirements for agreements between public agencies; prohibiting competing services by public agencies in an agreement; requiring outstanding bond indebtedness to be retired before a public agency can withdraw from an agreement; authorizing public agencies to provide funds, personnel, and services to regional water authorities, regional wastewater authorities and regional water and wastewater authorities and authorizing agreements between public agencies and such authorities; establishment of the authority as a quasi-public corporation; establishing requirements for the governing board of such authority; requiring meetings and an audit of the authority; establishing powers of the authority;

authorizing the sale of bonds for constructing or acquiring water supply systems or for constructing or acquiring wastewater transportation and treatment facilities; authorizing items to be included as costs of properties; providing that the bonds may be secured by trust indenture; requiring the establishment of a sinking fund; establishing enforcement provisions for bondholders; establishing a statutory mortgage lien in favor of bondholders; providing for the requirement that the authority establish appropriate rates and charges for the use of services rendered; refunding issued bonds; exempting bonds and bond interest from taxation; establishing that bonds issued by authorities are legal investments; requiring the article to be liberally construed to effectuate its purposes; and providing for partial invalidity.

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 thirteen-d, all to read as follows:

ARTICLE 13D. REGIONAL WATER AND WASTEWATER AUTHORITY ACT.

§16-13D-1. Statement of purpose.

1 It is the purpose of this article, to permit certain public
2 agencies to make the most efficient use of their powers
3 relating to public water supplies and the transportation and
4 treatment of wastewater by enabling them to cooperate
5 with other public agencies on a basis of mutual advantage
6 and thereby to provide services and facilities to
7 participating public agencies and to provide for the
8 establishment for such purpose of a quasi-governmental
9 public corporation which shall be known as a regional
10 water authority, or where appropriate, a regional
11 wastewater authority, or regional water and wastewater
12 authority. The function of the regional water authority
13 shall be to secure a source of water on a scale larger than
14 is feasible for individual public agencies acting alone, and
15 to sell such water to public service districts, municipalities,
16 publicly and privately owned water utilities, and others.
17 The function of the regional wastewater authority shall be

18 to enable public agencies to join together to provide the
19 most economical method of transportation and treatment
20 of wastewater and to provide such transportation and
21 treatment services to public service districts, municipalities,
22 publicly and privately owned wastewater utilities, and
23 others. The function of the regional water and wastewater
24 authority shall be to enable public agencies to join
25 together to carry out the joint functions of both regional
26 water authority and a regional wastewater authority.

27 In addition to the purposes for which it may have
28 originally been created, any authority created pursuant to
29 this article shall have the power to enter into agreements
30 with public agencies, privately owned utilities, and other
31 authorities, for the provision of related services including,
32 but not limited to the following: administration, operation
33 and maintenance, billing and collection.

§16-13D-2. Definitions.

1 For the purposes of this article:

2 (a) The term "authority" shall mean any regional water
3 authority, regional wastewater authority, or regional water
4 and wastewater authority organized pursuant to the
5 provisions of this article; and

6 (b) The term "public agency" shall mean any
7 municipality, county, public service district, or other
8 political subdivision of this state.

**§16-13D-3. Joint exercise of powers by certain public
agencies; agreements among agencies, contents;
submission to public service commission; filing
of agreement; prohibition against competition;
retirement of bonds.**

1 (a) Any powers, privileges or authority of a public
2 agency of this state relating to public water supplies, or the
3 transportation or treatment of wastewater, may be
4 exercised jointly with any other public agency of this state,
5 or with any agency of the United States to the extent that
6 the laws of the United States permit. Any agency of the
7 state government when acting jointly with any public or

8 private agency may exercise all of the powers, privileges
9 and authority conferred by this act upon a public agency.

10 (b) Any public agency may enter into agreements with
11 one or more other public agencies for the purpose of
12 organizing a regional water authority, regional wastewater
13 authority, or regional water and wastewater authority.
14 Appropriate action by ordinance, resolution or otherwise
15 pursuant to law of the governing bodies of the
16 participating public agencies shall be necessary before any
17 such agreement may enter into force.

18 (c) Any such agreement shall specify the following:

19 (1) Its duration;

20 (2) The precise organization, composition and nature
21 of the authority created thereby together with the powers
22 delegated thereto;

23 (3) Its purpose or purposes;

24 (4) The manner of financing for the authority and of
25 establishing and maintaining a budget therefor;

26 (5) The permissible methods for partial or complete
27 termination of the agreement and for disposing of
28 property upon such partial or complete termination;

29 (6) The manner of acquiring, holding and disposing
30 of real and personal property of the authority;

31 (7) Any other necessary and proper matters.

32 (d) Any such agreement may be amended to include
33 additional public agencies by consent of two thirds of the
34 signatories to the agreement, if no terms of agreement are
35 changed, otherwise a new agreement with the new public
36 agency shall be drawn. Where fewer than three public
37 agencies come together to form an authority, both parties
38 must consent to the amendment of the agreement to
39 include additional public agencies.

40 (e) Prior to taking effect, every agreement made
41 hereunder shall be submitted to the public service
42 commission for its approval. Failure to disapprove an

43 agreement submitted hereunder within ninety days of its
44 submission shall constitute approval thereof.

45 (f) Prior to taking effect, an agreement made
46 hereunder shall be filed with the clerk of the county
47 commission of each county in which a member of the
48 authority is located and such agreement then also shall be
49 filed with the secretary of state, accompanied by a
50 certificate from the clerk of the county commission of the
51 county, or counties, where filed, stating that such
52 agreement has been filed in such county.

53 (g) A public agency which enters into an agreement
54 made hereunder shall not offer or provide water or
55 wastewater services in competition with another public
56 agency entering into such agreement.

57 (h) A public agency which enters into an agreement
58 made hereunder shall not withdraw from the agreement
59 until such time as the outstanding bonded indebtedness of
60 the authority is retired or the bond holders are otherwise
61 protected.

**§16-13D-4. Furnishing of funds, personnel or services by
certain public agencies, agreements for
purchase, sale, distribution, transmission,
transportation and treatment of water or
wastewater; terms and conditions.**

1 Any public agency entering into an agreement
2 pursuant to this article may appropriate funds and may
3 sell, lease, give, or otherwise supply to the authority
4 created such personnel or services for the operation of
5 such authority as may be within its legal power to furnish.

6 Any public agency, whether or not a party to an
7 agreement pursuant to this article, and any publicly or
8 privately owned water distribution company may enter
9 into contracts with any regional water authority or
10 regional water and wastewater authority created pursuant
11 to this article for the purchase of water from such
12 authority or the sale of water to the authority, the
13 treatment of water by either party and the distribution or
14 transmission of water by either party and any such

15 authority may enter into such contracts, subject to the
16 prior approval of the public service commission pursuant
17 to the provisions of section twelve, article two of chapter
18 twenty-four of this code. Any public agency, whether or
19 not a party to an agreement pursuant to this act, and any
20 publicly or privately owned wastewater transportation or
21 treatment system may enter into contracts with any
22 regional wastewater authority or regional water and
23 wastewater authority created pursuant to this article for the
24 transportation and treatment of wastewater by either party
25 and any such authority may enter into such contracts,
26 subject to the prior approval of the public service
27 commission pursuant to the provisions of section twelve,
28 article two of chapter twenty-four of this code: *Provided,*
29 That if the public service commission has not acted on any
30 such proposed contract within ninety days of its filing,
31 such approval shall be deemed to have been granted. Any
32 such contract may include an agreement for the purchase
33 of water not actually received or the treatment of
34 wastewater not actually treated. No such contract shall be
35 made for a period in excess of forty years, but renewal
36 options may be included therein. The obligations of any
37 public agency under any such contract shall be payable
38 solely from the revenues produced from such public
39 agency's water or wastewater system, and the public service
40 commission, in the case of a public agency whose rates are
41 subject to its jurisdiction, shall permit the public agency to
42 recover through its rates revenues sufficient to meet its
43 obligations under such agreement.

**§16-13D-5. Declaration of authority organization, when quasi-
governmental public corporation.**

1 Upon the approval of the public service commission
2 and filing with the secretary of state, the secretary of state
3 shall declare the authority organized and give it the
4 corporate name of regional water authority number __,
5 regional wastewater authority number __, or regional water
6 and wastewater authority number __, whichever is
7 appropriate. Thereupon the authority shall be a quasi-
8 governmental public corporation.

§16-13D-6. Governing body; appointments; terms of members, voting rights.

1 The governing body of the authority shall consist of
2 not less than three persons selected by the participating
3 public agencies. Each participating public agency shall
4 appoint at least one and not more than two members.
5 Each member's full term shall be not less than one year
6 nor more than four years and initial terms shall be
7 staggered in accordance with procedures set forth in the
8 agreement provided for in section three of this article and
9 amendments thereto. In the case of an authority which is
10 made up by the agreement of two public agencies, each
11 public agency shall appoint two representatives to the
12 governing body.

13 The manner of selection of such governing body and
14 terms of office shall be set forth in the agreement
15 provided for in section three of this article and
16 amendments thereto. The governing body of the
17 authority shall elect one of its members as president, one
18 as treasurer and one as secretary.

19 Each member shall have one vote in any matter that
20 comes before the authority for decision. However, the
21 member agencies shall, in the original agreement
22 establishing the authority, set forth any special weighing
23 of such votes based upon population served, volumes of
24 water purchased, volumes of wastewater treated, numbers
25 of customers, or some other criterion, so as to maintain
26 fairness in the decisions and operations of the authority.

§16-13D-7. Meetings of governing body; annual audit.

1 The governing body of the authority shall meet as
2 often as the needs of the authority require; but not less
3 frequently than on a quarterly basis. The governing body
4 shall cause to be made an annual audit of the financial
5 records of the authority, the cost of said audit to be paid
6 by the authority.

§16-13D-8. Powers of governing body.

1 For the purpose of providing a water supply,
2 transportation facilities, or treatment system to the

3 participating public agencies, and others, the governing
4 body of the authority shall have the following powers,
5 authorities and privileges:

6 (1) To accept by gift or grant from any person, firm,
7 corporation, trust or foundation, or from this state or any
8 other state or any political subdivision or municipality
9 thereof, or from the United States, any funds or property
10 or any interest therein for the uses and purposes of the
11 authority and to hold title thereto in trust or otherwise and
12 to bind the authority to apply the same according to the
13 terms of such gift or grant;

14 (2) To sue and be sued;

15 (3) To enter into franchises, contracts and agreements
16 with this or any other state or the United States or any
17 municipality, political subdivision or authority thereof, or
18 any of their agencies or instrumentalities, or any public or
19 private person, partnership, association, or corporation of
20 this state or of any other state or the United States, and this
21 state and any such municipality, political subdivision,
22 authority, or any of their agencies or instrumentalities, and
23 any such public or private person, partnership, association,
24 or corporation is hereby authorized to enter into contracts
25 and agreements with such authority for any term not
26 exceeding forty years for the planning, development,
27 construction, acquisition, maintenance, or operation of any
28 facility or for any service rendered to, for, or by said
29 authority;

30 (4) To borrow money and evidence the same by
31 warrants, notes, or bonds as hereinafter provided in this
32 article, and to refund the same by the issuance of
33 refunding obligations;

34 (5) To acquire land and interests in land by gift,
35 purchase, exchange or eminent domain, such power of
36 eminent domain to be exercised within or without the
37 boundaries of the authority in accordance with provisions
38 of article two, chapter fifty-four of this code;

39 (6) To acquire by purchase or lease, construct, install,
40 and operate reservoirs, pipelines, wells, check dams,

41 pumping stations, water purification plants, and other
42 facilities for the production, distribution and utilization of
43 water, and transportation facilities, pump stations, lift
44 stations, treatment facilities and other facilities for the
45 transportation and treatment of wastewater, and to own and
46 hold such real and personal property as may be necessary
47 to carry out the purposes of its organization, subject to the
48 advance approval of the public service commission for
49 any proposed acquisition, construction, installation or
50 operation: *Provided*, That the public service commission
51 shall act on all proposals submitted under this paragraph
52 within one hundred twenty days of filing with the
53 commission: *Provided, however*, That if the public service
54 commission has not acted within such period of time,
55 approval of such proposal shall be deemed granted;

56 (7) To have the general management, control, and
57 supervision of all the business, affairs, property and
58 facilities of the authority, and of the construction,
59 installation, operation and maintenance of authority
60 improvements, and to establish regulations relating
61 thereto;

62 (8) To hire and retain agents, employees, engineers
63 and attorneys and to determine their compensation. The
64 governing body shall select and appoint a general
65 manager of the authority who shall serve at the pleasure of
66 said governing body. The general manager shall have
67 training and experience in the supervision and
68 administration of the system or systems operated by the
69 authority and shall manage and control the system under
70 the general supervision of said governing body. All
71 employees, servants and agents of the authority shall be
72 under the immediate control and management of said
73 general manager. The general manager shall perform all
74 such other duties as may be prescribed by said governing
75 body and shall give the governing body a good and
76 sufficient surety company bond in a sum to be set and
77 approved by the governing body conditioned upon the
78 satisfactory performance of the general manager's duties.
79 The governing body may also require that any other
80 employees be bonded in such amount as it shall

81 determine. The cost of said bonds shall be paid out of the
82 funds of the authority;

83 (9) To adopt and amend rules and regulations not in
84 conflict with the constitution and laws of this state,
85 necessary for the carrying on of the business, objects and
86 affairs of the governing body and of the authority;

87 (10) To have and exercise all rights and powers
88 necessary or incidental to or implied from the specific
89 powers granted herein. Such specific powers shall not be
90 considered as a limitation upon any power necessary or
91 appropriate to carry out the purposes of this article.

§16-13D-9. Revenue bonds.

1 For constructing or acquiring any water supply,
2 wastewater transportation, or treatment system for the
3 authorized purposes of the authority, or necessary or
4 incidental thereto, and for constructing improvements and
5 extensions thereto, and also for reimbursing or paying the
6 costs and expenses of creating the authority, the governing
7 body of any such authority is hereby authorized to
8 borrow money from time to time and in evidence thereof
9 issue the revenue bonds of such authority. Such revenue
10 bonds are hereby made a lien on the revenues produced
11 from the operation of the authority's system, but shall not
12 be general obligations of the public agencies participating
13 in the agreement. All revenue bonds issued under this
14 article shall be signed by the president of the governing
15 body of the authority and attested by the secretary of the
16 governing body of the authority and shall contain recitals
17 stating the authority under which such bonds are issued
18 and that they are to be paid by the authority from the net
19 revenue derived from the operation of the authority's
20 system and not from any other fund or source and that
21 said bonds are negotiable and payable solely from the
22 revenues derived from the operation of the system under
23 control of the authority: *Provided*, That in the case of a
24 regional water and wastewater authority, the statutory lien
25 created hereby shall only be a lien on the revenues of that
26 service funded by the proceeds of the sale of the bonds, it
27 being understood that such combined authority shall
28 maintain separate books and records for its water and

29 wastewater operations. Such bonds may be issued in one
30 or more series, may bear such date or dates, may mature at
31 such time or times not exceeding forty years from their
32 respective dates, may bear interest at a rate not exceeding
33 two percent above the interest rate on treasury notes, bills
34 or bonds of the same term as the term of the bond or
35 bonds the week of closing on the bond or bonds as
36 reported by the treasury of the United States, may be
37 payable at such times, may be in such form, may carry
38 such registration privileges, may be executed in such
39 manner, may be payable at such place or places, may be
40 subject to such terms of redemption with or without
41 premium, may be declared or become due before maturity
42 date thereof, may be authenticated in any manner, and
43 upon compliance with such conditions, and may contain
44 such terms and covenants as may be provided by
45 resolution or resolutions of the governing body of such
46 authority. Notwithstanding the form or tenor thereof, and
47 in the absence of any express recital on the face thereof,
48 that the bond is nonnegotiable, all such bonds shall be,
49 and shall be treated as, negotiable instruments for all
50 purposes. Bonds bearing the signatures of officers in
51 office on the date of the signing thereof shall be valid and
52 binding for all purposes notwithstanding that before the
53 delivery thereof any or all of the persons whose signatures
54 appear thereon shall have ceased to be such officers.
55 Notwithstanding the requirements or provisions of any
56 other law, any such bonds may be negotiated or sold in
57 such manner and at such time or times as is found by the
58 governing body to be most advantageous, and all such
59 bonds may be sold at such price that the interest cost of
60 the proceeds therefrom does not exceed three percent
61 above the interest rate on treasury notes, bills or bonds of
62 the same term as the term of the bond or bonds the week
63 of closing on the bond or bonds as reported by the
64 treasury of the United States, based on the average
65 maturity of such bonds and computed according to
66 standard tables of bond values. Any resolution or
67 resolutions providing for the issuance of such bonds may
68 contain such covenants and restrictions upon the issuance
69 of additional bonds thereafter as may be deemed

70 necessary or advisable for the assurance of the payment of
71 the bonds thereby authorized.

§16-13D-10. Items included in cost of properties.

1 The cost of any water supply, wastewater
2 transportation or treatment system acquired or
3 constructed under the provisions of this article shall be
4 deemed to include the cost of the acquisition or
5 construction thereof, the cost of all property rights,
6 easements and franchises deemed necessary or convenient
7 therefor and for the improvements and extensions thereto;
8 interest upon bonds prior to and during construction or
9 acquisition and for six months after completion of
10 construction or of acquisition of the improvements and
11 extensions; engineering, fiscal agents and legal expenses;
12 expenses for estimates of cost and of revenues, expenses
13 for plans, specifications and surveys; other expenses
14 necessary or incident to determining the feasibility or
15 practicability of the enterprise, administrative expense, and
16 such other expenses as may be necessary or incident to the
17 financing herein authorized, and the construction or
18 acquisition of the properties and the placing of same in
19 operation, and the performance of the things herein
20 required or permitted, in connection with any thereof.

§16-13D-11. Bonds may be secured by trust indenture.

1 In the discretion and at the option of the governing
2 body of the authority, such bonds may be secured by a
3 trust indenture by and between the authority and a
4 corporate trustee, which may be a trust company or bank
5 having powers of a trust company within or without the
6 state of West Virginia, but no such trust indenture shall
7 convey, mortgage or create any lien upon the water
8 supply, wastewater transportation or treatment system or
9 any part thereof of the authority or its member public
10 agencies. The resolution authorizing the bonds and fixing
11 the details thereof may provide that such trust indenture
12 may contain such provisions for protecting and enforcing
13 the rights and remedies of bondholders as may be
14 reasonable and proper, not in violation of law, including
15 covenants setting forth the duties of the authority and the
16 members of its governing body and officers in relation to

17 the construction or acquisition of the water supply,
 18 wastewater transportation or treatment system and the
 19 improvement, extension, operation, repair, maintenance
 20 and insurance thereof, and the custody, safeguarding and
 21 application of all moneys, and may provide that all or any
 22 part of the construction work shall be contracted for,
 23 constructed and paid for, under the supervision and
 24 approval of consulting engineers employed or designated
 25 by the governing body and satisfactory to the original
 26 bond purchasers, their successors, assignees or nominees,
 27 who may be given the right to require the security given
 28 by contractors and by any depository of the proceeds of
 29 bonds or revenues of the water supply, wastewater
 30 transportation or treatment system or other money
 31 pertaining thereto be satisfactory to such purchasers, their
 32 successors, assignees or nominees. Such indenture may
 33 set forth the rights and remedies of the bondholders and
 34 such trustee.

§16-13D-12. Sinking fund for revenue bonds.

1 At or before the time of the issuance of any bonds
 2 under this article the governing body of the authority shall
 3 by resolution or in the trust indenture provide for the
 4 creation of a sinking fund and for monthly payments into
 5 such fund from the revenues of the water supply,
 6 wastewater transportation or treatment system operated by
 7 the authority such sums in excess of the cost of
 8 maintenance and operation of such properties as will be
 9 sufficient to pay the accruing interest and retire the bonds
 10 at or before the time each will respectively become due
 11 and to establish and maintain reserves therefor. All sums
 12 which are or should be, in accordance with such
 13 provisions, paid into such sinking fund shall be used
 14 solely for payment of interest and for the retirement of
 15 such bonds at or prior to maturity as may be provided or
 16 required by such resolutions.

§16-13D-13. Collection, etc., of revenues and enforcement of covenants; default; suit, etc., by bondholder or trustee to compel performance of duties; appointment and powers of receiver.

1 The governing body of any such authority shall have
2 power to insert enforceable provisions in any resolution
3 authorizing the issuance of bonds relating to the
4 collection, custody and application of revenues of the
5 authority from the operation of the water supply,
6 wastewater transportation or treatment system under its
7 control and to the enforcement of the covenants and
8 undertakings of the authority. In the event there shall be
9 default in the sinking fund provisions aforesaid or in the
10 payment of the principal or interest on any of such bonds
11 or, in the event the authority or its governing body or any
12 of its officers, agents or employees, shall fail or refuse to
13 comply with the provisions of this article, or shall default
14 in any covenant or agreement made with respect to the
15 issuance of such bonds or offered as security therefor,
16 then any holder or holders of such bonds and any such
17 trustee under the trust indenture, if there be one, shall have
18 the right by suit, action, mandamus or other proceeding
19 instituted in the circuit court for the county or any of the
20 counties wherein the authority extends, or in any other
21 court of competent jurisdiction, to enforce and compel
22 performance of all duties required by this article or
23 undertaken by the authority in connection with the
24 issuance of such bonds, and upon application of any such
25 holder or holders, or such trustee, such court shall, upon
26 proof of such defaults, appoint a receiver for the affairs of
27 the authority and its properties, which receiver so
28 appointed shall forthwith directly, or by his agents and
29 attorneys, enter into and upon and take possession of the
30 affairs of the authority and each and every part thereof,
31 and hold, use, operate, manage and control the same, and
32 in the name of the authority exercise all of the rights and
33 powers of such authority as shall be deemed expedient,
34 and such receiver shall have power and authority to collect
35 and receive all revenues and apply same in such manner as
36 the court shall direct. Whenever the default causing the
37 appointment of such receiver shall have been cleared and
38 fully discharged and all other defaults shall have been
39 cured, the court may in its discretion and after such notice
40 and hearing as it deems reasonable and proper direct the
41 receiver to surrender possession of the affairs of the
42 authority to its governing body. Such receiver so

43 appointed shall have no power to sell, assign, mortgage, or
44 otherwise dispose of any assets of the authority except as
45 hereinbefore provided.

§16-13D-14. Statutory mortgage lien created; foreclosure thereof.

1 There shall be and is hereby created a statutory
2 mortgage lien upon such water supply, wastewater
3 transportation or treatment system of the authority, which
4 shall exist in favor of the holders of bonds hereby
5 authorized to be issued, and each of them, and such
6 system shall remain subject to such statutory mortgage
7 lien until payment in full of all principal of and interest on
8 such bonds.

§16-13D-15. Rates and charges.

1 The governing body shall by appropriate resolution
2 make provisions for the payment of said bonds by fixing
3 rates, fees and charges, for the use of all services rendered
4 by such authority, which rates, fees and charges shall be
5 sufficient to pay the costs of operation, improvement and
6 maintenance of the authority's water supply or wastewater
7 transportation and/or treatment system, to provide an
8 adequate depreciation fund, provide an adequate sinking
9 fund to retire said bonds and pay interest thereon when
10 due, and to create reasonable reserves for such purposes.
11 Said fees, rates or charges shall be sufficient to allow for
12 miscellaneous and emergency or unforeseen expenses.
13 The resolution of the governing body authorizing the
14 issuance of revenue bonds may include agreements,
15 covenants or restrictions deemed necessary or advisable by
16 the governing body to effect the efficient operation of the
17 system and to safeguard the interests of the holders of the
18 revenue bonds and to secure the payment of the bonds
19 and the interest thereon.

§16-13D-16. Refunding revenue bonds.

1 The authority having issued bonds under the
2 provisions of this article is hereby empowered thereafter
3 by resolution to issue refunding bonds of such authority
4 for the purpose of retiring or refinancing such

5 outstanding bonds, together with any unpaid interest
6 thereon and redemption premium thereunto appertaining
7 and all of the provisions of this article relating to the
8 issuance, security and payment of bonds shall be
9 applicable to such refunding bonds, subject, however, to
10 the provisions of the proceedings which authorized the
11 issuance of the bonds to be so refunded.

§16-13D-17. Exemption of bonds from taxation.

1 Said bonds and the interest thereon, together with all
2 properties and facilities of the authority owned or used in
3 connection with the water or wastewater system, and all the
4 moneys, revenues and other income of such authority
5 derived from such water or wastewater system shall be
6 exempt from all taxation by the state of West Virginia or
7 any county, municipality, political subdivision or agency
8 thereof.

§16-13D-18. Bonds made legal investments.

1 Bonds issued under the provisions of this article shall
2 be legal investments for banks, building and loan
3 associations, and insurance companies organized under
4 the laws of this state and for a business development
5 corporation organized pursuant to chapter thirty-one,
6 article fourteen of the code of West Virginia.

§16-13D-19. Invalidity of part.

1 If any section or sections of this article be declared
2 unconstitutional or invalid, this shall not invalidate any
3 other section of this article.

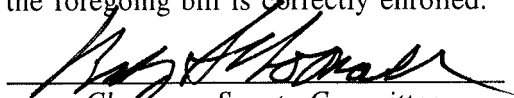
§16-13D-20. Article to be liberally construed.

1 This article is necessary for the public health, safety
2 and welfare and shall be liberally construed to effectuate
3 its purposes.

§16-13D-21. Citation of article.

1 This article may be known and cited as the "Regional
2 Water and Wastewater Authority Act".

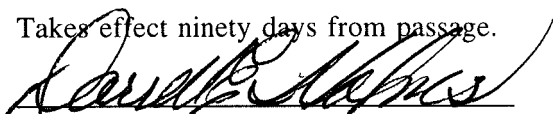
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

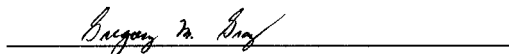

Chairman Senate Committee

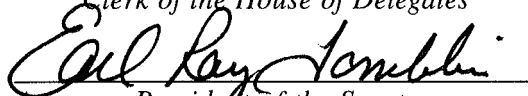

Chairman House Committee

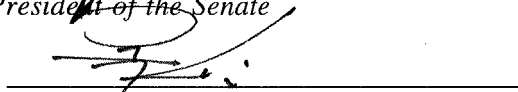
Originating in the House.

Takes effect ninety days from passage.

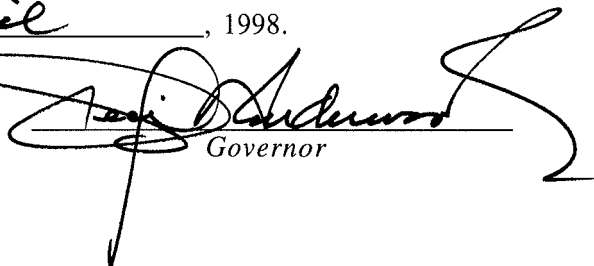

Clerk of the Senate


Clerk of the House of Delegates


President of the Senate


Speaker of the House of Delegates

The within approved this the 24
day of April, 1998.


Governor

PRESENTED TO THE

GOVERNOR

Date 3/31/98

Time 2:59 pm