

WEST VIRGINIA LEGISLATURE

2016 REGULAR SESSION

Introduced

Senate Bill 315

BY SENATORS WALTERS, ASHLEY, BEACH, BOLEY, BOSO,
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[Introduced January 19, 2016;

Referred to Committee on Transportation and
Infrastructure; and then to the Committee on

Government Organization.]

1 A BILL to amend and reenact §31-15A-2, §31-15A-8, §31-15A-10, §31-15A-11 and §31-15A-17
2 of the Code of West Virginia, 1931, as amended; and to amend said code by adding
3 thereto seventeen new sections, designated §31-15A-1a, §31-15A-9a, §31-15A-10a, §31-
4 15A-11a, §31-15A-11b, §31-15A-12a, §31-15A-13a, §31-15A-14a, §31-15A-15a, §31-
5 15A-17c, §31-15A-18a, §31-15A-19a, §31-15A-20a, §31-15A-21a, §31-15A-22a, §31-
6 15A-23a and §31-15A-24a, all relating generally to development of infrastructure in the
7 state; establishing purposes for the amendments to develop broadband infrastructure;
8 providing for development of broadband middle mile infrastructure; defining new terms;
9 creating a separate infrastructure fund for broadband middle mile infrastructure projects;
10 providing for deposits and expenditures; requiring certain agencies to apply for grant funds
11 in furtherance of broadband middle mile infrastructure projects; setting forth additional
12 powers to Water Development Authority; creating West Virginia Infrastructure Fund for
13 Broadband Middle Mile Development; providing for disposition of funds on termination or
14 dissolution of authority; providing that broadband middle mile projects funded by authority
15 are not public improvements for purposes of financing and noting bidding and wage
16 requirements; authorizing issuance of broadband middle mile revenue bonds; creating
17 West Virginia Broadband Middle Mile Infrastructure Revenue Debt Service Fund;
18 providing for funding of debt service fund; specifying requirements for issuance of bonds;
19 providing for contents of trust agreement and trustee for bonds; specifying remedies
20 available to bondholders, noteholders and trustees; making broadband middle mile
21 infrastructure revenue bonds lawful investments; providing for purchase, cancellation and
22 refunding of bonds; declaring bonds are not state debts and are exempt from taxation;
23 requiring periodic reporting; limiting personal liability; and permitting legislative and
24 emergency rulemaking.

Be it enacted by the Legislature of West Virginia:

1 That §31-15A-2, §31-15A-8, §31-15A-10, §31-15A-11 and §31-15A-17 of the Code of
 2 West Virginia, 1931, as amended, be amended and reenacted; and that said code be amended
 3 by adding thereto seventeen new sections, designated §31-15A-1a, §31-15A-9a, §31-15A-10a,
 4 §31-15A-11a, §31-15A-11b, §31-15A-12a, §31-15A-13a, §31-15A-14a, §31-15A-15a, §31-15A-
 5 17c, §31-15A-18a, §31-15A-19a, §31-15A-20a, §31-15A-21a, §31-15A-22a, §31-15A-23a and
 6 §31-15A-24a, all to read as follows:

**ARTICLE 15A. WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT
 COUNCIL.**

§31-15A-1a Purpose of 2016 Amendments.

1 The purpose of the 2016 Amendments is to promote the construction of broadband
 2 infrastructure throughout the State of West Virginia, which will ultimately result in increased
 3 access to broadband service for a greater number of unserved or underserved households and
 4 businesses. This is a particularly important need in West Virginia, due to high numbers of
 5 residents who live in rural areas that are unserved, or underserved, by broadband. Many residents
 6 lack access to crucial services, including health care. By increasing access to broadband
 7 throughout the state, the provision of telemedicine services to rural health facilities can be
 8 enhanced, whereby an individual may receive medical services from a health care provider
 9 without person-to-person contact with a provider. In addition, the enhancement of broadband can
 10 also make 911 and emergency alert systems more capable, allowing for better protection of West
 11 Virginia residents' lives and property. Also, emergency service providers in West Virginia could
 12 use broadband networks to disseminate vital information to the public during emergencies.

§31-15A-2. Definitions.

1 For purposes of this article:

2 (a) *General.* -- When used in this article, words defined in subsection (b) of this section
 3 have the meaning ascribed to them in this section, except in those instances where a different

4 meaning is distinctly expressed or the context in which the word is used clearly indicates that a
5 different meaning is intended.

6 (b) Definitions. --

7 ~~(a)~~ (1) “Bond” or “infrastructure revenue bond” means a revenue bond, note, or other
8 obligation issued by the Water Development Authority pursuant to this article, including bonds to
9 refund such bonds and notes to renew such notes, and notes in anticipation of and payable from
10 the proceeds of such bonds;

11 (2) “Broadband infrastructure” means all facilities, hardware and software and other
12 intellectual property necessary to provide broadband services in this state, including, but not
13 limited to, voice, video and data services;

14 (3) “Broadband infrastructure project” means any middle mile project that deploys
15 equipment, fiber optic cables, facilities, or other technologies necessary to provide broadband
16 transport services: *Provided, That nothing in this article may be construed to provide jurisdiction*
17 or oversight over broadband infrastructure projects for the sole use of homeland security agencies
18 in this state.

19 (4) “Broadband infrastructure revenue bond” means a revenue bond, note, or other
20 obligation issued pursuant to this article to fund one or more broadband middle mile infrastructure
21 projects, including bonds to refund such bonds and notes to renew such notes, and notes in
22 anticipation of and payable from the proceeds of such bonds;

23 (5) “Broadband revenue” means all amounts deposited into the Infrastructure Fund for
24 Broadband Middle Mile Development, any amounts received directly or indirectly from any source
25 for the use of all, or any part of, any broadband project completed pursuant to this article and any
26 other amounts received by the Water Development Authority for the purpose of broadband middle
27 mile development.

28 ~~(b)~~ (6) “Code” means the Code of West Virginia, 1931, as amended;

29 ~~(e)~~ (7) “Cost” means, as applied to any project to be financed, in whole or in part, with
30 infrastructure revenues or funds otherwise provided pursuant to this article, the cost of planning,
31 acquisition, improvement and construction of the project; the cost of preliminary design and
32 analysis, surveys, borings; the cost of environmental, financial, market and engineering feasibility
33 studies, assessments, applications, approvals, submissions or clearances; the cost of preparation
34 of plans and specifications and other engineering services; the cost of acquisition of all land,
35 rights-of-way, property rights, easements, franchise rights and any other interests required for the
36 acquisition, repair, improvement or construction of the project; the cost of demolishing or removing
37 any buildings or structures on land so acquired, including the cost of acquiring any lands to which
38 buildings or structures may be moved; the cost of excavation, grading, shaping or treatment of
39 earth, demolishing or removing any buildings or structures; the cost of constructing any buildings
40 or other improvements; the cost of all pumps, tanks, vehicles, apparatus and other machinery,
41 furnishings and equipment; loan or origination fees and all finance charges and interest incurred
42 prior to and during the construction and for no more than six months after completion of
43 construction; the cost of all legal services and expenses; the cost of all plans, specifications,
44 surveys and estimates of cost; all working capital and other expenses necessary or incident to
45 determining the feasibility or practicability of acquiring, repairing, improving or constructing any
46 project; the cost of placing any project in operation; and all other costs and expenses of any kind
47 or nature incurred or to be incurred by the project sponsor developing the project that are
48 reasonable and necessary for carrying out all works and undertakings necessary or incident to
49 the accomplishment of any project: *Provided*, That costs shall may not include any amounts
50 related to the ongoing operations of the owner or operator, depreciation thereof or any other cost
51 which the council or the Water Development Authority has not determined to be consistent with
52 the purposes and objectives of this article;

53 ~~(d)~~ (8) “Council” means the West Virginia infrastructure and jobs development council
54 created in section three of this article;

55 (9) “Department of Administration” means the Department of Administration established
56 under article one, chapter five-a of this code, or any successor to all or any substantial part of its
57 powers and duties;

58 ~~(e)~~ (10) “Division Department of Environmental Protection” means the Division
59 Department of Environmental Protection established under article one, chapter twenty-two of this
60 code, or any successor to all or any substantial part of its powers and duties;

61 ~~(f)~~ (11) “Division of Health” means the Division of Health created in article one, chapter
62 sixteen of this code, or any successor to all or any substantial part of its powers and duties;

63 ~~(g)~~ (12) “Economic development authority” means the economic development authority
64 established under article fifteen, chapter thirty-one of the code, or any successor to all or any
65 substantial part of its powers and duties;

66 ~~(h)~~ (13) “Emergency project” means a project which the council has determined: (1) Is
67 essential to the immediate economic development of an area of the state; and (2) will not likely
68 be developed in that area if construction of the project is not commenced immediately;

69 ~~(i)~~ (14) “Governmental agency” means any county; municipality; watershed improvement
70 district; assessment district; soil conservation district; sanitary district; public service district;
71 drainage district; regional governmental authority and any other state governmental agency,
72 entity, political subdivision or public corporation or agency authorized to acquire, construct or
73 operate water or wastewater facilities or infrastructure projects or broadband middle mile
74 infrastructure projects;

75 ~~(j)~~ (15) “Housing Development Fund” means the West Virginia Housing Development
76 Fund established under article eighteen of this chapter, or any successor to all or any substantial
77 part of its powers and duties;

78 (16) “Includes” and “including”, when used in this article, do not exclude other things
79 otherwise within the definition or the sentence in which the term is used;

80 ~~(k)~~ (17) “Infrastructure Fund” means the West Virginia Infrastructure Fund created and
81 established in section nine of this article;

82 ~~(l)~~ (18) “Infrastructure project” means a project in the state which the council determines
83 is likely to foster and enhance economic growth and development in the area of the state in which
84 the project is developed, for commercial, industrial, community improvement or preservation or
85 other proper purposes, including, without limitation, tourism and recreational housing, land, air or
86 water transportation facilities and bridges, industrial or commercial projects and facilities, mail
87 order, warehouses, wholesale and retail sales facilities, and other real and personal properties,
88 including facilities owned or leased by this state or any other project sponsor, and includes,
89 without limitation: (1) The process of acquiring, holding, operating, planning, financing,
90 demolition, construction, improving, expanding, renovation, leasing or otherwise disposing of the
91 project or any part thereof or interest therein; and (2) preparing land for construction and making,
92 installing or constructing improvements on the land, including water or wastewater facilities or any
93 part thereof, steam, gas, telephone and telecommunications and electric lines and installations,
94 roads, bridges, railroad spurs, buildings, docking and shipping facilities, curbs, gutters, sidewalks,
95 and drainage and flood control facilities, whether on or off the site;

96 ~~(m)~~ (19) “Infrastructure revenue” means all amounts appropriated by the Legislature; all
97 amounts deposited into the infrastructure fund; any amounts received, directly or indirectly, from
98 any source for the use of all or any part of any project completed pursuant to this article; and any
99 other amounts received by the State Treasurer, council or the Water Development Authority for
100 the purposes of this article: Provided, That funds for water and sewer infrastructure projects and
101 funds for broadband middle mile infrastructure projects shall be kept separate;

102 (20) “Middle mile” when used in the context of broadband means any wired or wireless
103 facilities, or portions thereof, which facilitate transport service for service providers or carriers,
104 and provides connectivity between communities, community access points, network access

105 points and carrier access points, but does not include any last mile facilities or portions thereof
106 that provide connectivity to end-users.

107 (21) "Middle mile fiber threshold" means a fiber optic cable containing no less than one
108 hundred forty-four individual strands of fiber with minimum performance characteristics consistent
109 with nonzero dispersion shifted single mode optical fiber cable as defined by the International
110 Telecommunication Union standard ITU-T G.655;

111 ~~(19)~~ (22) "Need of the project sponsors" means there is a public need for a project. The
112 council shall, for water and sewer projects, construe a population increase evidenced by the last
113 two decennial censuses in a county in which a project is proposed, as a factor supporting the
114 conclusion that a need exists for projects in that county;

115 (23) "Network access point" when used in the context of broadband means a direct
116 connection to carriers that provide core interstate TCP/IP backbone networks that comprise or
117 make up primary portions of the national Internet backbone system and which provide direct
118 connectivity on a national scale throughout the United States in addition to direct or indirect
119 connectivity to international networks throughout the world;

120 (24) "Open access" when used in the context of broadband means the equitable and
121 nondiscriminatory use of the lines by all broadband service providers including the grant of
122 indefeasible rights to use particular strands if the rights can be granted in an equitable and
123 nondiscriminatory manner, subject to such appropriate limitations and restrictions as the Water
124 Development Authority may determine.

125 (25) "Person" means any individual, corporation, partnership, firm, association, limited
126 liability company or any other form of business organization or other legal entity.

127 ~~(e)~~ (26) "Project" means any wastewater facility, water facility project or any combination
128 thereof, constructed or operated or to be constructed or operated by a project sponsor;

129 ~~(p)~~ (27) “Project sponsor” means any service provider governmental agency or person, or
130 any combination thereof, including, but not limited to, any public utility which intends to plan,
131 acquire, construct, improve or otherwise develop a project;

132 ~~(q)~~ (28) “Public Service Commission” means the Public Service Commission of West
133 Virginia created and established under section three, article one, chapter twenty-four of this code,
134 or any successor to all or any substantial part of its powers and duties;

135 ~~(r)~~ “Person” means ~~any individual, corporation, partnership, association, limited liability~~
136 ~~company or any other form of business organization;~~

137 ~~(s)~~ (29) “Public utility” means any person or persons, or association of persons, however
138 associated, whether incorporated or not, including, without limitation, any governmental agency,
139 operating a wastewater facility or water facility as a public service, which is regulated by the Public
140 Service Commission as a public utility under chapter twenty-four of this code or which is required
141 to file its tariff with the Public Service Commission;

142 (30) “Service provider” when used in the context of broadband means any service provider
143 that provides broadband service and is certified to provide services in accordance with state and
144 federal regulations;

145 ~~(t)~~ (31) “State Development Office” means the West Virginia Development Office
146 established under article two, chapter five-b of this code, or any successor to all or any substantial
147 part of its powers and duties;

148 ~~(u)~~ (32) “State infrastructure agency” means the Division of Health, ~~Division~~ Department
149 of Environmental Protection, Housing Development Fund, Public Service Commission, State
150 Development Office, Water Development Authority, Economic Development Authority, and any
151 other state agency, division, body, authority, commission, instrumentality or entity which now or
152 in the future receives applications for the funding of, and provides funding or technical assistance
153 to, the planning, acquisition, construction or improvement of a project;

154 (33) “Transport service” when used in the context of broadband means any service that
 155 provides a service provider or carrier with the ability to transport high-capacity voice, data,
 156 graphics or video between communities, community access points, network access points and
 157 carrier access points. Transport services do not include any last mile broadband services or other
 158 services provided directly to end-users;

159 ~~(w)~~ (34) “Wastewater facility” means all facilities, land and equipment used for or in
 160 connection with treating, neutralizing, disposing of, stabilizing, cooling, segregating or holding
 161 wastewater, including, without limitation, facilities for the treatment and disposal of sewage,
 162 industrial wastes or other wastes, wastewater, and the residue thereof; facilities for the temporary
 163 or permanent impoundment of wastewater, both surface and underground; and sanitary sewers
 164 or other collection systems, whether on the surface or underground, designed to transport
 165 wastewater together with the equipment and furnishings therefor or thereof and their
 166 appurtenances and systems, whether on the surface or underground including force mains and
 167 pumping facilities therefor;

168 ~~(w)~~ (35) “Water Development Authority” means the West Virginia Water Development
 169 Authority continued pursuant to ~~the provisions of~~ article one, chapter twenty-two-c of this code, or
 170 any successor to all or any substantial part of its powers and duties; ~~and~~

171 ~~(x)~~ (36) “Water facility” means all facilities, land and equipment used for or in connection
 172 with the collection and/or storage of water, both surface and underground, transportation of water,
 173 storage of water, treatment of water and distribution of water all for the purpose of providing
 174 potable, sanitary water suitable for human consumption and use; and

175 (37) “Zone” means a predetermined section of the West Virginia broadband middle mile
 176 established by the Water Development Authority.

**§31-15A-8. Exemption of certain emergency projects from certificate of public convenience
 and necessity requirements; review of certain emergency projects by Public
 Service Commission; and exemption for North Fork Hughes River watershed**

project.

1 (a) If the council determines a project to be an emergency and the emergency project will
2 be funded solely with grant money for the extension of an existing certificated water facility or
3 wastewater facility, and if the council finds in its recommendation that the construction and
4 acquisition of the emergency project will have no effect on the public utility's customer rates and
5 will have no significant effect on its operational costs as a result of the project cost, then the
6 emergency project is exempt from the requirement to obtain a certificate of public convenience
7 and necessity under section eleven, article two, chapter twenty-four of this code. If the public
8 utility is a public service district, it is exempt from the approval of the Public Service Commission
9 required under section twenty-five, article thirteen-a, chapter sixteen of this code.

10 (b) Any public utility, and any other entity that will operate as a public utility, must obtain a
11 certificate of public convenience and necessity pursuant to section eleven, article two, chapter
12 twenty-four of this code for any emergency project that is not exempt under subsection (a) of this
13 section. The Public Service Commission shall render its final decision on any application for a
14 certificate within one hundred twenty days of the filing of the application: *Provided*, That the thirty-
15 day prefiling requirement is not required. If the project sponsor is a public service district, then
16 the project will be exempted from the approval requirements of section twenty-five, article thirteen-
17 a, chapter sixteen of this code.

18 (c) Projects that are not emergency projects are subject to the requirements of section
19 eleven, article two, chapter twenty-four of this code to the extent they would be otherwise.

20 (d) The North Fork Hughes River watershed project, proposed to enhance economic
21 growth and development through tourism as provided in subdivision (18), subsection ~~(b)~~ (b),
22 section two of this article and to include a water facility project as defined in subdivision (36),
23 subsection ~~(b)~~ (b), section two of this article, is hereby specifically exempted from any requirement
24 imposed by this article, except that the provisions of subsection (a) of this section are specifically
25 made applicable to the project. The project is hereby specifically authorized and the public land

26 corporation shall have and may exercise the power of eminent domain and all authority otherwise
27 prescribed by law to acquire necessary land and rights-of-way, to include approximately four
28 hundred seventy-eight acres, in connection with the project. Funding for the project shall be
29 provided by the federal government from the Appalachian regional commission through the United
30 States soil conservation service. Upon completion of the project, the property acquired shall be
31 transferred to the state park system. The commissioner of the Division of Tourism and parks or
32 the successor to the commissioner's powers and duties is directed to expand the boundaries of
33 North Bend state park to include the project area and to operate the expanded park property,
34 including improved recreational facilities, from funds appropriated for that purpose.

§31-15A-9a. Infrastructure Fund for Broadband Middle Mile Development; deposits in fund; use of funds for projects.

1 (a) The Water Development Authority shall create and establish a special revolving fund
2 of moneys made available by appropriation, grant, contribution or loan to be known as the "West
3 Virginia Infrastructure Fund for Broadband Middle Mile Development". This fund shall be
4 governed, administered and accounted for by the Water Development Authority as a special
5 purpose account separate and distinct from any other moneys, funds or funds owned and
6 managed by the authority for broadband middle mile development. This fund shall consist of
7 subaccounts, as deemed necessary by the authority, for the deposit of:

8 (1) Infrastructure revenues for broadband middle mile deployment;

9 (2) Any appropriations, grants, gifts, contributions, loan proceeds or other revenues
10 received by the West Virginia Infrastructure Fund for Broadband Middle Mile Development from
11 any source, public or private;

12 (3) All proceeds derived from the sale of bonds issued pursuant to this article for
13 broadband middle mile infrastructure development;

14 (4) Insurance proceeds payable to the West Virginia Infrastructure Fund for Broadband
15 Middle Mile Development in connection with any broadband middle mile infrastructure project;
16 and

17 (5) All income earned on moneys held in the West Virginia Infrastructure Fund for
18 Broadband Middle Mile Development.

19 (b) Any money collected pursuant to this section shall be paid into the West Virginia
20 Infrastructure Fund for Broadband Middle Mile Development by the state agent or entity charged
21 with the collection of the same, credited to that fund, and used only for purposes set forth in this
22 article for broadband middle mile development.

23 (c) Amounts in the West Virginia Infrastructure Fund for Broadband Middle Mile
24 Development shall be segregated and administered by the Water Development Authority
25 separate and apart from its other assets and programs. Amounts in the West Virginia
26 Infrastructure Fund for Broadband Middle Mile Development may not be transferred to any other
27 fund or account or used, other than indirectly, for the purposes of any other program of the Water
28 Development Authority.

29 (d) Notwithstanding any provision of this code to the contrary, amounts in the West Virginia
30 Infrastructure Fund for Broadband Middle Mile Development shall be deposited by the Water
31 Development Authority in one or more banking institutions: *Provided*, That any moneys so
32 deposited shall be deposited in a banking institution located in this state. The banking institution
33 shall be selected by the Water Development Authority by competitive bid. Pending the
34 disbursement of any money from the West Virginia Infrastructure Fund for Broadband Middle Mile
35 Development as authorized under this section, the Water Development Authority shall invest and
36 reinvest the moneys subject to the limitations set forth in section twelve, article six, chapter twelve
37 of this code.

**§31-15A-10. Recommendations by council for expenditures of funds by loan, grant or for
engineering assistance.**

1 (a) To further accomplish the purpose and intent of this article, the Water Development
2 Authority shall use the moneys in the infrastructure fund created pursuant to section nine of this
3 article, upon receipt of one or more recommendations from the council pursuant to section five of
4 this article, to make loans, with or without interest, loan guarantees or grants and to provide other
5 assistance, financial, technical or otherwise, to finance all or part of the costs of infrastructure
6 projects or projects to be undertaken by a project sponsor: *Provided*, That any moneys disbursed
7 from the infrastructure fund in the form of grants shall not exceed twenty percent of the total funds
8 available for the funding of projects. No loan, loan guarantee, grant or other assistance shall be
9 made or provided except upon a determination by the council that the loan, loan guarantee, grant
10 or other assistance and the manner in which it will be provided are necessary or appropriate to
11 accomplish the purposes and intent of this article, based upon an application submitted to the
12 council: *Provided, however*, That no grant shall be made to a project sponsor that is not a
13 governmental agency or a not for profit corporation under the provisions of Section 501(c) of the
14 Internal Revenue Code of 1986, as amended. Applications for loans, loan guarantees, grants or
15 other assistance may be submitted by a project sponsor for one or more infrastructure projects
16 on preliminary application forms prepared by the council pursuant to section four of this article.
17 Any recommendation of the council approving a loan, loan guarantee, grant or other assistance
18 shall include a finding and determination by the council that the requirements of this section have
19 been met. The council shall base any decisions to loan money for projects to project sponsors
20 pursuant to this article solely on the need of the project sponsors.

21 (b) The council has the authority in its sole discretion to make grants to project sponsors
22 if it finds that: (1) The level of rates for the users would otherwise be an unreasonable burden
23 given the users' likely ability to pay; or (2) the absence of a sufficient number of users prevents
24 funding of the project except through grants: *Provided*, That no project sponsor shall receive
25 infrastructure grant money in an amount in excess of fifty percent of the total cost of the project.
26 Therefore, the council may consider the economic or financial conditions of the area to be served.

27 As a condition for receipt of a grant under this subsection, the council may require, in addition to
28 any other conditions, that the applicant pursue other state or federal grant or loan programs. Upon
29 a recommendation by the council, the Water Development Authority shall provide the grant in
30 accordance with the recommendation. The council shall develop criteria to be considered in
31 making grants to project sponsors which shall require consideration of the economic or financial
32 conditions of the area to be served and the availability of other funding sources. The council shall
33 adopt procedural rules regarding the manner in which grants will be awarded in conformity with
34 this section. The procedural rules shall be adopted pursuant to article three, chapter twenty-nine-
35 a of this code.

36 (c) Notwithstanding any other provision of this article to the contrary, the council shall apply
37 a mandatory minimum end user utility rate that must be met by the project sponsor before funding
38 assistance may be awarded. The mandatory minimum end utility rate shall be based upon a
39 uniform statewide percentage of the median household income in a particular geographic area
40 and said rate shall not exceed six tenths of one percent: *Provided*, That funding assistance made
41 from the proceeds of any general obligation bonds and revenue bonds issued after March 15,
42 1998, after transfers required to make the state match for the water and wastewater revolving
43 loan programs pursuant to article two, chapter twenty-two-c and article thirteen-c, chapter sixteen
44 of this code, shall be provided by the council on a pro rata basis divided equally among the
45 congressional districts of this state as delineated in accordance with section three, article two,
46 chapter one of this code: *Provided, however*, That infrastructure projects as defined in subdivision
47 (18), subsection ~~(4)~~ (b), section two of this article shall not be subject to pro rata distribution. When
48 determining median household income of a geographic area of the project to be served, the
49 council shall consider any surveys of the income of the households that will be served by the
50 project.

51 (d) No loan or grant funds may be made available for a project if the project to be funded
52 will provide subsidized services to certain users in the service area of the project.

53 (e) Notwithstanding any other provision of this article to the contrary, engineering studies
54 and requirements imposed by the council for preliminary applications shall not exceed those
55 engineering studies and requirements which are necessary for the council to determine the
56 economic feasibility of the project. If the council determines that the engineering studies and
57 requirements for the preapplication would impose an undue hardship on any project sponsor, the
58 council may provide funding assistance to project sponsors to defray the expenses of the
59 preapplication process from moneys available in the Infrastructure Fund for making loans:
60 *Provided, That the council may only provide funding assistance in an amount equal to \$5,000 or*
61 *fifty percent of the total preapplication cost of the project, whichever amount is greater. If the*
62 *project is ultimately approved for a loan by the council, the amount of funding assistance provided*
63 *to the project sponsor for the preapplication process shall be included in the total amount of the*
64 *loan to be repaid by the project sponsor. If the project is not ultimately approved by the council,*
65 *then the amount of funding assistance provided to the project sponsor will be considered a grant*
66 *by the council and the total amount of the assistance shall be forgiven. In no event may the*
67 *amount of funding assistance provided to all project sponsors exceed, in the aggregate, \$100,000*
68 *annually.*

69 (f) The council shall report to the Governor, the Speaker of the House of Delegates and
70 the President of the Senate during each regular and interim session of the Legislature, on its
71 activities and decisions relating to distribution or planned distribution of grants and loans under
72 the criteria to be developed pursuant to this article.

§31-15A-10a. Middle mile characteristics; open access guaranteed; business and residential service required; zones; rights may be granted; existing infrastructure may be purchased; reports.

1 (a) The West Virginia Broadband Middle Mile Infrastructure, to include more than two
2 thousand miles of fiber optic cable, shall be owned and operated by the State of West Virginia.
3 The network provided or enhanced by the broadband middle mile infrastructure project shall be

4 open access. Existing broadband infrastructure which meets the required specifications of middle
5 mile fiber threshold with a minimum of one hundred forty-four strands of fiber may be purchased
6 as part of the middle mile infrastructure project. Internet services provided through the broadband
7 middle mile shall be available to both business and residential users as well as to governmental
8 agencies. The cost for access to the middle mile will be the cost of constructing, maintaining and
9 administering the middle mile network as determined by the Water Development Authority. The
10 network shall provide free broadband, data and phone to schools, universities and government
11 buildings in the state who directly connect to the states middle mile. Notwithstanding the open
12 access requirement, Water Development Authority shall reserve at least eight strands of fiber for
13 exclusive use by the state, its instrumentalities and political subdivisions.

14 (b) The Water Development Authority shall establish zones in the broadband middle mile
15 infrastructure. Each zone of the middle mile infrastructure shall be let for bid separately, to
16 encourage participation by multiple project sponsors. A project sponsor may bid to construct part
17 or all of a zone of the middle mile infrastructure project. As a condition of a contract, a project
18 sponsor may be granted indefeasible rights to use up to twenty percent of the fibers in any number
19 of zones of the broadband middle mile, but may not use more than twenty percent of the fibers in
20 any one zone. No single provider may use more than twenty percent of the fibers in any one
21 zone.

22 (c) The Water Development Authority shall report to the Governor, the Legislative
23 Manager, the Speaker of the House of Delegates and the President of the Senate during each
24 regular session of the Legislature on the status of the broadband middle mile project and, to the
25 extent known, the economic activity and jobs created as a result of the broadband middle mile
26 infrastructure project.

§31-15A-11. Reservation of funds for projects and infrastructure projects.

1 Eighty percent of the funds deposited in the West Virginia Infrastructure Fund shall be
2 dedicated for the purpose of providing funding for the cost of projects as defined in subdivision

3 ~~(26)~~, subsection ~~(a)~~ (b), section two of this article. Twenty percent of the funds deposited in the
4 West Virginia Infrastructure Fund shall be dedicated for the purpose of providing funding for costs
5 of infrastructure projects as defined in subdivision (18), subsection ~~(a)~~ (b), section two of this
6 article. Project sponsors of infrastructure projects shall follow the application process as
7 established by this article: *Provided*, That notwithstanding any provision of this article to the
8 contrary, all applications for any infrastructure project shall be submitted to the executive director
9 of the West Virginia Development Office for review, recommendation and approval regarding
10 infrastructure project funding.

§31-15A-11a. Reservation of funds for broadband middle mile infrastructure projects.

1 (a) Funds deposited in the West Virginia Infrastructure Fund for Broadband Middle Mile
2 Development shall be dedicated for the purpose of providing funding for the cost of broadband
3 middle mile infrastructure projects as defined in section two of this article.

4 (b) No bonds may be issued under this article for broadband infrastructure projects until
5 such time as the Legislature has provided for sufficient revenue to meet debt service on the bonds:
6 *Provided*, That bonds may be issued if the Water Development Authority is able to identify a
7 repayment source for the bonds, including income from operation of the broadband middle mile.

§31-15A-11b. Application for federal grants in furtherance of broadband middle mile
infrastructure.

8 (a) In furtherance of the development of broadband middle mile infrastructure projects
9 throughout the state:

10 (1) The West Virginia Department of Education shall apply for grants from the Federal
11 Communications Commission and the United States Department of Education to close the
12 “Homework Gap,” and for the purposes of this article:

13 (2) The West Virginia Department of Health and Human Resources shall apply for grants
14 from the Federal Communications Commission and the United States Department of Health and

15 Human Services to expand the provision of telemedicine and to connect our rural health clinics
16 with our state hospitals; and

17 (3) The West Virginia Division of Homeland Security shall apply for grants to the Federal
18 Communications Commission and the United States Department of Homeland Security to create
19 secure wired telecommunications system for emergency response and preparedness .

§31-15A-12a. Additional powers of Water Development Authority relating to broadband middle mile infrastructure projects.

1 To accomplish the purpose and intent of this article, the Water Development Authority is
2 hereby empowered, in addition to all other powers granted to it under this code; to:

3 (1) Enter into agreements or other transactions with any federal or state agency in
4 connection with any broadband middle mile infrastructure project;

5 (2) Receive or administer on behalf of any federal or state agency grants, subsidies or
6 other payments to be applied to the costs of any broadband middle mile infrastructure project,
7 including, but not limited to, payments to be applied to operating costs and debt service or
8 obligations of any project sponsor;

9 (3) Receive and accept aid or contributions from any source of money, property, labor or
10 other things of value, to be held, used and applied only for the purposes for which such grants
11 and contributions are made; and

12 (4) Do all things which are necessary to further the purposes and intent of this article. The
13 Water Development Authority may propose rules for legislative approval pursuant to article three,
14 chapter twenty-nine-a of this code, and may promulgate emergency rules pursuant to the
15 provisions of section fifteen, article three, chapter twenty-nine-a of this code.

§31-15A-13a. Prohibition on funds inuring to the benefit of or being distributable to Water Development Board; transactions between the Water Development Board and officers having certain interests in such transactions.

1 No part of the West Virginia Infrastructure Fund for Broadband Middle Mile Development
2 or the West Virginia Broadband Middle Mile Infrastructure Revenue Debt Service Fund inures to
3 the benefit of or is distributable to the Water Development Board directors or officers of the Water
4 Development Authority except that the Water Development Authority is authorized and
5 empowered to pay reasonable compensation, other than to members of the Water Development
6 Board, including the chairman, vice chairman and secretary-treasurer, for services rendered and
7 to make loans and exercise its other powers as previously specified in furtherance of its corporate
8 purpose: *Provided*, That no loans may be made, and no property may be purchased or leased
9 from, or sold, leased or otherwise disposed of, to any Water Development Board member or
10 officer of the Water Development Authority.

§31-15A-14a. Disposition of Infrastructure Fund for Broadband Development upon termination or dissolution of authority.

1 Upon the termination or dissolution of the Water Development Authority, all rights and
2 properties of the authority with respect to the West Virginia Infrastructure Fund for Broadband
3 Middle Mile Development shall pass to and be vested in the state, subject to the rights of lien
4 holders and other creditors.

§31-15A-15a. Broadband middle mile projects not to be considered public improvements for financing; competitive bid requirements.

1 (a) No broadband middle mile infrastructure project acquired, constructed or maintained
2 or financed, in whole or in part, by the Water Development Authority is a “public improvement”
3 within the meaning of article five-a, chapter twenty-one of this code for purposes of the financing
4 of the project.

5 (b) The state and its subdivisions shall, except as provided in subsection (c) of this section,
6 solicit competitive bids as provided in article five-a, chapter twenty-one of this code for the
7 construction of every broadband middle mile infrastructure project funded pursuant to this article
8 exceeding \$25,000 in total cost. Following the solicitation of the bids, a construction contract shall

9 be awarded to the lowest qualified responsible bidder, who shall furnish a sufficient performance
10 and payment bond: *Provided*, That the state and its subdivisions may reject all bids and solicit
11 new bids on the project.

12 (c) This section does not:

13 (1) Apply to work performed on construction or repair projects not exceeding a total cost
14 of \$50,000 by regular full-time employees of the state or its subdivisions: *Provided*, That no more
15 than \$50,000 shall be expended on an individual project in a single location in a twelve-month
16 period;

17 (2) Prevent students enrolled in vocational educational schools from being used in the
18 construction or repair projects when such use is a part of the students' training program;

19 (3) Apply to emergency repairs: *Provided*, That the term "emergency repairs" means
20 repairs that, if not made immediately, will seriously impair the use of the infrastructure or
21 broadband service; or

22 (4) Apply to any situation where the state or a subdivision of the state comes to an
23 agreement with volunteers, or a volunteer group, by which the governmental body will provide
24 construction or repair materials, architectural, engineering, technical or any other professional
25 services and the volunteers will provide the necessary labor without charge to, or liability upon,
26 the governmental body: *Provided*, That the total cost of the construction or repair projects does
27 not exceed \$50,000.

28 (d) Subsection (b) of this section does not apply to privately owned broadband middle mile
29 infrastructure projects.

§31-15A-17. Water Development Authority empowered to issue infrastructure revenue bonds and refunding bonds; creation of infrastructure revenue debt service fund; funding of infrastructure revenue debt service fund; requirements and manner of such issuance.

1 (a) To accomplish the purpose and intent of this article, the Water Development Authority
2 is hereby empowered at the written request of the council to issue from time to time infrastructure
3 revenue bonds of the state in such principal amounts as the council deems necessary to make
4 loans and loan guarantees and other forms of financial assistance to project sponsors for one or
5 more projects or infrastructure projects: *Provided*, That the Water Development Authority may
6 not issue any such bonds, other than refunding bonds, unless the council by resolution determines
7 that the aggregate cost of the projects or infrastructure projects expected to be constructed during
8 any annual period exceeds (1) the projected annual infrastructure revenues for the same period,
9 and (2) the principal and interest payments not otherwise pledged to the infrastructure revenue
10 debt service fund that are due the Water Development Authority on all outstanding loans
11 previously made by the Water Development Authority pursuant to the provisions of this article.

12 (b) The proceeds of infrastructure revenue bonds shall be used solely for the purpose of
13 making loans and loan guarantees and other forms of financial assistance to sponsors of one or
14 more projects or infrastructure projects, and shall be deposited in one or more special accounts
15 with the trustee under the trust agreement securing such bonds and disbursed from time to time
16 for projects or infrastructure projects in accordance with this article: *Provided*, That
17 notwithstanding any provision of this code to the contrary, twenty percent of the funds deposited
18 in the special account shall be dedicated for the purpose of providing funding for costs of
19 infrastructure projects as defined in subdivision (18), subsection ~~(f)~~ (b), section two₇ of this article.

20 (c) The Water Development Authority may not authorize the disbursement of any proceeds
21 of infrastructure revenue bonds unless it has received documentation from the council pursuant
22 to the provisions of section ten of this article.

23 (d) There is hereby created in the Water Development Authority a special fund which shall
24 be designated and known as the "West Virginia Infrastructure Revenue Debt Service Fund," into
25 which shall be transferred solely from the loan repayments deposited in the Infrastructure Fund
26 the amounts certified by the Director of the Water Development Authority as necessary to pay the

27 principal, premium, if any, and interest on infrastructure revenue bonds and any reserve
28 requirements, subject to the terms of any agreement with the holders of the infrastructure revenue
29 bonds. All amounts deposited in the West Virginia infrastructure revenue debt service fund shall
30 be pledged to the repayment of the principal, interest and redemption premium, if any, on any
31 infrastructure revenue bonds authorized by this article: *Provided*, That amounts on deposit in the
32 fund may be used to establish or maintain reserves created for the purposes of securing such
33 infrastructure revenue bonds. The pledge shall be valid and binding from the time the pledge is
34 made, and the West Virginia infrastructure revenue debt service fund so pledged shall
35 immediately be subject to the lien of the pledge without any physical delivery thereof or further
36 act, and the lien of any such pledge shall be valid and binding as against all parties having claims
37 of any kind in tort, contract or otherwise against the Water Development Authority irrespective of
38 whether the parties have notice thereof.

39 (e) Except as may otherwise be expressly provided in this article or by resolution of the
40 Water Development Authority, every issue of infrastructure revenue bonds shall be special
41 obligations of the Water Development Authority payable solely from amounts in the West Virginia
42 infrastructure revenue debt service fund, and the reserves created for this purpose by the Water
43 Development Authority, without preference or priority among the bonds regardless of when
44 issued, subject only to any agreements with the holders of any bonds to the contrary. All such
45 bonds are hereby declared to be negotiable instruments.

46 (f) Infrastructure revenue bonds shall be authorized by resolution of the Water
47 Development Authority. These bonds shall bear such dates and shall mature at such times, in
48 case of any note or renewal thereof not exceeding five years from the date of issue of the original
49 note, and in the case of any bond not exceeding fifty years from the date of issue, as the resolution
50 may provide. Infrastructure revenue bonds shall bear interest at a rate or rates, including variable
51 rates, shall be taxable or tax-exempt, shall be in the denominations, shall be in registered form,
52 shall carry the registration privileges, shall be payable in the medium and place of payment, and

53 shall be subject to the terms of redemption as the Water Development Authority may authorize.
54 Infrastructure revenue bonds may be sold by the Water Development Authority at public or private
55 sale at the price the Water Development Authority determines in consultation with the council.
56 Infrastructure revenue bonds shall be executed by the chairman and the vice chairman of the
57 Water Development Authority, either or both of whom may use a facsimile signature. The official
58 seal of the Water Development Authority or a facsimile thereof shall be affixed thereto or printed
59 thereon and attested by manual or facsimile signature by the secretary-treasurer of the Water
60 Development Authority. If any officer whose signature, or a facsimile of whose signature appears
61 on any infrastructure revenue bond ceases to be such officer before delivery of such bond, such
62 signature or facsimile is nevertheless sufficient for all purposes to the same extent as if he or she
63 had remained in office until such delivery, and if the seal of the Water Development Authority has
64 been changed after a facsimile has been imprinted on such bond, the facsimile will continue to be
65 sufficient for all purposes.

66 (g) Any resolution authorizing any infrastructure revenue bonds may contain provisions,
67 subject to any agreement with bondholders or noteholders which may then exist, which
68 agreements shall be part of the contract with the holder thereof, with respect to the pledge of or
69 other use and disposition of amounts in the infrastructure revenue debt service fund; the setting
70 aside of reserve funds; the disposition of any assets of the Water Development Authority;
71 limitations on the purpose to which the proceeds of sale of bonds may be applied; the
72 authorization of notes issued in anticipation of the issuance of bonds; an agreement of the Water
73 Development Authority to do all things necessary for the authorization, issuance and sale of such
74 bonds in such amounts as may be necessary for the timely retirement of such notes; limitations
75 on the issuance of additional bonds; the terms upon which additional bonds may be issued and
76 secured; the refunding of outstanding bonds and the renewal of outstanding notes; the
77 procedures, if any, by which the terms of any contract with bondholders or noteholders may be
78 amended or abrogated; the amount of bonds the holders of which must consent thereto and the

79 manner in which such consent may be given; and any other matter which in any way affects the
80 security for or protection of the bonds.

81 (h) In the event that the sum of all reserves pledged to the payment of the bonds is less
82 than the minimum reserve requirements established in any resolution or resolutions authorizing
83 the issuance of the bonds, the chairman or the director of the Water Development Authority shall
84 certify, on or before December 1, of each year, the amount of such deficiency to the Governor of
85 the state for inclusion, if the Governor shall so elect, of the amount of such deficiency in the budget
86 to be submitted to the next session of the Legislature for appropriation to the Water Development
87 Authority to be pledged for payment of such bonds: *Provided*, That the Legislature shall not be
88 required to make any appropriations so requested, and the amount of such deficiencies shall not
89 constitute a debt or liability of the state.

90 (i) Neither the officers or board members of the Water Development Authority, nor any
91 person executing the infrastructure revenue bonds, shall be liable personally on the bonds or be
92 subject to any personal liability or accountability by reason of the issuance thereof.

**§31-15A-17c. Water Development Authority empowered to issue broadband middle mile
infrastructure revenue bonds and refunding bonds; creation of Broadband Middle
Mile Infrastructure Revenue Debt Service Fund; funding of Broadband Middle Mile
Infrastructure Revenue Debt Service Fund; requirements and manner of such
issuance.**

1 (a) To accomplish the purpose and intent of this article, the Water Development Authority
2 is hereby empowered to issue from time to time broadband middle mile infrastructure revenue
3 bonds of the state in such principal amounts as it deems necessary to pay for expected broadband
4 middle mile construction projects.

5 (b) The proceeds of broadband middle mile infrastructure revenue bonds may be used
6 only for the purposes of related administrative expenses, paying for construction projects awarded
7 through the bidding process, and for purchase of existing broadband infrastructure that meets the

8 specifications established by the Water Development Authority and minimum performance
9 characteristics consistent with nonzero dispersion shifted single mode optical fiber cable as
10 defined by the International Telecommunication Union standard ITU-T G.655. The proceeds shall
11 be deposited in one or more special accounts with the trustee under the trust agreement securing
12 the bonds and shall be disbursed from time to time for broadband middle mile infrastructure
13 projects in accordance with this article.

14 (c) There is hereby created in the Water Development Authority a special fund which shall
15 be designated and known as the “West Virginia Broadband Middle Mile Infrastructure Revenue
16 Debt Service Fund,” into which shall be transferred solely from income from operation of the
17 broadband middle mile, and deposited in the West Virginia Infrastructure Fund for Broadband
18 Middle Mile Development, the amounts certified by the authority as necessary to pay the principal,
19 premium, if any, and interest on broadband middle mile infrastructure revenue bonds and any
20 reserve requirements, subject to the terms of any agreement with the holders of the broadband
21 middle mile infrastructure revenue bonds. All amounts deposited in the West Virginia Broadband
22 Middle Mile Infrastructure Revenue Debt Service Fund shall be pledged to the repayment of the
23 principal, interest and redemption premium, if any, on any broadband middle mile infrastructure
24 revenue bonds authorized by this article: *Provided*, That amounts on deposit in the fund may be
25 used to establish or maintain reserves created for the purposes of securing the broadband middle
26 mile infrastructure revenue bonds. The pledge is valid and binding from the time the pledge is
27 made, and the West Virginia Broadband Middle Mile Infrastructure Revenue Debt Service Fund
28 so pledged is immediately subject to the lien of the pledge without any physical delivery thereof
29 or further act, and the lien of any such pledge is valid and binding as against all parties having
30 claims of any kind in tort, contract or otherwise against the Water Development Authority
31 irrespective of whether the parties have notice thereof.

32 (d) Except as may otherwise be expressly provided in this article or by resolution of the
33 Water Development Authority, every issue of broadband middle mile infrastructure revenue bonds

34 are special obligations of the Water Development Authority payable solely from amounts in the
35 West Virginia Broadband Middle Mile Infrastructure Revenue Debt Service Fund, and the
36 reserves created for this purpose by the Water Development Authority, without preference or
37 priority among the bonds regardless of when issued, subject only to any agreements with the
38 holders of any bonds to the contrary. All such bonds are hereby declared to be negotiable
39 instruments.

40 (e) Broadband middle mile infrastructure revenue bonds shall be authorized by resolution
41 of the Water Development Authority. These bonds shall bear such dates and shall mature at such
42 times, in case of any note or renewal thereof not exceeding five years from the date of issue of
43 the original note, and in the case of any bond not exceeding fifty years from the date of issue, as
44 the resolution may provide. Broadband middle mile infrastructure revenue bonds shall bear
45 interest at a rate or rates, including variable rates, shall be taxable or tax-exempt, shall be in the
46 denominations, shall be in registered form, shall carry the registration privileges, shall be payable
47 in the medium and place of payment, and shall be subject to the terms of redemption as the Water
48 Development Authority may authorize. Broadband middle mile infrastructure revenue bonds may
49 be sold by Water Development Authority at public or private sale. Broadband middle mile
50 infrastructure revenue bonds shall be executed by the chairman and the vice chairman of the
51 Water Development Authority, either or both of whom may use a facsimile signature. The official
52 seal of the Water Development Authority or a facsimile thereof shall be affixed thereto or printed
53 thereon and attested by manual or facsimile signature by the secretary-treasurer of the Water
54 Development Authority. If any officer whose signature, or a facsimile of whose signature appears
55 on any broadband infrastructure revenue bond ceases to be such officer before delivery of such
56 bond, such signature or facsimile is nevertheless sufficient for all purposes to the same extent as
57 if he or she had remained in office until such delivery, and if the seal of the Water Development
58 Authority has been changed after a facsimile has been imprinted on such bond, the facsimile will
59 continue to be sufficient for all purposes.

60 (f) Any resolution authorizing any broadband infrastructure revenue bonds may contain
61 provisions, subject to any agreement with bondholders or noteholders which may then exist,
62 which agreements shall be part of the contract with the holder thereof, with respect to the pledge
63 of or other use and disposition of amounts in the West Virginia Broadband Middle Mile
64 Infrastructure Revenue Debt Service Fund; the setting aside of reserve funds; the disposition of
65 any assets of the Water Development Authority; limitations on the purpose to which the proceeds
66 of sale of bonds may be applied; the authorization of notes issued in anticipation of the issuance
67 of bonds; an agreement of the Water Development Authority to do all things necessary for the
68 authorization, issuance and sale of such bonds in such amounts as may be necessary for the
69 timely retirement of such notes; limitations on the issuance of additional bonds; the terms upon
70 which additional bonds may be issued and secured; the refunding of outstanding bonds and the
71 renewal of outstanding notes; the procedures, if any, by which the terms of any contract with
72 bondholders or noteholders may be amended or abrogated; the amount of bonds the holders of
73 which must consent thereto and the manner in which such consent may be given; and any other
74 matter which in any way affects the security for or protection of the bonds.

75 (g) In the event that the sum of all reserves pledged to the payment of the bonds is less
76 than the minimum reserve requirements established in any resolution or resolutions authorizing
77 the issuance of the bonds, the chairman of the Water Development Authority shall certify, on or
78 before December 1 of each year, the amount of such deficiency to the Governor of the state for
79 inclusion, if the Governor shall so elect, of the amount of such deficiency in the budget to be
80 submitted to the next session of the Legislature for appropriation to be pledged for payment of
81 such bonds: *Provided*, That the Legislature shall not be required to make any appropriations so
82 requested, and the amount of the deficiencies does not constitute a debt or liability of the state.

83 (h) Neither the officers or board members of the Water Development Authority, nor any
84 person executing the broadband middle mile infrastructure revenue bonds, are liable personally

85 on the bonds or be subject to any personal liability or accountability by reason of the issuance
86 thereof.

§31-15A-18a. Trustee for holders of broadband middle mile infrastructure revenue bonds;
contents of trust agreement.

1 (a) Any broadband middle mile infrastructure revenue bonds issued by the Water
2 Development Authority under this article shall be secured by a trust agreement between the Water
3 Development Authority and a corporate trustee, which trustee may be any trust company or
4 banking institution having the powers of a trust company within this state.

5 (b) Any trust agreement may pledge or assign the West Virginia Broadband Middle Mile
6 Infrastructure Revenue Debt Service Fund. Any trust agreement or any resolution providing for
7 the issuance of such bonds may contain such provisions for protecting and enforcing the rights
8 and remedies of the bondholders or noteholders as are reasonable and proper and not in violation
9 of law, including section seventeen-a of this article, and covenants setting forth the duties of the
10 Water Development Authority in respect to the payment of the principal of and interest, charges
11 and fees on loans made to, or bond purchases from, governmental agencies from the proceeds
12 of the bonds, and the custody, safeguarding and application of all moneys. Any banking institution
13 or trust company incorporated under the laws of this state which may act as depository of the
14 proceeds of bonds or of the West Virginia Broadband Middle Mile Infrastructure Revenue Debt
15 Service Fund shall furnish such indemnifying bonds or pledge securities as are required by the
16 Water Development Authority. The trust agreement may set forth the rights and remedies of the
17 bondholders and noteholders and of the trustee and may restrict individual rights of action by
18 bondholders and noteholders as customarily provided in trust agreements or trust indentures
19 securing similar bonds and notes. The trust agreement may contain such other provisions as the
20 Water Development Authority deems reasonable and proper for the security of the bondholders
21 or noteholders. All expenses incurred in carrying out the provisions of any such trust agreement

22 may be treated as part of the cost of the construction, renovation, repair, improvement or
23 acquisition of a project or infrastructure project.

§31-15A-19a. Legal remedies of broadband middle mile infrastructure revenue bondholders or noteholders and trustees.

1 Any holder of broadband middle mile infrastructure revenue bonds issued pursuant to this
2 article and the trustee under any trust agreement, except to the extent the rights given by this
3 article may be restricted by the applicable resolution or trust agreement, may by civil action,
4 mandamus or other proceedings protect and enforce any rights granted under the laws of this
5 state or granted under this article, by the trust agreement or by the resolution in the issuance of
6 the bonds, and may enforce and compel the performance of all duties required by this article,
7 pursuant to the trust agreement or resolution, to be performed by the Water Development
8 Authority or any officer thereof.

§31-15A-20a. Broadband middle mile infrastructure revenue bonds lawful investments.

1 All broadband middle mile infrastructure revenue bonds issued pursuant to this article are
2 lawful investments for banking institutions, societies for savings, building and loan associations,
3 savings and loan associations, deposit guarantee associations, trust companies, and insurance
4 companies, including domestic for life and domestic not for life insurance companies.

§31-15A-21a. Purchase and cancellation of broadband middle mile infrastructure revenue bonds.

1 (a) The Water Development Authority, subject to such agreements with noteholders or
2 bondholders as may then exist, shall have the power, from any funds available therefor, to
3 purchase or redeem broadband middle mile infrastructure revenue bonds.

4 (b) If the broadband middle mile infrastructure revenue bonds are then redeemable, the
5 price of the purchase may not exceed the redemption price then applicable, plus accrued interest
6 to the next interest payment date thereon. If the broadband middle mile infrastructure revenue
7 bonds are not then redeemable, the price of the purchase may not exceed the redemption price

8 applicable on the first date after the purchase upon which the bonds become subject to
9 redemption, plus accrued interest to such date. Upon purchase or redemption, the bonds shall be
10 canceled.

§31-15A-22a. Refunding broadband middle mile revenue bonds.

1 Any broadband middle mile infrastructure revenue bonds issued pursuant to this article
2 and at any time outstanding may at any time and from time to time be refunded by the Water
3 Development Authority by the issuance of its refunding revenue bonds in an amount it deems
4 necessary to refund the principal of the bonds to be refunded, together with any unpaid interest
5 thereon, to provide additional funds for the Water Development Authority to, in its discretion, issue
6 additional revenue bonds, and to pay any premiums and commissions necessary to be paid in
7 connection therewith. Any refunding may be effected whether the broadband middle mile
8 infrastructure revenue bonds to be refunded shall have then matured or shall thereafter mature:
9 Provided, That the holders of any broadband middle mile infrastructure revenue bonds so to be
10 refunded may not be compelled without their consent to surrender their broadband middle mile
11 infrastructure revenue bonds for payment or exchange prior to the date on which they are payable
12 or, if they are called for redemption, prior to the date on which they are by their terms subject to
13 redemption. Any refunding revenue bonds issued pursuant to this article are payable from the
14 West Virginia Broadband Middle Mile Infrastructure Revenue Debt Service Fund, and are subject
15 to section seventeen-c of this article, and shall be secured in accordance with sections seventeen-
16 c and eighteen-a of this article.

§31-15A-23a. Broadband middle mile infrastructure revenue bonds not debt of state, county, municipality or any political subdivision.

1 Broadband middle mile infrastructure revenue bonds issued pursuant to this article do not
2 constitute a debt or a pledge of the faith and credit or taxing power of this state or of any county,
3 municipality or any other political subdivision of this state. The holders or owners thereof have no
4 right to have taxes levied by the Legislature or the taxing authority of any county, municipality or

5 any other political subdivision of this state for the payment of the principal thereof or interest
 6 thereon. The broadband middle mile revenue bonds are payable solely from the revenues and
 7 funds pledged for their payment as authorized by this article. All such bonds shall contain on the
 8 face thereof a statement to the effect that the bonds, as to both principal and interest, are not
 9 debts of the state or any county, municipality or political subdivision thereof, but are payable solely
 10 from revenues and funds pledged for their payment.

**§31-15A-24a. Broadband middle mile infrastructure revenue bonds exempt from state
 taxation.**

1 The exercise of the powers granted to the Water Development Authority by this article will
 2 be in all respects for the benefit of the people of the state, for the improvement of their health,
 3 safety, convenience and welfare and for the enhancement of their residential, agricultural,
 4 recreational, economic, commercial and industrial opportunities and is for a public purpose. As
 5 the construction, acquisition, repair or renovation of broadband middle mile infrastructure projects
 6 will constitute the performance of essential governmental functions, the Water Development
 7 Authority may not be required to pay any taxes or assessments upon any project or upon any
 8 property acquired or used by the Water Development Authority or upon the income therefrom.
 9 The broadband middle mile infrastructure revenue bonds and all interest and income thereon are
 10 exempt from all taxation by this state, or any county, municipality, political subdivision or agency
 11 thereof, except estate taxes.

NOTE: The bill provides for the construction of a state-wide, fiber optic broadband infrastructure network, known as broadband middle mile, to be purchased and owned by the state. The bill adds and defines new terms and creates a separate infrastructure fund for broadband middle mile infrastructure projects. The bill requires certain agencies to apply for grants in furtherance of the article, provides additional powers to the Water Development Authority and creates the West Virginia Broadband Middle Mile Infrastructure Revenue Debt Service Fund. The bill authorizes the issuance of broadband middle mile revenue bonds, provides for contents of trust agreement and trustee for bonds, and specifies remedies available to bondholders, noteholders and trustees. The bill makes broadband middle mile infrastructure revenue bonds lawful investments and provides for purchase, cancellation and refunding of bonds. The bill declares that the bonds are not

state debts and are exempt from state taxation.

Strike-throughs indicate language that would be stricken from a heading or the present law, and underscoring indicates new language that would be added.