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August 14, 2000

To Whom It May Concern:

Enclosed for your records please find a copy of the transcript for the $307,000.00 City of Bluefield, West Virginia, Sewerage System Revenue Bonds Series 2000 A which closed on July 13, 2000.

Sincerely,

Cynthia L. Pennington

Cynthia L. Pennington

Cc: City of Bluefield, Municipal Bond Commission

West Virginia Water Development Authority

Jackson and Kelly, Bank One

DEP/cover letter only

AUG 15 2000
MEC

$307,000

THE CITY OF BLUEFIELD

SEWERAGE SYSTEM REVENUE BONDS

SERIES 2000 A

JULY 13, 2000

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A

TABLE OF CONTENTS

1. Certified copies of Chapter 16, Article 13, and Chapter 22C, Article 2 of the West Virginia Code
2. Certified copy of the Charter of the City of Bluefield
3. Oaths of Office of Board of Directors
4. Ordinance creating Sanitary Board
5. Appointments and Oaths of Sanitary Board
6. Sanitary Board Petition
7. Certified copy of Ordinance enacted on June 27, 2000
8. Minutes of Board of Directors Meeting of June 13, 2000
9. Minutes of Board of Directors Meeting of June 27, 2000
10. Affidavit of Publication of Abstract of Ordinance and Notice of Public Hearing
11. Minutes of Public Hearing held on July 11, 2000
12. Certified copy of Supplemental Resolution adopted July, 11, 2000
13. Minutes of Board of Directors Meeting of July 11, 2000
14. Loan Agreement dated as of June 6, 2000, by and among The City of Bluefield, the WDA and the DEP
15. Municipal Bond Commission New Issue Form
16. PSC Certificate of Convenience and Necessity and Staff Attorney Opinion
17. Cross Receipt for Bonds and Bond Proceeds

18. Specimen Bond

19. Issuer's General Certificate

20. Direction to Authenticate and Deliver the Bonds

21. Acceptance of Appointment of Depository Bank

22. Certificate as to Use of Proceeds

23. Engineer's Certificate

24. Registrar's Agreement

25. Certificate of Registration

26. Registrar's Certificate

27. Opinion of Vaughan Law Firm, Bond Counsel

28. Opinion of J. W. Feuchtenberger, City Attorney

29. Opinion of Katz, Kantor, Perkins, Campbell & Matney, Counsel to the Sanitary Board

30. Final Title Opinion of Katz, Kantor, Perkins, Campbell & Matney

31. Opinion of Sullivan, Ware & Hall, concerning debt service and parity coverage

32. Letter from the West Virginia Infrastructure and Jobs Development Board of Directors approving the Project

33. Consent from WDA for issuance of Parity Bonds

34. Financing Statements

35. NPDES Permit

36. Opinion of Vaughan Law Firm, Registrar's Counsel

State of West Virginia

Certificate

I, Ken Hechler, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 22C, ARTICLES 3 OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

July 11, 2000

Ken Hechler

Secretary of State

by Mary P. Hatfield, Dep

the necessary appurtenances in the new location in, on, over or under the property of the authority for as long a period and upon the same terms as it had the right to maintain and operate such facilities in their former location. (1994, c. 61.)

§ 22C-1-24. Financial interest in contracts prohibited; penalty.

No officer, member or employee of the authority shall be financially interested, directly or indirectly, in any contract of any person with the authority, or in the sale of any property, real or personal, to or from the authority. This section does not apply to contracts or purchases of property, real or personal, between the authority and any governmental agency. If any officer, member or employee of the authority has such financial interest in a contract or sale of property prohibited hereby, he or she is guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than one thousand dollars, or imprisoned in the county jail not more than one year, or both fined and imprisoned. (1994, c. 61.)

§ 22C-1-25. Meetings and records of authority to be kept public.

All meetings of the authority shall be open to the public and the records of the authority shall be open to public inspection at all reasonable times, except as otherwise provided in this section. All final actions of the authority shall be journalized and such journal shall also be open to the inspection of the public at all reasonable times. Any records or information relating to secret processes or secret methods of manufacture or production which may be obtained by the authority or other persons acting under authority of this article are confidential and shall not be disclosed. (1994, c. 61.)

§ 22C-1-26. Liberal construction of article.

The provisions of this article are hereby declared to be remedial and shall be liberally construed to effectuate its purposes and intents. (1994, c. 61.)

§ 22C-1-27. Authorized limit on borrowing.

The aggregate principal amount of bonds and notes issued by the authority shall not exceed three hundred million dollars outstanding at any one time: Provided, That in computing the total amount of bonds and notes which may at any one time be outstanding, the principal amount of any outstanding bonds or notes refunded or to be refunded either by application of the proceeds of the sale of any refunding bonds or notes of the authority or by exchange for any refunding bonds or notes, shall be excluded. (1994, c. 61; 1995, c. 252.)

ARTICLE 2.

WATER POLLUTION CONTROL REVOLVING FUND ACT.

Sec.
22C-2-1. Definitions.
22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.
22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.
22C-2-4. Annual audit.
22C-2-5. Collection of money due to the fund.
22C-2-6. State construction grants program established; special fund.
22C-2-7. Environmental review of funded projects.
22C-2-8. Conflicting provisions.

Editor's notes. — The Water Pollution Control Revolving Fund Act was formerly compiled in c. 20, art. 5I.

§ 22C-2-1. Definitions.

Unless the context in which used clearly requires a different meaning, as used in this article:

(a) "Authority" means the water development authority provided for in section four [§ 22C-1-4], article one of this chapter.

(b) "Cost" as applied to any project financed under the provisions of this article means the total of all costs incurred by a local entity that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project including:

(1) Developmental, planning and feasibility studies, surveys, plans and specifications;

(2) Architectural, engineering, financial, legal or other special services;

(3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;

(4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;

(5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, and the funding of accounts and reserves which the authority may require; and

(6) Other items that the division of environmental protection determines to be reasonable and necessary.

(c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant

to the clean water act, as amended, the federal safe drinking water act, as amended or by the executive order of the governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the division of environmental protection or the agency designated by an order of the governor as having the primary responsibility for administering the fund pursuant to the federal clean water act, as amended, and the federal safe drinking water act, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution or political subdivision in West Virginia.

(f) "Project" means any public water or wastewater treatment facility located or to be located in or outside this state by a local entity and includes:

(1) Sewage and wastewater collection, treatment and disposal facilities;

(2) Public water transportation, treatment and distribution facilities;

(3) Drainage facilities and projects;

(4) Administrative, maintenance, storage and laboratory facilities related to the facilities delineated in subdivisions (1), (2) and (3) of this subsection;

(5) Interests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of this subsection; and

(6) Other projects allowable under federal law. (1994, c. 61; 1996, c. 257.)

§ 22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.

The division of environmental protection shall act as the instrumentality that is empowered to enter into capitalization agreements with the United States environmental protection agency, to accept capitalization grant awards made under the federal clean water act, as amended, the safe drinking water act, as amended, and other federal laws and to otherwise manage the fund provided for in this article in accordance with the requirements of said federal laws. (1994, c. 61.)

§ 22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.

(a) Under the direction of the division of environmental protection, the water development authority shall establish, administer and manage a permanent and perpetual fund, to be known as the "West Virginia Water Pollution Control Revolving Fund." The fund shall be comprised of moneys appropriated to the fund by the Legislature, moneys allocated to the state by the federal government expressly for the purposes of establishing and maintaining a state water pollution control revolving fund, all receipts from loans made from the fund to local entities, all income from the investment of moneys held in the

fund, and all other sums designated for deposits to the fund from any source, public or private. Moneys in the fund shall be used solely to make loans to local entities to finance or refinance the costs of a project: Provided, That moneys in the fund shall be utilized to defray the costs incurred by the authority and the division of environmental protection in administering the provisions of this article: Provided, however, That moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law.

(b) The director of the division of environmental protection, in consultation with the authority, shall promulgate legislative rules in accordance with the provisions of article three [§ 29A-3-1 et seq.], chapter twenty-nine-a of this code, to:

(1) Govern the disbursement of moneys from the fund; and

(2) Establish a state water pollution control revolving fund program to direct the distribution of grants or loans from the fund to particular local entities and establish the interest rates and repayment terms of the loans.

(c) In order to carry out the administration and management of the fund, the authority is authorized to employ officers, employees, agents, advisers and consultants, including attorneys, financial advisers, engineers, other technical advisers and public accountants and, notwithstanding any provisions of this code to the contrary, to determine their duties and compensation without the approval of any other agency or instrumentality.

(d) The authority shall promulgate legislative rules in accordance with the provisions of article three [§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to govern the pledge of loans to secure bonds of the authority.

(e) All moneys belonging to the fund shall be kept in appropriate depositories and secured in conformance with this code. Disbursements from the fund shall be authorized for payment by the director of the authority or the director's designee. Any depository or officer of the depository to which moneys of the fund are paid shall act as trustee of the moneys and shall hold and apply them solely for the purposes for which the moneys are provided under this article. Moneys in the fund shall not be commingled with other money of the authority. If not needed for immediate use or disbursement, moneys in the fund may be invested or reinvested by the authority in obligations or securities which are considered lawful investments for public funds under this code. (1994, c. 61; 1996, c. 257.)

§ 22C-2-4. Annual audit.

The authority shall cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants, and the cost thereof may be defrayed as a part of the cost of construction of a project or as an administrative expense under the provisions of subsection (a), section three [§ 22C-2-3(a)] of this article. (1994, c. 61.)

§ 22C-2-5. Collection of money due to the fund.

In order to ensure the timely payment of all sums due and owing to the fund under a revolving fund loan agreement between the state and a local entity,

and notwithstanding any provisions of this code to the contrary, the authority has and may, at its option, exercise the following rights and remedies in the event of any default by a local entity under a loan agreement:

(a) The authority may directly impose, in its own name and for its own benefit, service charges upon all users of a project funded by a loan distributed to a local entity pursuant to this article, and may proceed directly to enforce and collect the service charges, together with all necessary costs of the enforcement and collection.

(b) The authority may exercise, in its own name or in the name of and as the agent for a particular local entity, all of the rights, powers and remedies of the local entity with respect to the project or which may be conferred upon the local entity by statute, rule, regulation or judicial decision, including all rights and remedies with respect to users of the project funded by the loan distributed to that local entity pursuant to this article.

(c) The authority may, by civil action, mandamus or other judicial or administrative proceeding, compel performance by a local entity of all of the terms and conditions of the loan agreement between the state and that local entity including:

(1) The adjustment of service charges as required to repay the loan or otherwise satisfy the terms of the loan agreement;

(2) The enforcement and collection of service charges; and

(3) The enforcement by the local entity of all rights and remedies conferred by statute, rule, regulation or judicial decision.

The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement. (1994, c. 61; 1996, c. 257.)

§ 22C-2-6. State construction grants program established; special fund.

(a) The director of the division of environmental protection shall promulgate rules in accordance with the provisions of chapter twenty-nine-a [§ 29A-1-1 et seq.] of this code to establish a state construction grants program that is designed to complement and supplement the state water pollution control revolving fund program established pursuant to subsection (b), section three [§ 22C-2-3(b)] of this article.

(b) The special fund designated "The West Virginia Construction Grants Fund" established in the state treasury is continued. The special fund shall be comprised of moneys appropriated to said fund by the Legislature, assessments on existing wastewater treatment facilities, and all other sums designated for deposit to the special fund from any source, public or private: Provided, That such assessments shall be made and collected in accordance with fee schedules to be established by legislative rules promulgated by the director of the division of environmental protection, in accordance with chapter twenty-nine-a of this code. Moneys in the special fund shall be used solely for the state construction grants program established under subsection (a) of this section: Provided, however, That moneys in the special fund may be utilized to

defray the costs incurred by the division of environmental protection in administering the provisions of this section. (1994, c. 61.)

§ 22C-2-7. Environmental review of funded projects.

(a) The division of environmental protection shall conduct an environmental review on each project funded under this article. The director of the division of environmental protection shall promulgate legislative rules in accordance with the provisions of article three [§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to implement the environmental review of funded projects: Provided, That the rules shall be consistent with the regulations promulgated by the United States environmental protection agency pursuant to the federal clean water act, as amended.

(b) The director of the division of environmental protection is authorized to direct a local entity, or its agent, to implement all measures that, in the judgment of the director, are necessary in order to mitigate or prevent adverse impacts to the public health, safety or welfare or to the environment that may result from a project funded under this article. The director is further authorized to require all projects to comply with all other appropriate federal laws and regulations that are required of the projects under the federal clean water act, as amended. (1994, c. 61; 1996, c. 257.)

§ 22C-2-8. Conflicting provisions.

The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as the provisions of this article are inconsistent with the provisions of any other general, special or local law, the provisions of this article are controlling. (1994, c. 61.)

ARTICLE 3.

SOLID WASTE MANAGEMENT BOARD.

Sec.
22C-3-1. Short title.
22C-3-2. Legislative findings; declaration of policy and responsibility; purpose and intent of article.
22C-3-3. Definitions.
22C-3-4. Solid waste management board; organization of board; appointment and qualification of board members; their term of office, compensation and expenses; director of board.
22C-3-5. Board to designate and establish disposal sheds; construction, maintenance, etc., of disposal projects; loan agreements; compliance with federal and state law.
22C-3-6. Powers, duties and responsibilities of board generally.
22C-3-7. Development of state solid waste management plan.
22C-3-8. Power of board to collect service charges and exercise other powers of governmental agencies in event of default; power to require governmental agencies to enforce their rights.
22C-3-9. Development and designation of solid waste disposal sheds by board.
22C-3-10. Board empowered to issue solid waste disposal revenue bonds, renewal notes and refunding bonds; requirements and manner of such issuance.
22C-3-11. Establishment of reserve funds, replacement and improvement funds and sinking funds; fiscal

State of West Virginia

Certificate

I, Ken Hechler, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLES 13 OF THE WEST VIRGINIA CODE, AND CHAPTER 16, ARTICLES 13 OF THE 2000 CUMULATIVE SUPPLEMENT TO THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

July 11, 2000

Ken Hechler

Secretary of State

by Mary J. Kettle, Dep.

anitary district, said county court shall enter an appropriate order as ıereinbefore provided, and such additional territory shall thenceforth be leemed an integral part of such sanitary district. (1933, Ex. Sess., c. 24, § 13.)

Editor's notes. — As to the designation of ɔunty courts as county commissions, see W. 'a. Const., art. IX, § 9.

16-12-14. Disconnection of territory from sanitary district.

Any contiguous territory located within the boundaries of any sanitary istrict organized under this article, and upon the border of such sanitary istrict, may become disconnected from such sanitary district in the manner ɔllowing, to wit: Ten percent or more of the legal voters resident in the erritory sought to be disconnected from such sanitary district may petition the ounty court [county commission] of the county in which the original petition ɔr the organization of said sanitary district was filed, to cause the question of uch disconnection to be submitted to the legal voters of such territory whether uch territory shall be disconnected. Said petition shall be addressed to the ounty court of the county in which the original petition for the formation of uch sanitary district was filed and shall contain a definite description of the ıoundaries of such territory to be disconnected and recite as a fact, that there s no bonded indebtedness of such sanitary district incurred while such erritory to be disconnected was a part of such sanitary district and that such erritory to be disconnected is not, at the time of the filing of such petition, and vill not be, either benefited or served by any work or improvement either then :xisting or then authorized by said sanitary district. Upon filing such petition n the office of the county clerk of the county in which the original petition for he formation of such sanitary district has been filed it shall be the duty of the ounty court of the county in which the original petition for the formation of uch sanitary district was filed, to consider the boundaries of such territory ınd the facts upon which the petition is founded, and shall consider the limits ınd boundaries of such proposed territory, in the same manner as provided for ocating, fixing and deciding of the limits and boundaries of the original anitary district, as provided in section one [§ 16-12-1] of this article. If any ɔart of the territory proposed to be disconnected is situated in another county ır counties other than that county in which the original petition was filed, then t shall be the duty of the said county court of the county in which the original ɔetition was filed to call to its assistance the county courts of counties in which ɔortions of such territory proposed to be disconnected is situated; such county ourts shall constitute themselves a board of commissioners, and after electing ı presiding officer from among themselves, shall consider the boundaries of uch territory and the facts upon which the petition is founded, and shall onsider the limits and boundaries of such proposed territory to be disconıected, in the same manner as provided for locating, fixing and deciding of the imits and boundaries of the original sanitary district, as provided in section ɔne of this article: Provided, however, That it shall be the duty of the county

court or the board of commissioners to deny the prayer of the petition for the disconnecting of any territory from the original sanitary district, if the material allegations therein contained are not founded in fact.

Notice shall be given by the county court of the time and place, when and where all persons interested will be heard substantially as provided in section one [§ 16-12-1] of this article. The conduct of the hearing and the manner of conducting the subsequent election on the question whether such territory shall become disconnected and the issuance, reception, return and canvassing of the ballots shall be, as nearly as possible, in accordance with the provisions of section one of this article. The ballots for the election provided for in this section shall be substantially as follows, to wit:

☐ For disconnection from sanitary district.

☐ Against disconnection from sanitary district.

If a majority of the votes cast at such election shall be in favor of disconnection, and if the trustees of such sanitary district shall, by ordinance, disconnect such territory, thereupon the county court of the county in which the original petition for the formation of such sanitary district was filed, shall enter an appropriate order in the records of the said county court and thereafter such territory shall henceforth be deemed disconnected from such sanitary district. (1933, Ex. Sess., c. 24, § 14.)

Editor's notes. — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

Sec.
16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.
16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.
16-13-4. Payment of preliminary expenses of surveys, etc.
16-13-5. Ordinance necessary before acquisition or construction of works.
16-13-6. Publication and hearing upon ordinance.
16-13-7. Acquisition by condemnation or purchase.
16-13-8. Cost of works.
16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.
16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.
16-13-11. Additional bonds to extend or improve works.
16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.
16-13-13. Application of revenue from bonds; lien.
16-13-14. Securing bonds by trust indenture.
16-13-15. Sinking fund; transfer of balance of net revenues.
16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.
16-13-17. Municipality subject to established rates.
16-13-18. Supervision of works by sanitary

Sec.
board; organization of board; qualifications, terms and compensation of members.
16-13-18a. Publication of financial statement.
16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.
16-13-20. Discharge of lien on property acquired.
16-13-21. Action on certificates or attached coupons; receivers.
16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.
16-13-22a. Grants, loans and advances.
16-13-22b. Contracts for abatement of pollution.
16-13-22c. Refunding bonds.
16-13-22d. Subordination of bonds.
16-13-22e. Operating contract.
16-13-22f. Exemption of bonds from taxation.
16-13-22g. Covenants with bondholders.
16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.
16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.
16-13-24. Article to be construed liberally.

Editor's notes. — Acts 1989, 1st Ex. Sess., c. 3, redesignated the board of health and the department of health as the division of health, within the department of health and human resources. See also, Acts 1997, c. 225.

Constitutionality. — See Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); Stevenson v. City of Bluefield, 39 F. Supp. 462 (S.D.W. Va. 1941); West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Obligations incurred by a city under the authority of this article permitting the issuance of revenue bonds for the construction of sewers are not to be deemed "debts" within the constitutional inhibition. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

In general. — The effect of the provisions of this article is to authorize and empower a municipal corporation in this State to own, construct, equip, operate and maintain sewer systems, to place the construction, operation and management of such systems under the supervision and control of a sanitary board appointed by the governing body, to authorize such board to operate, manage and control them and to order and complete any extensions or betterments that the board may deem expedient. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Conflict of laws. — There is no conflict between this article, authorizing a city to incur expenses which are to be payable solely from the proceeds of revenue bonds, and the general statutory limitations on the expenditure of money and incurring of obligations with respect to funds produced by tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Legislative intent. — It appears clear that the legislature recognized the need for municipal utility systems; however, it did not wish the municipality to become generally obligated for the building or acquisition of the system. Financing is provided for primarily by revenue bonds, and bondholders are assured of a safe investment through the collection of sufficient user charges to service the bonds and maintain the assets of the system. Op. Att'y Gen., April 3, 1979.

Limitations. — Where a city made an agreement with the federal works administrator under the War Mobilization and Reconversion Act of 1944 with regard to advances of money to the city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, the limitation imposed by this article would be read into the agreement, since the parties are presumed to know the extent of the city's authority to make a binding contract. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Nonresidents. — Municipality may not compel nonresidents to connect with a municipal sewer extended without its corporate limits. 48 Op. Att'y Gen. 19 (1958).

Ordinance held valid. — An ordinance of a municipal corporation, creating a sanitary board and authorizing such sanitary board to enter into contracts for the construction of a sewage system, was within the police power of the State delegated to municipalities by this chapter. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.

Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation, a sewage collection system and/or a sewage treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations, and all other appurtenances necessary or useful and convenient for the collection and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, including acquisition of the municipal sewerage system resulting from the severance of a combined waterworks and sewerage system pursuant to section one-b [§ 8-20-1b], article twenty, chapter eight of this code, and shall have authority to acquire by gift, grant, purchase, condemnation, or otherwise, all necessary lands, rights-of-way and property therefor, within and/or without the corporate limits of such municipal corporation and/or sanitary district, and to issue revenue bonds to pay the cost of such works and property; and any such municipality may serve and supply the facilities of such sewerage system within the corporate limits of such municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, That such municipality shall not serve or supply the facilities of such sewerage system within the corporate limits of any other municipality without the consent of the governing body thereof. No obligations shall be incurred by any such municipality and/or sanitary district in such construction or acquisition except such as is payable solely from the funds provided under the authority of this article. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132; 1986, c. 118.)

Use of territory in adjoining state authorized. — By this section and § 16-13-22 the legislature intended, insofar as it could, to confer upon such municipalities as might find its exercise convenient, the right to make necessary and appropriate arrangements for the disposal of their sewage, even where that course involved the use of territory in an adjoining state. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.

The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby, shall be under the supervision and control of a sanitary board appointed by the governing body as set forth in section eighteen [§ 16-13-18] of this article. The term "works" as used in this article shall be construed to mean and include a works for the collection and/or treatment, purification and

disposal of sewage, in its entirety or any integral part thereof. The term "municipality" as used in this article shall be construed to mean any municipal corporation, incorporated city, town, village or sanitary district in the State of West Virginia. The term "governing body" as used in this article shall be construed to mean the mayor and council or other legally constituted governing body of any municipality. The term "board" when hereinafter used in this article shall be construed to mean the sanitary board as set up in section eighteen of this article. (1933, Ex. Sess., c. 25, § 2.)

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any such works, or any trust indenture as hereinafter provided for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the board shall direct. All such compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of five thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids. After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may deem expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof. The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for such expenses. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article. (1933, Ex. Sess., c. 25, § 3; 1989, c. 133.)

Immunity. — A contractor under contract with the sanitary board of a municipality for construction of a sewage treatment and disposal system is not entitled to the governmental immunities of the municipality incident to the construction project. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Third party. — Where a contract between a municipal sanitary board and a contractor, providing for the construction of a sanitary sewage system, provides inter alia that "existing surface, overhead or subsurface structures damaged or destroyed by reason of the contractor's operations shall be promptly repaired or replaced in a satisfactory manner at the cost and expense of the contractor," and the contractor by job order requests enters into a contract with an existing water company to remove certain of the latter's water pipes which interfere with the construction of the sewage system, the contractor, in a notice of motion for judgment proceeding instituted by the water company, is liable for the expense so incurred. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-4. Payment of preliminary expenses of surveys, etc.

All necessary preliminary expenses actually incurred by the board of any municipality in the making of surveys, estimates of costs and of revenue, employment of engineers or other employees, the giving of notices, taking of options and all other expenses of whatsoever nature, necessary to be paid prior to the issue and delivery of the revenue bonds pursuant to the provisions of this article, may be met and paid in the following manner. Said board may from time to time certify such items of expense to the clerk or recorder of said municipality, directing him to pay the several amounts thereof, and thereupon said clerk or recorder shall at once draw a warrant or warrants upon the treasurer of said municipality, which warrant or warrants shall be paid out of the general funds of said municipality not otherwise appropriated, without a special appropriation being made therefor by the governing body; or, in case there are no general funds of such municipality not otherwise appropriated, the clerk or recorder shall recommend to the governing body the temporary transfer from other funds of such municipality of a sufficient amount to meet such items of expense, or the making of a temporary loan for such purpose, and such governing body shall thereupon at once make such transfer of funds, or authorize such temporary loan in the same manner that other temporary loans are made by such municipality: Provided, however, That the fund or funds of such municipality from which such payments are made shall be fully reimbursed and repaid by said board out of the first proceeds of the sale of revenue bonds hereinafter provided for, and before any other disbursements are made therefrom, and the amount so advanced to pay such preliminary expenses, shall be a first charge against the proceeds resulting from the sale of such revenue bonds until the same has been repaid as herein provided. (1933, Ex. Sess., c. 25, § 4.)

Advances. — Money used in preliminary engineering work prior to actually beginning construction of a sewage disposal system need not be handled by the sanitary board in accordance with the provisions of §§ 16-13-1, 16-13-18 and this section. The sanitary board is an agency of the city. This article merely requires that the construction and maintenance of the project be under the supervision and control of the sanitary board. A method is provided whereby the sanitary board may meet its own necessary preliminary expenses; but the city, in the early stages of the project, during that period in which the city has not even decided to go ahead with the work, and when there is no sanitary board in existence, is not prevented by any provision in the article from obtaining advances for plan preparation by any procedure which it may see fit to adopt. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

The United States was held entitled to recover from a city the amount of three advances of money made to the city by the federal works agency for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, and the city sanitary board was ordered to issue a requisition to the trustees, into whose hands proceeds of future bond issues came, to repay such advances out of any funds in its hands comprising proceeds of revenue bond issues. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Repayment. — A municipality is authorized to incur obligations for the purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from the proceeds of revenue bonds, and not in any way from tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-5. Ordinance necessary before acquisition or construction of works.

Before any municipality shall construct or acquire any works under this article, the governing body shall upon petition of the board, enact an ordinance or ordinances which shall: (a) Set forth a brief and general description of the works and, if the same are to be constructed, a reference to the preliminary report which shall heretofore have been prepared and filed by an engineer chosen by the board as aforesaid; (b) set forth the cost thereof estimated by the engineer chosen as aforesaid; (c) order the construction or acquisition of such works; (d) direct that revenue bonds of the municipality shall be issued pursuant to this article in such an amount as may be found necessary to pay the cost of the works; and (e) contain such other provisions as may be necessary in the premises. (1933, Ex. Sess., c. 25, § 5.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-6. Publication and hearing upon ordinance.

After such ordinance shall have been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ordinance, together with the following described notice, shall be published as a Class II legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last

date of publication of such abstract and notice, and present protests. At such hearing all objections and suggestions shall be heard and the governing body shall take such action as it shall deem proper in the premises: Provided, however, That if at such a hearing written protest is filed by thirty percent or more of the owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto. (1933, Ex. Sess., c. 25, § 6; 1967, c. 105; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-7. Acquisition by condemnation or purchase.

Every such municipality shall have power to condemn any such works to be acquired and any land, rights, easements, franchises and other property, real or personal, deemed necessary or convenient for the construction of any such works, or for extensions, improvements, or additions thereto, and in connection therewith may have and exercise all the rights, powers and privileges of eminent domain granted to municipal corporations under the laws relating thereto. Title to property condemned shall be taken in the name of the municipality. Proceedings for such appropriation of property shall be under and pursuant to the provisions of chapter fifty-four [§ 54-1-1 et seq.], of the Code of West Virginia, one thousand nine hundred thirty-one, and acts amendatory and supplemental thereto: Provided, That the municipality shall be under no obligation to accept and pay for any property condemned, and shall in no event pay for any property condemned or purchased, except from the funds provided pursuant to this article; and in any proceedings to condemn, such orders may be made as may be just to the municipality and to the owners of the property to be condemned, and an undertaking or other security may be required securing such owners against any loss or damage to be sustained by reason of the failure of the municipality to accept and pay for the property, but such undertaking or security shall impose no liability upon the municipality except such as may be paid from the funds provided under the authority of this article. In event of the acquisition by purchase the board may obtain and exercise an option from the owner or owners of said property for the purchase thereof, or may enter into a contract for the purchase thereof, and such purchase may be made upon such terms and conditions, and in such manner as the board may deem proper. In event of the acquisition of any works already constructed by purchase or condemnation, the board at or before the time of the adoption of the ordinance described in section five [§ 16-13-5] hereof, shall cause to be determined what repairs, replacements, additions, and betterments will be necessary in order that such works may be effective for their purpose, and an estimate of the cost of such improvements shall be included in the estimate of the cost required by section five hereof, and such improvement shall be made upon the acquisition of the works and as a part of the cost thereof. (1933, Ex. Sess., c. 25, § 7.)

§ 16-13-8. Cost of works.

The cost of the works shall be deemed to include the cost of acquisition or construction thereof, the cost of all property, rights, easements, and franchises

deemed necessary or convenient therefor and for the improvements determined upon as provided in this article; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvement last mentioned; engineering and legal expenses; expense for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the works and the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof. (1933, Ex. Sess., c. 25, § 8.)

Advances. — Advances from the United States to a city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system represent a part of the cost of the works which should have been repaid out of the first proceeds received from the sale of the first issue of revenue bonds. Such repayment would not in any way increase the cost of the works; it was the very first item of expense incurred in connection with the works. Under the agreement between the city and the United States, it was a liability from the moment construction of the sewage treatment and disposal plant was begun. No disadvantage would result to bondholders as a result of the payment of this just debt out of the proceeds of a future revenue bond issue. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Preliminary expenses. — It is foreseen, as shown in this section, that a city may probably incur expenses in "determining the feasibility or practicability of the enterprise." Such determination would of course be made prior to the issuance of any revenue bonds, and probably before the creation of a sanitary board. It might often result in a rejection of the project altogether, in which event no revenue bonds would be issued, and any obligation incurred by the city might prove to be uncollectible. On the other hand, if the project be undertaken by the city, whatever loans may have been made on the faith of the revenue bonds would or should be included in the cost of the works and repaid out of the proceeds of the bonds. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.

Nothing in this article contained shall be so construed as to authorize or permit any municipality to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under this article. Funds for the payment of the entire cost of the works, exclusive of any portions of the cost that may be defrayed out of any grant or contribution, shall be provided by the issuance of revenue bonds of the municipality, the principal and interest of which shall be payable solely from the fund herein provided for such payment, and said bonds shall not, in any respect, be a corporate indebtedness of such municipality, within the meaning of any statutory or constitutional limitations thereon. All the details of such bonds shall be determined by ordinance or ordinances of the municipality. (1933, Ex. Sess., c. 25, § 9; 1949, c. 93.)

Cross references. — See notes to § 16-13-8.

Applicability. — The provisions of this article become a part of the contract between the municipality and the bondholders as effectually as if written verbatim in the bonds. The bondholders are bound by their contract in this instance just as firmly as in any other legal contract. Consequently, the bonds do not create a corporate indebtedness of the municipality. Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Contracts between municipalities. — Under the provisions of §§ 16-13-19 and 16-13-23a, a city and a town could enter into a contract whereby the city agreed to construct a sewage disposal facility and the town agreed to contribute to the cost of the construction of the facility in return for the right to use the facility, and the fact that the town was unable to sell revenue bonds because it was not allowed to have part ownership in the treatment plant or interceptor sewers did not relieve the town of its contractual obligation when the city offered to buy the revenue bonds issued by the town. Since the contracts were authorized by statute and were thus not ultra vires, even if the contracts were not formally approved by ordinance, the municipalities were estopped from asserting any invalidity of the contracts on such ground. City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus

of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-11. Additional bonds to extend or improve works.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other definite bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 11.)

§ 16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time, under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other bond by reason of priority of issuance or otherwise. (1933, Ex. Sess., c. 25, § 12.)

§ 16-13-13. Application of revenue from bonds; lien.

All moneys received from any bonds issued pursuant to this article, after reimbursements and repayment to said municipality of all amounts advanced for preliminary expenses as provided in section four [§ 16-13-4] of this article, shall be applied solely to the payment of the cost of the work, extensions, improvements or betterments, or to the appurtenant sinking fund and there shall be and hereby is created and granted a lien upon such moneys, until so

applied, in favor of the holders of the bonds or the trustees hereinafter provided for. (1933, Ex. Sess., c. 25, § 13.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-14. Securing bonds by trust indenture.

In the discretion of the governing body such bonds may be secured by a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the State of West Virginia but no such trust indenture shall convey or mortgage the works or any part thereof. The ordinance authorizing the revenue bonds and fixing the details thereof may provide that such trust indenture may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality and the board in relation to the construction or acquisition of the works and the improvement, operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that the works shall be contracted for, constructed and paid for under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, successors, assigns or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the works or other moneys pertaining thereto be satisfactory to such purchasers, successors, assigns or nominees. Such indenture may set forth the rights and remedies of the bondholders and/or such trustee, restricting the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as in this article otherwise provided, the governing body may provide by ordinance or in such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depository as it may determine for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may determine. (1933, Ex. Sess., c. 25, § 14.)

§ 16-13-15. Sinking fund; transfer of balance of net revenues.

At or before the issuance of any such bonds the governing body shall by said ordinance create a sinking fund, to be remitted to and administered by the West Virginia municipal bond commission, for the payment of the bonds and the interest thereon and the payment of the charges of banks or trust companies for making payment of such bonds or interest, and shall set aside and pledge a sufficient amount of the net revenues of the works, hereby defined to mean the revenues of the works remaining after the payment of the reasonable expense of operation, repair and maintenance, such amount to be paid by the board into said sinking fund at intervals to be determined by

ordinance prior to issuance of the bonds, for: (a) The interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or, if all bonds mature at one time, the proper maintenance of a sinking fund in such amounts as are necessary and sufficient for the payment thereof at such time; (d) a margin for safety and for the payment of premiums upon bonds retired by call or purchase as herein provided, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal ten percent of all other amounts so required to be paid into the sinking fund. Such required payments shall constitute a first charge upon all the net revenue of the works. Prior to the issuance of the bonds the board may by ordinance be given the right to use or direct the West Virginia municipal bond commission to use such sinking fund or any part thereof in the purchase of any of the outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into such fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the governing body directly thereto. (1933, Ex. Sess., c. 25, § 15; 1933, 2nd Ex. Sess., c. 48; 1986, c. 118.)

§ 16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates or charges for the use of and the service rendered by such works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the

sums herein required to be paid into the sinking fund. Revenues collected pursuant to this section shall be deemed the revenues of the works. No such rates or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication as a Class II-0 legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing rates or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or readjustment of such rates or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments. All such rates or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate or charge so established shall not be paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, however, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof. Whenever any rates, rentals or charges for services or facilities furnished shall remain unpaid for a period of thirty days after same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities shall be delinquent until such time as all such rates and charges are fully paid. The board collecting such charges shall be obligated under reasonable rules and regulations, to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities, or both, and shall not restore either water facilities or sewer facilities to any delinquent user of either until all delinquent charges for both water facilities and sewer facilities, including reasonable

interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see R.C.P. 2.

Applicability. — Although the public service commission concluded that cities providing only sewer service are not covered by this section, which applies to municipalities that provide both water and sewer service, the district court implicitly rejected the commission's interpretation. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, — U.S. —, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

Discrimination not shown. — Charges made against the users of a city sewage system were based upon the amount of water used upon the premises as indicating the extent to which the sewers were used. The charges were subject to a deduction of the amount of water retained on the premises, such amount to be determined by a meter installed by the consumer and used to record gallonage of water that had come on the property but had not been disposed of through the sewers. It was held that the method under which the charges were assessed was neither capricious nor unfair although certain users had been unable to install meters used to measure their deductions. Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Jurisdiction. — The fact that this section speaks of the enforcement of the lien in a "civil action" should not be construed as placing that jurisdiction in our courts of law simply because the word "action," strictly applied, does not usually refer to chancery practice. City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943).

Municipal sewer system is subject to jurisdiction of public service commission, so municipality is required to file its rates with the commission for approval in accordance with § 24-2-1 et seq. 45 Op. Att'y Gen. 642 (1954).

Applied in Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-17. Municipality subject to established rates.

The municipality shall be subject to the same charges and rates established as hereinbefore provided, or to charges and rates established in harmony therewith, for service rendered the municipality, and shall pay such rates or charges when due from corporate funds and the same shall be deemed to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 17.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.

The governing body shall provide by ordinance the organization of the board, and that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided. Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body: Provided, That, in the event of an acquisition or merger of an existing sewage works, the governing body may increase the membership to a maximum of four members in addition to the mayor or city manager of the

municipality served by the board. During the construction period one of the members must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his public office. Said appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each such term and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. Each member shall give such bond, if any, as may be required by ordinance. Such mayor or city manager shall act as chairman of the sanitary board, which shall elect a vice chairman from its members and shall designate a secretary and treasurer (but the secretary and the treasurer may be one and the same), who need not be a member or members of the sanitary board. The vice chairman, secretary and treasurer shall hold office as such at the will of the sanitary board. The members of the sanitary board shall receive such compensation for their services, either as a salary or as payments for meetings attended, as the governing body may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The governing body shall fix the reasonable compensation of the secretary and treasurer in its discretion, and shall fix the amounts of bond to be given by the treasurer. All compensation, together with the expenses in this section referred to, shall be paid solely from funds provided under the authority of this article. The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (1933, Ex. Sess., c. 25, § 18; 1939, c. 96; 1953, c. 146; 1957, c. 137; 1992, c. 95.)

In general. — The effect of the provisions of this article is to authorize and empower a municipal corporation in this State to own, construct, equip, operate and maintain sewer systems, to place the construction, operation and management of such systems under the supervision and control of a sanitary board appointed by the governing body, to authorize such board to operate, manage and control them and to order and complete any extensions or betterments that the board may deem expedient. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Construction. — There is no repugnancy between the provisions of this article and §§ 24-1-1, 24-2-1 or 24-3-1, and for these reasons, the provisions of this article do not operate to repeal any of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Adjoining state. — Since the incorporation of its sanitary board and its domestication in the state of Virginia was the only plan by which the power intended to be granted by the legislature to a city to construct a sewage disposal plant outside the State of West Virginia could be legally effectuated, the power to so incorporate its sanitary board was a necessary and incidental right to the main power granted. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Board membership. — When a municipal corporation has a city manager form of government, the municipality's governing board has the option of appointing either its mayor or its city manager (but not both) to the municipal sanitary board. 52 Op. Att'y Gen. 217 (1967).

City treasurer. — As to scope of duties and responsibilities of city treasurer as they relate to possession of funds of a sanitary board, see 52 Op. Att'y Gen. 497 (1967).

Consulting engineer. — Member of city council may not serve as consulting engineer to the sanitary board on city sewer project. 49 Op. Att'y Gen. 60 (1961).

Extension of service. — A public utility is under a duty to make reasonable extensions of its services in accordance with its franchise and

charter obligations and the needs of the inhabitants within the territory covered by its franchise; and a public service commission may, where its action is not unlawful, arbitrary, or capricious, order an extension of service for the inhabitants of such territory. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Legislative intent. — The provisions of this article do not revise the subject matter of §§ 24-1-1, 24-2-1 or 24-3-1, and they were not intended as a substitute for any of the provisions of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

In conferring such power and authority upon a municipality by this article, the legislature did not create, or intend to create, any repugnancy or inconsistency between the provisions of this article and the pertinent provisions of chapter 24, or to repeal any of those provisions of that chapter. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Applied in Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-18a. Publication of financial statement.

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this Code, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, That such statement for the fiscal year ending June thirtieth, one thousand nine hundred fifty-six, may be published any time during the year one thousand nine hundred fifty-seven. The statement shall be sworn to by the chairman and secretary and treasurer of the board. If a board fails or refuses to perform the duties hereinbefore named, every member of the board concurring in such failure or refusal shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred nor more than five hundred dollars and the circuit court or criminal court and justices of the peace, of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

Editor's notes. — The phrase "justice of the peace" and the word "justice," when used in a context meaning "justice of the peace," are construed to mean "magistrate." See § 50-1-17 and W. Va. Const., art. VIII, § 15.

§ 16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants as defined in this article, or which as herein provided has ordered the construction or acquisition of such works (in this section called the owner), is hereby authorized to contract with one or more other municipal corporations or political subdivisions within the State (in this section called the lessee), and such lessees are hereby authorized to enter into such contracts with such owners, for the service of such works to such lessees and their inhabitants, but only to the extent of the capacity of the works without impairing the usefulness thereof to the owners, upon such terms and conditions as may be fixed by the boards and approved by ordinances of the respective contracting parties: Provided, however, That no such contract shall be made for a period of more than forty years or in violation of the provisions of said ordinance authorizing bonds hereunder or in violation of the provisions of said trust indenture. The lessee shall by ordinance have power to establish, change and adjust rates and charges for the service rendered therein by the works against the owners of the premises served, in the manner hereinbefore provided for establishing, changing and adjusting rates and charges for the service rendered in the municipality where the works are owned and operated, and such rates or charges shall be collectible and shall be a lien as herein provided for rates and charges made by the owner. The necessary intercepting sewers and appurtenant works for connecting the works of the owner with the sewerage system of the lessee shall be constructed by the owner and/or the lessee upon such terms and conditions as may be set forth in said contract, and the cost or that part of the cost thereof which is to be borne by the owner may be paid as a part of the cost of the works from the proceeds of bonds issued under this article unless otherwise provided by said ordinance or trust indenture prior to the issuance of the bonds. The income received by the owner under any such contract shall, if so provided in said ordinance or trust indenture, be deemed to be a part of the revenues of the works as in this article defined and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 19; 1981, 1st Ex. Sess., c. 2.)

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-20. Discharge of lien on property acquired.

No property shall be acquired under this article upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full. (1933, Ex. Sess., c. 25, § 20.)

§ 16-13-21. Action on certificates or attached coupons; receivers.

Any holder of any such certificates or any of the coupons attached thereto, ınd the trustee, if any, except to the extent the rights herein given may be estricted by said ordinance authorizing issuance of the bonds or by the trust ndenture, may either at law or in equity, by suit, action, mandamus or other ıroceeding protect and enforce any and all rights granted hereunder or under uch ordinance or trust indenture, and may enforce and compel performance of ll duties required by this article or by such ordinance or trust indenture to be erformed by the municipality issuing the bonds or by the board or any officer, ncluding the making and collecting of reasonable and sufficient charges and ates for service rendered by the works. If there be any failure to pay the rincipal or interest of any of the bonds on the date therein named for such ayment, any court having jurisdiction of the action may appoint a receiver to dminister the works on behalf of the municipality and the bondholders and/or rustee, except as so restricted, with power to charge and collect rates sufficient o provide for the payment of the expenses of operation, repair and mainteıance and also to pay any bonds and interest outstanding and to apply the evenues in conformity with this article and the said ordinance and/or trust ndenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — As to abolion of procedural distinctions between law and quity, see Rule 2.

As to receivers, see Rule 66.

As to application of rules to extraordinary remedies, see Rule 81(a)(5).

16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.

The authority herein given shall be in addition to and not in derogation of ny power existing in any municipality under any statutory or charter rovisions which it may now have or hereafter adopt. For all purposes of this rticle, all municipal corporations shall have jurisdiction for ten miles outside he corporate limits thereof. (1933, Ex. Sess., c. 25, § 22.)

16-13-22a. Grants, loans and advances.

Any municipality is authorized and empowered to accept loans or grants and rocure loans or temporary advances evidenced by notes or other negotiable ıstruments issued in the manner, and subject to the privileges and limitaıons, set forth with respect to bonds authorized to be issued under the rovisions of this article, for the purpose of paying part or all of the cost of cquisition or construction of said sewage works and the construction of etterments and improvements thereto, and for the other purposes herein uthorized, from any authorized agency of the state or from the United States f America or any federal or public agency or department of the United States r any private agency, corporation or individual, which loans or temporary dvances, including the interest thereon, may be repaid out of the proceeds of onds authorized to be issued under the provisions of this article, the revenues

of the said sewage works or grants to the municipality from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section. (1949, c. 93; 1961, c. 107; 1980, c. 59; 1981, 1st Ex. Sess., c. 2; 1986, c. 118.)

Stated in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-22b. Contracts for abatement of pollution.

When determined by its legislative body to be in the public interest and necessary for the protection of the public health, any municipality is authorized to enter into and perform contracts, whether long-term or short-term, with any industrial establishment for the provision and operation by the municipality of sewerage facilities to abate or reduce the pollution of waters caused by discharges of industrial wastes by the industrial establishment and the payment periodically by the industrial establishment to the municipality of amounts at least sufficient, in the determination of such legislative body, to compensate the municipality for the cost of providing (including payment of principal and interest charges, if any), and of operating and maintaining the sewerage facilities serving such industrial establishment. (1949, c. 93.)

§ 16-13-22c. Refunding bonds.

Any municipality is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds, including interest thereon, if any, in arrears or about to become due. The relevant provisions in this article pertaining to revenue bonds shall be equally applicable in the authorization and issuance of refunding revenue bonds, including their terms and security, the ordinance, the trust indenture, rates, or other aspects of the bonds. (1949, c. 93.)

§ 16-13-22d. Subordination of bonds.

Notwithstanding any other provisions to the contrary in this article, any municipality authorizing the issuance of bonds under this article in an effort to aid in the abatement or reduction of the pollution of any waters or streams may provide in the ordinance authorizing the issuance of the bonds and in any trust

indenture pertaining thereto that such bonds, or any additional bonds that may thereafter be issued to extend or improve the works, shall, to the extent and in the manner prescribed, be subordinated and be junior in standing, with respect to the payment of principal and interest and the security thereof, to such other bonds as are designated in the ordinance. (1949, c. 93.)

§ 16-13-22e. Operating contract.

Any such municipality may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the facilities and properties of said sewerage system, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons, firms or corporations. Such municipality shall have power to provide in the resolution authorizing the issuance of bonds hereunder, or in any trust indenture, securing such bonds, that such contracts or agreements shall be valid and binding upon the municipality as long as any of said bonds, or interest thereon, are outstanding and unpaid. (1955, c. 132.)

§ 16-13-22f. Exemption of bonds from taxation.

Said bonds and the interest thereon, together with all properties and facilities of said municipality owned or used in connection with sewerage system, and all the moneys, revenues and other income of such municipality derived from such sewerage system shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. (1955, c. 132.)

§ 16-13-22g. Covenants with bondholders.

Any resolution authorizing the issuance of bonds hereunder, or any trust indenture with any bank or trust company within or without the State, for the security of said bonds, may contain covenants with the holders of such bonds as to:

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

(b) The pledging of all or any part of the revenues derived from the ownership, operation or control of such sewerage systems, including any part thereof heretofore or hereafter constructed or acquired or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued hereunder and for such reserve or other funds as may be deemed necessary or desirable;

(c) The fixing, establishing and collecting of such fees, rentals or other charges for the use of the services and facilities of such sewerage system, including the parts thereof heretofore or hereafter constructed or acquired and the revision of same from time to time, as will always provide revenues at least

sufficient to provide for all expenses of operation, maintenance and repair of such sewerage system, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage system, and all reserve and other funds required by the terms of the ordinance authorizing the issuance of such bonds;

(d) The transfer from the general funds of the municipality to the account or accounts of such sewerage system of an amount equal to the cost of furnishing the municipality or any of its departments, boards or agencies with the services and facilities of such sewerage system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenue of such sewerage system, and the rank or priority, as to lien and source and security for payment from the revenues of such sewerage system, between bonds payable from such revenues;

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the performance of any covenant or agreement with bondholders, and the manner and terms upon which such defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual operation, maintenance and repair of such sewerage system and restrictions and limitations upon expenditures for such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

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

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

(j) Such other additional covenants as shall be deemed necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to such municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holder of bonds issued hereunder not inconsistent with the Constitution of the State of West Virginia. (1955, c. 132.)

§ 16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.

This article, shall, without reference to any other statute, be deemed full authority for the construction, acquisition, improvement, equipment, maintenance, operation and repair of the works herein provided for and for the issuance and sale of the bonds by this article authorized, and shall be construed as an additional and alternative method therefor and for the financing thereof, and no petition or election or other or further proceeding in respect to the construction or acquisition of the works or to the issuance or sale of bonds under this article and no publication of any resolution, ordinance, notice or proceeding relating to such construction or acquisition or to the issuance or sale of such bonds shall be required except such as are prescribed by this article, any provisions of other statutes of the State to the contrary notwithstanding: Provided, however, That all functions, powers and duties of the state department of health shall remain unaffected by this article. (1933, Ex. Sess., c. 25, § 23.)

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the director of the division of environmental protection or the environmental quality board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates or charges for the use of the services and facilities of the existing sewer system of such municipal corporation, and/or for the use of the services and facilities to be rendered upon completion of any works and system necessary by virtue of said order, to be paid by the owner, tenant or occupant of each and every lot or parcel of real estate or building that is connected with and uses any part of such sewer system, or that in any way uses or is served thereby, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient for the payment of all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works for the collection and/or treatment, purification and disposal of sewage, and the repair, alteration and extension of existing sewer facilities, as may be necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and for the operation, maintenance and repair of the entire works and system; and the governing body shall create, by ordinance, a sinking fund to accumulate and hold any part or all of the

proceeds derived from rates or charges until completion of said construction, to be remitted to and administered by the municipal bond commission by expending and paying said costs and expenses of construction and operation in the manner as provided by said ordinance; and after the completion of the construction such rates or charges shall be sufficient in each year for the payment of the proper and reasonable costs and expenses of operation, maintenance, repair, replacement and extension from time to time, of the entire sewer and works. No such rates or charges shall be established until after a public hearing, at which all the potential users of the works and owners of property served or to be served thereby and others shall have had an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication of such notice as a Class II-0 legal advertisement in compliance with the provisions of article three [§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication is the municipality. The first publication shall be made at least ten days before the date fixed therein for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing the rates or charges, either as originally introduced or as modified and amended, may be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the sanitary board having charge of the construction and operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice. Any change or readjustment of such rates or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required. If any rate or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the sanitary board of such municipal corporation in a civil action in the name of the municipality. Any municipal corporation exercising the powers given herein has authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and the authority provided herein to establish, maintain and collect rates or charges is an additional and alternative method of financing such works and matters, and is independent of any other provision of this article insofar as such article provides for or requires the issuance of revenue bonds or the imposition of rates and charges in connection with such bonds: Provided, however, That except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in

compliance with an order of the director of the division of environmental protection or the environmental quality board, and the rights, powers, and duties of such municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article. (1955, c. 135; 1967, c. 105; 1994, c. 61.)

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-24. Article to be construed liberally.

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof. (1933, Ex. Sess., c. 25, § 24.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1. Legislative findings.
16-13A-1a. Jurisdiction of the public service commission.
16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.
16-13A-1c. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.
16-13A-10. Budget.
16-13A-11. Accounts; audit.
16-13A-12. Disbursement of district funds.
16-13A-13. Revenue bonds.
16-13A-14. Items included in cost of properties.
16-13A-15. Bonds may be secured by trust indenture.
16-13A-16. Sinking fund for revenue bonds.
16-13A-17. 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.
16-13A-18. Operating contracts.
16-13A-18a. Sale, lease or rental of water, sewer or gas system by district; distribution of proceeds.
16-13A-19. Statutory mortgage lien created; foreclosure thereof.
16-13A-20. Refunding revenue bonds.
16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.
16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.
16-13A-23. Validation of acts and proceedings of public service boards.
16-13A-24. Acceptance of loans, grants or temporary advances.
16-13A-25. Borrowing and bond issuance; procedure.

Editor's notes. — Acts 1989, 1st Ex. Sess., c. 3, redesignated the board of health and the department of health as the division of health, within the department of health and human resources. See also, Acts 1997, c. 225.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Constitutionality. — The act from which this article was derived, authorizing the creation of public service districts by the county courts of this State, defining the powers and duties of the governing boards of such districts in the acquisition, construction, maintenance, operation, improvement and extension of property supplying water and sewerage services, and authorizing the issuance of bonds of such districts payable solely from revenue to be derived from the operation of such properties, does not violate any provision of the Constitution of this State or the Fourteenth Amendment to the Constitution of the United States. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Purpose. — The purpose of this article is to provide water and sewerage facilities in unincorporated districts. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

The title to Acts 1953, c. 147, is sufficient to give a fair and reasonable index to all of the purposes of the act. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Public utilities. — Public service districts are "public utilities" because they are required to pay a special license fee pursuant to § 24-3-6 for support of the public service commission. 50 Op. Att'y Gen. 447 (1963).

Cited in Berkeley County Pub. Serv. Dist. v. Vitro Corp. of Am., 152 W. Va. 252, 162 S.E.2d 189 (1968); State v. Neary, 179 W. Va. 115, 365 S.E.2d 395 (1987); McClung Invs., Inc. v. Green Valley Community Pub. Serv. Dist., 485 S.E.2d 434 (W. Va. 1997).

§ 16-13A-1. Legislative findings.

The Legislature of the state of West Virginia hereby determines and finds that the present system of public service districts within the state has provided a valuable service at a reasonable cost to persons who would otherwise have been unable to obtain public utility services. To further this effort, and to ensure that all areas of the state are benefiting from the availability of public service district utility services and to further correct areas with health hazards, the Legislature concludes that it is in the best interest of the public to implement better management of public service district resources by expanding the ability and the authority of the public service commission to assist public service districts by offering advice and assistance in operational, financial and regulatory affairs.

In addition to the expanded powers which shall be given to the public service commission, the Legislature also concludes that it is in the best interest of the public for each county commission to review current technology available and consider consolidating existing public service districts where it is feasible and will not result in the interference with existing bond instruments. Further, if such consolidation is not feasible, the Legislature finds that it is in the best

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(e) "Trust" means the national tobacco community trust as defined in subsection (c) of this section. (1999, c. 283.)

§ 16-9C-3. Creation of board.

There is hereby created a board to be known as the "state tobacco growers' settlement board" consisting of three members: the governor, the attorney general and the commissioner of agriculture, or their designees. The governor or his or her designee shall serve as the chair, the commissioner of agriculture or his or her designee shall serve as the vice chair, and the attorney general or his or her designee shall serve as the secretary. (1999, c. 283.)

§ 16-9C-4. Duties and responsibilities of the state tobacco grower board.

The duties and responsibilities of the board shall include, but are not limited to:

(a) The consummation of a settlement with leading United States tobacco product manufacturers for the exclusive benefit of state tobacco growers;

(b) The execution of all necessary written agreements relative to the national tobacco community trust to ensure state tobacco growers' receipt of funds directly from the trust;

(c) Consultation with tobacco growers within the state in order to determine how funds allocated by the national tobacco community trust shall be distributed among state tobacco growers to compensate them for the adverse effects of decreased consumption, demand and price for cigarettes;

(d) The submission of a plan to the national tobacco community trust identifying state tobacco growers and the distribution of trust funds to state tobacco growers; and

(e) The certification of instructions annually to the national tobacco community trust regarding distribution of funds from the trust directly to the state tobacco growers during the twelve year payment period, beginning in the year one thousand nine hundred ninety-nine. (1999, c. 283.)

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

§ 16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.

Stated in Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201 (1998).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-4. Board chairman; members' compensation; procedure; district name.

§ 16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.

Applied in Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201 (1998).

§ 16-13A-4. Board chairman; members' compensation; procedure; district name.

(a) The chairman shall preside at all meetings of the board and may vote as any other member of the board. If the chairman is absent from any meeting, the remaining members may select a temporary chairman and if the member selected as chairman resigns as such or ceases for any reason to be a member of the board, the board shall select one of its members as chairman to serve until the next annual organization meeting.

(b) Salaries of the board members are:

(1) For districts with fewer than six hundred customers, up to seventy-five dollars per attendance at regular monthly meetings and fifty dollars per attendance at additional special meetings, total salary not to exceed fifteen hundred dollars per annum;

(2) For districts with six hundred customers or more but fewer than two thousand customers, up to one hundred dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed two thousand five hundred fifty dollars per annum;

(3) For districts with two thousand customers or more, up to one hundred twenty-five dollars per attendance at regular monthly meetings and seventy-five dollars per attendance at additional special meetings, total salary not to exceed three thousand seven hundred fifty dollars per annum; and

(4) For districts with four thousand or more customers, up to one hundred fifty dollars per attendance at regular monthly meetings and one hundred dollars per attendance at additional special meetings, total salary not to exceed five thousand four hundred dollars per annum.

EXHIBIT A

CODE OF ORDINANCES

CITY OF

BLUEFIELD, WEST VIRGINIA

THE CHARTER

AND

GENERAL ORDINANCES OF THE CITY

Adopted, April 30, 1974
Effective, July 1, 1974

Published by Order of the Board of Directors

MUNICIPAL CODE CORPORATION

TALLAHASSEE, FLORIDA 1974

14

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Municipal Code Corporation

Tallahassee, Florida

OFFICIALS

Of The

CITY OF BLUEFIELD, WEST VIRGINIA
AT THE TIME OF THIS CODIFICATION

C. Edwin Elliott

Mayor

Allan Connolly
Victor DeVault
Angelo Monaco
J. E. Walker

Directors

Blanche R. Stringfellow

City Clerk

William O. Bivens, Jr.

City Solicitor

PREFACE

Part I of this volume contains the Charter and Related Laws of the City of Bluefield, West Virginia, as amended, and a disposition table setting forth in chronological sequence the disposition of each act included herein, amending or relating to the Charter of the City. Part II contains a revision and codification of the ordinances of a general and permanent nature of the City of Bluefield which were deemed appropraite to be included.

Part II is an entire new codification, and, as expressed in the Adopting Ordinance, supersedes all ordinances not included herein or expressly saved from repeal by the Adopting Ordinance. Only those ordinances of a general and permanent nature prescribed for and affecting the public as a whole are included herein. Special ordinances, dealing with only a portion of the inhabitants of the City, rather than all of them, or relating to special purposes, such as those levying special assessments, providing for bond issues, paving, vacating and opening specified streets, rezoning certain designated districts, etc., are not included herein. For a more specific enumeration of the types of ordinances which are not included herein see Section 3 of the Adopting Ordinance.

The material in Part II, Code of Ordinances, has been classified as to subject matter, edited, revised, and in many instances rewritten. As will be noted, the chapters have been arranged conveniently in alphabetical order and the various sections within each chapter have been appropriately catchlined to facilitate usage. Attention is also invited to the footnotes which tie related sections of the Code together and which also refer to relevant provisions of the Charter.

The numbering system used in this Code is the same system used in many state and municipal codes. Each section number consists of two component parts separated by a dash, the figure before the dash referring to the chapter number and the figure after the dash referring to the position of the section within the chapter. Thus, the first section of Chapter 1 is numbered 1-1, and the fourteenth section of Chapter 13 is numbered 13-14. Under this system

each section is identified with its chapter and at the same time new sections can be inserted in their proper places, simply by using the decimal system for amendments. By way of illustration: If new material consisting of three Sections that would logically be included between Sections 4-4 and 4-5 is to be added, such new sections would be numbered 4-4.1, 4-4.2 and 4-4.3, respectively. Sections have been reserved at the end of articles and divisions to provide for future expansion.

New chapters may be included by the addition of a fraction after the chapter number, e.g., if the new material is to be included between Chapters 12 and 13, it will be designated as Chapter 12½. Care should be taken that the alphabetical sequence of chapters is maintained when including new chapters. New articles and new divisions may be included by the use of a capital letter after the article or division number, e.g., if the new article is to be included between Articles I and II, it will be designated as Article IA. In the case of articles and divisions, the same may be placed at the end of the article or division embracing the subject, the next successive number being assigned to the article or division.

The source of each section is included in the history note in parentheses at the end thereof. The absence of such a note indicates that the section is new and was adopted for the first time with the adoption of this Code, except as may be otherwise stated in editor's footnotes.

A special feature of this Code to which the attention of the user is particularly invited is the looseleaf system of binding and supplemental servicing for the Code. With this looseleaf system, the Code will be kept up-to-date periodically. Upon final passage of amendatory ordinances, they will be edited and the appropriate pages of the Code affected will be reprinted for insertion in the Code. These new pages will be distributed to the holders of the Codes with instructions for the manner of inserting the new pages and deleting the obsolete pages. Each such subsequent amendment, when incorporated into this Code, may be cited as a part hereof as provided in Section 5 of the Adopting Ordinance.

The successful maintenance of this Code up-to-date at all times will depend largely upon the holder of the volume. As

revised sheets are received it will then become the responsibility of the holder to insert the amendments according to the attached instructions. It is earnestly recommended by the publishers that all such amendments be inserted immediately upon receipt to avoid misplacing them, and in addition, that all deleted pages be saved and filed for historical reference purposes.

The indices have been prepared with great care. Each particular item has been placed under several headings, some of the headings being couched in lay phraseology, others in legal terminology, and still others in language generally used by municipal officers and employees. There are numerous cross references within the indices themselves which stand as guideposts to direct the user to the particular item in which he is interested.

Time and effort have not been spared in the preparation of this Code and the publishers are most grateful to all city officers and employees for their cooperation and interest during the preparation of this Code. Special appreciation is due Mr. William O. Bivens, Jr., City Solicitor.

The publication of this Code was under the direct supervision of George R. Langford, President and B. Meade White, Editor, of Municipal Code Corporation, Tallahassee, Florida.

This Code is presented for the use and benefit of the citizens of the City of Bluefield.

April, 1974

MUNICIPAL CODE CORPORATION
Tallahassee, Florida

ORDINANCE NO. 2-74

AN Ordinance Adopting and Enacting a New Code of Ordinances of the City of Bluefield, West Virginia; Establishing the Same; Providing for the Repeal of Certain Ordinances Not Included Therein, Except as Herein Expressly Provided; Providing for the Manner of Amending Such Code of Ordinances; Providing a Penalty for the Violation Thereof; and Providing When This Ordinance Shall Become Effective.

Be It Ordained and Enacted by the Board of Directors of the City of Bluefield, West Virginia:

Section 1. That the Code of Ordinances, consisting of Chapters 1 to 23 inclusive, is hereby adopted and enacted as the "Code of Ordinances, City of Bluefield, West Virginia," and shall be treated and considered as a new and original comprehensive ordinance which shall supersede all other general and permanent ordinances of the City passed on or before October 17, 1972, to the extent provided in Section 2 hereof.

Section 2. That all provisions of such Code shall be in full force and effect from and after the 1st day of July, 1974 and all ordinances of a general and permanent nature of the City of Bluefield, enacted on final passage on or before October 17, 1972, and not included in such Code or recognized and continued in force by reference therein are hereby repealed from and after the 1st day of July, 1974 except as hereinafter provided. No resolution of the City, not specifically mentioned, is hereby repealed.

Section 3. That the repeal provided for in Section 2 hereof shall not affect the following:

(a) Any offense or act committed or done or any penalty or forfeiture incurred or any contract or right established or accruing before the effective date of this ordinance; such repeal shall not make legal any building or use existing contrary to the zoning ordinances or other such restrictive ordinances;

(b) Any ordinance promising or guaranteeing the payment of money for the City or authorizing the

issuance of any bonds for the City or any evidence of the City's indebtedness, or any contract or obligation assumed by the City;

(c) Any ordinance prescribing traffic regulations for specific areas, such as stop streets, speed limits, etc., not in conflict or inconsistent with the provisions of such Code;

(d) Any ordinance fixing salaries of officers or employees of the City;

(e) Any budget or appropriation ordinance;

(f) Any right or franchise granted by the board of directors to any person, firm or corporation;

(g) Any ordinance dedicating, naming, establishing, locating, relocating, opening, closing, paving, widening, vacating, etc., any street or public way in the City;

(h) Any ordinance establishing and prescribing the street grades of any street in the City;

(i) Any ordinance providing for local improvements or assessing taxes therefor;

(j) Any ordinance dedicating or accepting any plat or subdivision in the City or providing regulations for the same;

(k) Any ordinance explicitly saved from repeal in the body of the Code of Ordinances;

(l) Any ordinance regulating zoning and subdivisions in the City;

(m) Any ordinance making any act or failure to do any act an offense against the City, when such ordinance is authorized under the state law and is not inconsistent with such Code;

(n) Any ordinance fixing ad valorem taxes or other taxes, or providing for the levying or collecting thereof;

(o) Any ordinance levying an occupational or business license fee or tax, or regulating any business, and not included therein;

(p) Any ordinance enacted after October 17, 1972.

Such repeal shall not be construed to revive any ordinance or part of an ordinance which has been repealed by a subsequent ordinance which is repealed by this ordinance.

Section 4. That whenever in such Code an act is prohibited or is made or declared to be unlawful or an offense by the board of directors, or whenever in such Code the doing of any act is required or the failure to do any act is declared to be unlawful by the board of directors, and no specific penalty is provided therefor, the violation of any such provisions of such Code shall be punished by a fine of not more than one hundred dollars ($100.00), or for imprisonment for a term not exceeding thirty (30) days, or both of these punishments, as provided in Section 1-8 of such Code.

Section 5. That any and all additions or amendments to such Code when passed in such form as to indicate the intention of the board of directors to make the same a part thereof shall be deemed to be incorporated in such Code so that reference to the "Code of Ordinances, City of Bluefield," shall be understood and intended to include such additions and amendments.

Section 6. That in case of the amendment by the board of directors of any section of such Code for which a penalty is not provided in another section in the same chapter, the penalty so provided in such other section shall be held to relate to the section so amended, unless such penalty is specifically repealed therein.

Section 7. That a copy of such Code shall be kept on file in the office of the City Clerk, preserved in looseleaf form, or in such other form as the City Clerk may consider most expedient. It shall be the express duty of the City Clerk, or someone authorized by him, to insert in their designated places all ordinances which indicate the intention of the council to make the same a part of such Code when the same have been printed or reprinted in page form, and to extract from such Code all provisions which may be repealed from time to time by the board of directors. This copy of such Code shall be available for all persons desiring to examine the same.

Section 8. That it shall be unlawful for any person to change or alter by additions or deletions, any part or portion of such Code, or to insert or delete pages or portions thereof, or to alter or tamper with such Code in any manner whatsoever which will cause the law of the City of Bluefield to be misrepresented thereby. Any person violating this section shall be punished as provided in Section 1-8 of the Code of Ordinances of the City of Bluefield and in Section 4 of this ordinance.

Section 9. That all ordinances or parts of ordinances in conflict herewith are, to the extent of such conflict, hereby repealed.

Section 10. That this ordinance shall become effective on the 1st day of July, 1974.

PASSED, APPROVED AND ADOPTED BY THE BOARD OF DIRECTORS on the 30th day of April, 1974.

/s/C. Edwin Elliott
Mayor

(SEAL)

/s/Blanche R. Stringfellow
City Clerk

TABLE OF CONTENTS

	Page
Officials of City at Time of Codification	iii
Preface	v
Ordinance Adopting Code	ix

PART I

CHARTER

Charter (1921 Acts of the West Virginia Legislature)	1

PART II

CODE OF ORDINANCES

Chapter		
1.	General Provisions	107
2.	Administration	163
	Art. I. In General	163
	Art. II. Board Proceedings	167
3.	Animals and Fowl	221
	Art. I. In General	221
	Art. II. Dogs and Cats	224
4.	Buildings and Structures	279
	Art. I. In General	279
	Art. II. Codes	284
	Art. III. Permits	289
	Art. IV. Unsafe Buildings	293
	Art. V. Site Alterations	296
5.	Elections	351
6.	Finance and Taxations	403
	Art. I. In General	403
	Art. II. Special Charges for Municipal Services	405
	Div. 1. Generally	405
	Div. 2. Fire Protection	405

Chapter

7. Fire Protection and Prevention .....
   Art. I. In General .....
   Art. II. Codes .....

8. Garbage, Trash and Other Waste .....

9. Health and Sanitation .....

10. Human Rights .....

11. Judicial .....

12. Mobile Homes and Trailers 745

13. Occupational Licenses, Taxes and Regulations 799
   Art. I. Licenses and Regulations 799
      Div. 1. Generally 805
      Div. 2. Alcoholic Beverages 805
      Div. 3. Auctioneers and Auctions .. 809
      Div. 4. Coal and Coke Dealers 812
      Div. 5. Coin-Operated Machines ... 815
      Div. 6. Hawkers, Peddlers, Itinerant, Vendors 819
      Div. 7. Junkyards, Dealers and Agents 828
      Div. 8. Pawnbrokers 829
      Div. 9. Solicitations 831
      Div. 10. Taxicabs 836
      Div. 11. Miscellaneous Pursuits ... 843
   Art. II. Business Franchise or Privilege Tax 855
   Art. III. Utility Service Tax 873

14. Offenses and Miscellaneous Provisions 927
   Art. I. In General 927
   Art. II. Alcoholic Beverages 939
   Art. III. Gambling 940
   Art. IV. Immorality 942
   Art. V. Larceny and Related Offenses .. 945

15. Parks, Recreation and Cultural Facilities .. 997
   Art. I. In General 997
   Art. II. Library 1004

TABLE OF CONTENTS—Cont'd.

Chapter		Page
16.	Personnel	1057
	Art. I. In General	1057
	Art. II. Police and Firemen	1057
17.	Planning	1111
18.	Streets and Sidewalks	1161
	Art. I. In General	1161
	Art. II. Construction and Repair	1168
	Div. 1. Generally	1168
	Div. 2. Sidewalks	1169
19.	Subdivisions	2223
20.	Traffic and Vehicles	2279
	Art. I. In General	2279
	Art. II. Operation of Vehicles	2296
	Art. II. Traffic-Control Signs, Signals, Devices and Markings	2315
	Art. IV. Pedestrians	2319
	Art. V. Vehicle Equipment	2322
	Art. VI. Bicycles	2325
	Art. VII. Parking	2329
	Div. 1. Generally	2329
	Div. 2. Meters and Off-Street Facilities	2336
	Div. 3. Loading and Unloading	2343
21.	Trees, Shrubs, Grass and Weeds	2397
22.	Utilities-City Operated	2449
	Art. I. In General (Reserved)	2449
	Art. II. Sewers	2449
23.	Zoning	2503
	Art. I. In General	2503
	Art. II. Use Regulations	2518
	Art. III. Height Regulations	2529
	Art. IV. Area Regulations	2532
Code Comparative Tables		2739
Charter Index		2777
Code Index		2801

PART I

THE CHARTER*

1921 ACTS OF THE WEST VIRGINIA LEGISLATURE

(Senate Bill No. 169—Mr. Sanders.)

AN ACT to amend and reenact chapter nine of the acts of one thousand nine hundred and fifteen, relating to the charter of the City of Bluefield.

Be It Enacted by the Legislature of West Virginia:

That chapter nine of the acts of the Legislature of West Virginia, session of one thousand nine hundred and fifteen granting a charter to the City of Bluefield and subsequent acts amendatory thereof, be and the same are hereby amended and reenacted to read as follows:

Sec. 1. Corporate powers.

The inhabitants of the portion of the County of Mercer, in the State of West Virginia, within the limits of the City of Bluefield, as hereinafter set forth, shall be and continue a body politic and corporate, by the name and style of "The City of Bluefield," and as such, and by that name, shall have perpetual succession, and may contract and be contracted with, sue and be sued, plead or be impleaded, answer and be answered unto, and may purchase, acquire by condemnation proceedings for public use, take, receive, hold and use goods and chattels, lands and tenements and choses in action, or any interest, right or estate therein, either for the proper use of said city, or in trust for the benefit of any person or association therein; and the same may grant, sell, convey,

*Editor's note—The charter is reprinted herein as it appeared in the Code of the City of Bluefield of 1958, except that amendments thereto have been inserted in their proper places, deleted provisions omitted, amendments cited in parentheses following the amended sections, and section captions have in some instances been altered or expanded to more fully apprise the reader of the contents.

transfer and assign, let, pledge, mortgage, charge and encumber, in any case and in any manner in which it would be lawful for private individuals so to do, except where its powers may be limited by law; and may have and use a common seal, and alter and renew the same at pleasure; and generally shall have all the rights, franchises, capacities and powers appertaining to municipal corporations in this state.

All real and personal estates, and all funds, rights, titles, taxes, credits and claims, and rights of action owned by the City of Bluefield immediately before this charter takes effect or which are then held in trust or have been appropriated for the use or benefit of said city or of the inhabitants thereof, shall be and the same are hereby transferred to and vested in the City of Bluefield under this charter.

All lawful contracts with and all lawful rights, claims and demands against the City of Bluefield, at the time this charter takes effect, shall be good in law against the said city under this charter.

Sec. 2. Corporate limits.

The corporate territorial limits of the City of Bluefield shall comprise all that district of country situate in the County of Mercer and State of West Virginia, to wit:

Beginning at the intersection of the state line between Virginia and West Virginia with the center of a street between Bluefield, West Virginia, and Graham, Virginia, known as "Bluefield Avenue," east of the state line and "Graham Avenue" west of the state line; thence with the state line north 49 degrees 34 minutes west 3,058 feet to a stone corner 740 feet north of Stony Ridge; thence north 66 degrees 35 minutes east 21,817 feet to a stone corner on the north side of Stony Ridge; thence south 23 degrees 25 minutes east, crossing Stony Ridge at 454 feet and running along the west side of the county road overhead bridge 3,816 feet to a point on top of Valley Ridge; thence following the dividing line of Valley Ridge in a southwestern direction 5,768.5 feet to a point on top of said

ridge, dividing the property of R. W. Tuggle and Marinda Wilson; thence along the said dividing line in a southeastern direction 6,919.5 feet to a black oak at the Cumberland Gap turnpike; thence in a northwesterly direction with said line dividing Virginia from West Virginia to the beginning.

Sec. 3. Wards.

The said city shall be divided into eight wards, the boundaries of which are shown on a certain map of the City of Bluefield which designates the precincts and ward lines as changed and amended, and which map shall be maintained in the office of the city engineer of the City of Bluefield, West Virginia, for a more complete description of same:

Ward No. 1: Shall contain and encompass the boundaries of precincts 10, 11, 15, 16, 17 and 18.

Ward No. 2: Shall contain and encompass the boundaries of precincts 12, 13, 19, 20, 21 and 22.

Ward No. 3: Shall contain and encompass the boundaries of precincts 14, 23 and 24.

Ward No. 4: Shall contain and encompass the boundaries of precincts 33, 34 and 35.

Ward No. 5: Shall contain and encompass the boundaries of precincts 25 and 26.

Ward No. 6: Shall contain and encompass the boundaries of precincts 31 and 32.

Ward No. 7: Shall contain and encompass the boundaries of precincts 28, 29 and 30.

Ward No. 8: Shall contain and encompass the boundaries of precincts 27 and 36.

The board of directors of said city shall, from time to time, create and establish voting precincts in said several wards so that for every three hundred voters a voting precinct shall be created, and said board of directors shall designate the territorial limits and boundaries of such voting precincts as may

be created, all of which may be done by ordinance or resolution unless additional precincts are created before this act takes effect, but no new precinct shall be established or the boundary line of any precinct changed within thirty days of any election. The voting precincts of said city shall be established within the ward divisions. (Amend. 1960)

Editor's note—In 1971, by virtue of annexation, there was created city precincts 15 and 16, as distinguished from county precincts above indicated, which new precincts are in ward 8; for descriptions of such precincts, see §§ 5-5 and 5-6, respectively, of the Code of Ordinances.

Sec. 4. Districts.

The City of Bluefield shall be divided into five districts as follows: District number one shall include all of that section of the city now known as ward number four as herein set forth; district number two shall include all of that section of the city now known and designated as ward number eight as herein defined; district number three shall include and consist of ward numbers one and two as herein defined; district number four shall include and consist of all that section of the city, bounded on the north by the Norfolk and Western railway, on the east by the corporate limits, on the south by district number two, and on the west by Federal Street; district number five shall include and consist of that section of the city lying north of the Norfolk and Western railway line and extending to the corporate limits on the west, north and east.

Sec. 5. Voting.

Every person qualified by law to vote for members of the legislature of the state, who shall have been a resident of said city for at least sixty days preceding the election, shall be entitled to vote at elections for corporate authorities and on questions authorized by law to be determined by popular vote.

Sec. 6. Election times; regulations; providing for voter registration.

The first election for a board of directors under this charter shall be held on the first Tuesday in July, one thousand

nine hundred and twenty-one, provided this charter is approved by the voters as hereinafter set out, and every regular city election of a board of directors shall be held every four years thereafter, on the first Tuesday in June. Said first election shall be conducted and the result ascertained and declared in the manner specified respecting elections in said city for municipal officers immediately preceding the time this charter takes effect, except that the officers to be elected shall be as prescribed by this chapter. Thereafter, such elections for a board of directors shall be held as provided by chapter three of the Code of West Virginia insofar as the same is applicable and in such manner as may be ordained by the board of directors not inconsistent with the general election laws of this state. All other elections or votes on any question by the qualified voters of said city, shall be held or taken at such places under the superintendency of such person and subject to such regulations as are consistent with the laws of the state and ordained by the board of directors. The board of directors shall by ordinance, provide for such regulations for the registration of voters as may be rendered necessary by state law. (Ord. No. 77-2, § 4-26-77)

State law reference—Registration of voters, W.Va. Code, § 8-5-13.

Sec. 7. Governing body.

Said city shall have a board of directors of five members. All directors shall serve for a term of four years and until their successors are elected and have qualified, unless sooner removed from office. They shall be residents of the city and qualified voters therein. The board of directors shall appoint, within ten days after their election, one of their number as their chairman or presiding officer, who shall be known officially as mayor of the city and recognized as such for ceremonial purposes and for the purpose of being served with civil processes against the city, and for the performance of all duties imposed upon him by this charter. A majority vote of all the members of the board of directors elected shall be necessary for the election of such chairman. The mayor shall hold his office as such at the pleasure of the board of directors.

The board of directors shall promulgate, maintain and enforce for themselves and all of the other officers and employees of the city an ordinance prohibiting conflicts of interest. Any member of the board violating such ordinance shall be automatically removed from office. (Ord. No. 88-10, 11-15-88)

Sec. 8. Meetings of board of directors.

The first meeting of such board of directors shall be held on the first Tuesday of August next succeeding their election, or as soon thereafter as practicable, or as soon as a quorum of members shall be in attendance thereafter, in the room or chamber in the city hall in said city, or at such other public place in said city as the majority of such members shall select, the residue of such members having first received reasonable notice of the time and place of the meeting, and the same publicly announced.

Subsequent meetings shall be held at such place in said city hall or elsewhere in said city, and (commencing at such hour as the board of directors shall from time to time determine), on Tuesday of each week, unless a legal holiday shall occur on that day, in which event the meeting shall be held on the succeeding Wednesday. The board of directors may hold special meetings at the place selected for their regular meetings, commencing at such hour as they shall determine. Special meetings of the board of directors may be called by the mayor, or any three members thereof. All meetings of the board of directors shall be open to the public.

Sec. 9. Vacancies.

A majority of the board of directors elected shall have authority at any meeting of the directors to appoint one of

their number to serve pro tempore as chairman or mayor in the event of the absence from the city, or such meeting, or disability of the regular mayor. Vacancies in the board of directors shall be filled by a majority of the remaining members for the unexpired term but any vacancy arising from a recall election shall be filled in the manner provided in such case. In the event of the death or resignation of the regular mayor the vacancy in the office of mayor for the unexpired term shall be filled by the board of directors.

Sec. 10. Salaries and compensation of directors.

Directors shall be paid fifteen dollars each for every regular meeting they attend, and the mayor shall be paid sixteen dollars for like attendance, but no compensation shall be allowed for special meetings, nor for any committee meeting of the board of directors.

No extra compensation shall be granted or allowed to any member of the board of directors, agent or servant of the city, or contractor therewith after the services shall have been rendered or the contract made; nor shall any payment be made of any claim or part thereof, created against the city, under any agreement or contract made without express authority of law; and all such unauthorized agreements shall be null and void. Nor shall the salary or compensation of any member of the board of directors be increased or diminished during his term of office. No member of the board of directors shall receive any additional emolument, allowance or perquisite on any account, save the compensation hereinbefore in this section provided.

The increase in salary of members of the board of directors, including the mayor of the said city as hereinabove set out shall not become effective until the election and qualifications of the board of directors following the general election for said board to be held in said city on the second day of July, 1957, and to continue in full force and effect thereafter unless and until changed by proper charter amendments as provided by law. (Amend. 1957)

Sec. 11. Restrictions on eligibility of directors.

No person holding a lucrative office under this state, the United States, or any foreign government; no member of congress, no person who is a sheriff, justice of the peace, constable, or clerk of any court of record shall be eligible to a seat on the board of directors. No person who has been, or hereafter shall be convicted of bribery, perjury or other infamous crime shall be eligible to a seat on the board of directors. No person who may have collected or been entrusted with public money, whether of a state, county, township, district or any municipal corporation, shall be eligible to the board of directors, or to any office of honor, trust or profit in the city, until he shall have duly accounted for and paid over such money, according to law.

Sec. 12. Legislative procedure.

The board of directors shall be judge of the election and qualifications of its members, subject to the provisions of section six of this charter. A majority of all members elected shall constitute a quorum to do business, and the affirmative votes of a majority of all members elected shall be required for the adoption of any ordinance or resolution. Every ordinance or resolution passed by the board of directors shall be signed by the mayor or mayor pro tempore and filed with the clerk within two days and by him recorded.

Sec. 13. Employees.

The board of directors shall employ the following named officers of the city, to wit: A city manager, who shall be the administrative head of the municipal government and who shall be responsible for the efficient administration of all departments; a clerk, who shall be known as city clerk, who shall keep all records of the meetings of the city board of directors, and perform such other duties as may be required by this charter or the board of directors; a city solicitor; a city treasurer, who shall perform such duties as are prescribed in this charter or as the city board of directors by ordinance shall prescribe; a judge of police court, and such

commissioners of municipal loans and bond issues as may be required by law of the state or city ordinance. All employees of the board of directors shall hold office at the pleasure of the board of directors and receive such compensation therefor as the board of directors may determine.

Sec. 14. City manager's powers and duties.

The duties and powers of the city manager shall be:

(a) To see that the laws and ordinances are enforced;

(b) To appoint all officers of the city, except members of the city board of directors and the officers such city board of directors is hereby authorized to appoint, and to employ, or cause to be employed, all employees of the city, the officers by him appointed and such employees he shall appoint or cause to be appointed, to continue in their offices or employment during his pleasure or that of his successor as such city manager, but all appointments or employments shall be upon merit and fitness alone;

(c) To exercise supervision and control over all departments and divisions created herein or that hereafter may be created by the board of directors, except the board of directors and other officers by it appointed;

(d) To attend all meetings of the board of directors with the right to take part in discussions, but having no vote;

(e) To recommend to the board of directors for adoption such measures as he may deem necessary or expedient;

(f) To keep the board of directors fully advised as to the financial condition and needs of the city;

(g) To supervise the conduct and performance of their duties by other officers and employees of the city, except the members of the city board of directors, reporting to such board of directors any failure of performance of duty by any of the other appointees of such board

of directors, and enforcing the proper performance of their duties by the officers appointed by him and by the city employees, to the end that the city's business shall be efficiently and economically transacted; and

(h) To perform such other duties as may be prescribed by this charter or be required of him by ordinance or resolution of the board of directors.

(i) The city manager shall faithfully adhere to the requirements of any ordinance prohibiting conflicts of interest and shall be automatically removed from his office for any violation of the same. (Ord. No. 88-10, 11-15-88)

Sec. 15. Appointments and bonds.

The city manager shall have authority to provide for the appointment of such officers, the appointments of whom are not vested in the board of directors, as shall be necessary or proper to carry into full effect any authority, power, capacity or jurisdiction which is or shall be vested in the City of Bluefield, or in the board of directors thereof, or in such city manager; to grant, in writing, to the officers so appointed the powers necessary or proper for the purposes above mentioned; to define their duties in writing; to allow them reasonable compensation (said compensation to be approved by the board of directors); and to require and take of all or any of them such bonds, obligations or other writings as he shall deem necessary or proper to insure the proper performance of their several duties.

All bonds, obligations or other writings taken in pursuance of this section, as well as all other bonds given to the City of Bluefield, shall be made payable to such city, and the respective persons or corporations, their heirs, executors, administrators and successors bound thereby, shall be subject to the same proceedings on the said bonds, obligations or other writings for enforcing the conditions and terms thereof, by motion or otherwise, before any court of record whose sessions are or shall be held in said Mercer County, that collectors of

the county levies and their securities are or shall be subject to on their bonds for the enforcing of the payment of such levies.

Sec. 16. Oath; residence requirement.

Every city officer, before he enters upon the duties of his office, shall make, before someone authorized by law to administer oaths, and file with the city clerk (or in the case of the first one of the board of directors elected under this charter with the city auditor), an oath or affirmation to support the Constitution of the United States and of the State of West Virginia, and to perform faithfully, honestly and impartially the duties of his office, to the best of his skill and judgment. No person, except citizens of said city shall be elected or appointed to any municipal office therein, except the city manager, who may be a nonresident of the city at the time of his appointment.

Sec. 17. Bonds of officers.

Each member of the board of directors shall give a good and sufficient bond, payable to the city, in the sum of one thousand dollars, conditioned for the faithful performance of his duties and with a corporate surety authorized to do business in the State of West Virginia, or with such other surety or sureties as may be approved by a judge of the circuit court of Mercer County, and such bonds shall be filed with the clerk of said court, after being approved as to form and security by such judge. Such officers and employees of the city as the board of directors may determine by ordinance, shall, respectively, furnish and file, after approval thereof by the board of directors, as to form and security, their bonds with the said clerk of the city in such penalties, respectively, and with such conditions as are fixed by such ordinance, with such corporate or other surety or securities hereinbefore mentioned, payable to the city. The furnishing of such bond shall be a necessary part of the qualification of such officers and employees. The bonds of all appointive officers required to give bond shall also be approved, as to form, by the city

solicitor. All premiums payable to surety companies shall be paid by the city. No officer or employee of the city of whom a bond is required, shall enter into the discharge of his official duties or of the duties which he is employed to discharge, until his bond has been approved and duly filed.

Sec. 18. Form of representation.

The membership of the city board of directors shall be apportioned among the districts of the city to the exent of one member from each of the five districts. All members of the board of directors shall be nominated and elected at large, but shall be selected from their districts respectively. The filling of any vacancy shall take into account the district of the member whose place has been vacated, and his successor must reside in such district. Removal from a district shall vacate the seat of a member of the board of directors residing in such district at the time of his election, and in all cases the removal of a member of the board of directors from the city shall cause the seat of the removing member to become vacant at once.

Sec. 19. Municipal primary; election officers; election procedure.

Candidates to be voted for at all general municipal elections at which members of the board of directors are to be elected under the provisions of this charter (but not at special recall elections), shall be nominated by a primary election, and no other names shall be printed upon the ballots used at the general election except those selected in the manner hereafter prescribed. The primary election for such nominations shall be held on the second Tuesday of June preceding the general municipal election. The judges and clerks of any primary or general municipal election shall be selected by the board of directors in the manner provided for the selection of such election officers by chapter three of the Code of West Virginia, except that the duties therein provided to be performed by the county court shall be performed by the board of directors, and the duties therein provided to be performed

by the county executive committee or county chairmen of the dominant political parties shall be performed by the city executive committees or city chairman of such dominant political parties, and except that such election officers shall be appointed by the board of directors at least ten days before any such election, and except further that the duties to be performed by the clerks of the circuit or county court shall be performed by the city clerk. The council of said city, as constituted just before this charter takes effect, shall appoint the judges and clerks for the first primary and general election to be held hereunder, as provided in this section.

Nominating Petitions

The name of any person desiring to become a candidate for board of directors shall be printed upon the primary ballots, if ten days prior to said primary election there be filed with the city clerk a petition requesting such privilege, signed by at least twenty-five and not more than fifty qualified voters of his district. Each petition shall be verified by the affidavit of one or more credible persons as to the qualifications and residence of each of the persons so signing the said petition. Said petition shall be in form or effect as follows:

"The undersigned, duly qualified electors of the City of Bluefield and residing at the places set opposite our respective names hereto, do hereby request that the name of (name of candidate) be placed on the ballots as a candidate for nomination for (name of office) at the primary election to be held in such city on the second Tuesday in June, 19..... We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment, for the duties of such office.

Names of qualified electors .....
Number ..... Street."

Any person whose name has been submitted for candidacy by any such petition shall file his acceptance of such candidacy with the city clerk not later than twenty days before the day of the primary election, and in the absence of such acceptance the name of the candidate shall not appear on the

ballots. Immediately upon the expiration of the time of filing the petitions for and acceptance of the candidates, the city clerk shall cause to be published in all the daily newspapers of the city once, in proper form, the names of the persons as they are to appear upon the primary ballots; and the said clerk shall thereupon cause the primary ballots to be printed, authenticated with a facsimile of his signature. No candidate shall circulate his own petition for nomination, and the name of any such candidate circulating his own name for nomination shall be omitted from the primary ballot.

The ballots shall be printed upon plain, substantial white paper, without party mark or designation, and shall contain the names of the candidates in alphabetical order in their respective districts. The ballots shall be substantially in the following form or to the following effect, to wit:

"Official Primary Ballot

Candidates for Nomination for Board of Directors of the City of Bluefield at the Primary Election.

(Place a cross in square to the left of the name of the person for whom you desire to vote).

For Member of the Board of Directors.

(Vote for one in each district.)
Names of Candidates

Official ballot, attest:

Facsimile of the signature ..... City Clerk."

Proceedings of Election

Having caused said ballot to be printed the said city clerk shall cause to be delivered at each polling place a number of said ballots equal to twice the number of votes cast in such polling precinct at the last general municipal election. The persons who are qualified to vote at the general election shall be qualified to vote at such primary election, and challenges can be made by not more than two persons, to be appointed at the time of opening the polls by the judges of election;

and the law applicable to challenges at a general municipal election shall be applicable to challenges made at such primary election. The judges of election in each precinct shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in their precinct for each of the candidates, and make return thereof on proper blanks, properly sealed, to the city clerk within six hours of the closing of the polls, and post duplicate return blanks on the outside of the voting place. On the day following the said primary election the said city clerk shall canvass said returns so received from the polling precincts, and shall make and publish in all the newspapers of said city, at least once, the result thereof. Said canvass by the city clerk shall be publicly made. The two candidates receiving the highest number of votes for board of directors from each district, shall be the candidates and the only candidates whose names shall be placed upon the ballots at the next ensuing general municipal election. In the event of the death of or resignation of a nominee before the election, the name of the candidate receiving the next highest number of votes at the primary, in his district, if such nominee was nominated in a district, shall be placed on the ticket in his stead.

When more than two persons shall have an equal number of votes for the same nomination and more than the other candidates, so that there is no choice at the primary, the city clerk shall determine by lot the two names of those voted on at the primary, and tied as aforesaid, to be placed on the ballot for the next ensuing regular election, and whenever in any other case no choice of candidate is made at a primary by reason of a tie vote, such clerk shall also determine by lot who of those so tied shall have his name placed on the ballots for the next ensuing regular election.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as practicable.

The necessary and legitimate expense of the holding of any such primary, as well as of any regular or special municipal election in said city for ballot, stationery, forms, ballot boxes,

booths, voting places, judges and clerks and notices of the election shall be paid by the city. At every such primary election and at every other municipal election in said city, regular or special, the polls shall open and close as provided by state law.

Insofar as the first primary election under this charter is concerned, the duties by this section imposed upon the city clerk, shall be performed by the recorder of the city in office when this act takes effect, and the words "city clerk" as hereinbefore used in this section, shall be construed as meaning such recorder in respect of such first primary. (Amend. 1972)

Sec. 20. Removal of directors, recall election.

The city board of directors may be removed from office by the electors qualified to vote for their successors. The procedure to effect the removal shall be as follows:

A petition signed by electors entitled to vote for such successors equal in number to at least twenty per centum of the entire vote cast at the last preceding general municipal election, demanding an election of a successor or successors of the person or persons sought to be removed, shall be filed with the city clerk, which petition shall contain a general statement of the grounds for which the removal is sought. The signatures of the petition need not all be on one paper, but each signer shall add to his signature his place of residence, giving the street and number. One of the signers of each of such papers shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that each signature on the paper is the genuine signature of the person whose signature it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and ascertain whether or not said petition is signed by the requisite number of qualified electors, and, if necessary, the board of directors shall allow him extra help for that purpose, and he shall attach to said petition his certificate, showing the result of said examination. If, by the clerk's certificate, the petition is shown to

be insufficient, it may be amended within ten days from the date of said certificate. The clerk shall, within ten days after such amendment, make like examination of the amended petition, and, if his certificate shall show the same to be insufficient, it shall be returned to the person filing the same, without prejudice, however, to the filing of a new petition to the same effect. If the petition shall be deemed sufficient by him, the clerk shall submit the same to the city board of directors without delay. If the petition shall be found by it to be sufficient, the city board of directors shall order and fix a date for holding said election of such a successor or successors, not less than thirty days nor more than forty days from the date of the clerk's certificate to the city board of directors that a sufficient petition is filed.

Special Recall Election

The city board of directors shall make or cause to be made, publication of notice and all arrangements for holding such election, and the same shall be conducted, returned and the result thereof declared in all respects as are other city elections. Nominations of candidates to be voted on at such election shall be made without the intervention of a primary election, by filing with the city clerk at least ten days prior to said special election, a statement of candidacy accompanied by a petition signed by electors entitled to vote at said special election, equal in number to at least ten per centum of the entire vote cast in the district at the last preceding general municipal election, for which said candidate is to be elected, which said statement of candidacy and petition shall be substantially in the form set out in section eighteen of this act, so far as the same is applicable, substituting the word "special" for the word "primary" in such statement and petition and stating therein that such person is a candidate for election instead of nomination, and making such other necessary changes therein to adapt the same to the case of such special recall election. But the person sought to be removed shall have his name placed on the ballots for use at such election, as a candidate to succeed himself, without nomination, unless he requests the city clerk otherwise in writing.

The ballot for such special election shall be in substantially the following form or to the following effect:

"Official Ballot

Special election for the balance of the unexpired term of (here name the person or persons whose unexpired term or terms are to be filled, designating the district). For member of the city board of directors ..... District, (designating the district) of the City of Bluefield, West Virginia.

(Vote for one only)

( ) Names of candidates.

( ) Name of present incumbent.

If more than one vacancy is to be filled, add for each vacancy: For member, of the city board of directors from the ..... district, designating the district.

(Vote for one only)

( ) Names of candidates.

( ) Name of present incumbent.

Official ballot - attest:

Facsimile of the signature .....

City Clerk."

The successor of any member of the city board of directors so removed shall hold office during the unexpired term of his predecessor. In any such removal election, the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of votes, the incumbent shall thereupon be removed from the office upon the qualification of his successor. In case the person who received the highest number of votes shall fail to qualify within ten days after the result of the election is ascertained, the office shall be deemed vacant. If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal

shall be cumulative and additional to other methods provided by law. No recall petition shall be filed within ninety days succeeding or preceding any regular city election.

The city manager shall be subject to recall, according to the procedure for the recall of members of the city board of directors in this section, so far as practicable, except that the ballots shall give the name and title of this employee, followed by the words, with appropriate voting squares to the left: "For recall," and "Against recall." Should a majority of the votes cast be in favor of recalling the employee subject to this provision, the city board of directors shall forthwith choose a successor to the employee so recalled.

Sec. 21. Initiative and referendum.

Any proposed ordinance may be submitted to the city board of directors by petition, signed by electors of the city equal in number to the percentage hereinafter required. The signatures, verification, authentication, inspection, certification, amendment and submission of such petition shall be the same as provided for the petition first named in the next preceding section.

If the petition accompanying the proposed ordinance be signed by such electors equal in number to fifteen per centum of the votes cast at the last preceding general municipal election in the city, and contains a request that the said ordinance be submitted to a vote of the people, if not passed by the board of directors, the board of directors shall either:

(a) Pass such ordinance without alteration within twenty days after attachment of the clerk's certificate of sufficiency to the accompanying petition, or

(b) Forthwith after the clerk shall attach to the petition accompanying such ordinance his certificate of sufficiency, the board of directors shall call a special election, unless a general municipal election is to be held within ninety days thereafter, and at such special or general municipal election, such ordinance shall be submitted without alteration to the vote of the electors of

said city. But if the petition is signed by less than fifteen per centum and not less than ten per centum of the electors, as above defined, then the board of directors shall within twenty days, pass said ordinance without change, or submit the same at the next general municipal election occurring not less than thirty days after the clerk's certificate of sufficiency is attached to said petition.

Referendum Features

The ballot used when voting upon said ordinance, shall contain these words: "For the ordinance" and "Against the ordinance," stating the nature of the proposed ordinance. If a majority vote be in favor thereof, such ordinance shall thereupon become a valid and binding ordinance of the city, and the ordinance proposed by petition, or which shall be adopted by a vote of the people, cannot be repealed or amended except by a vote of the people. Any number of proposed ordinances may be voted upon at the same election, in accordance with the provisions of this section; but there shall not be more than one special election in any period of six months for such purpose.

The board of directors may submit a proposition for the repeal of any such ordinance or for amendments thereto, to be voted upon at any succeeding general city election; and should such proposition so submitted receive a majority of the votes cast thereon at such election, such ordinance shall thereby be repealed or amended accordingly.

Whenever the people have properly petitioned for the submission of a bond issue to a referendum vote there shall not be any other bond issue submitted at the same election.

Whenever any ordinance or proposition is required by this charter to be submitted to the voters of the city at any election, the city clerk shall cause such ordinance or proposition to be published once in all daily newspapers published in said city; such publication to be not more than twenty days nor less than five days before such election.

Sec. 22. Stay of ordinance.

No ordinance, resolution or action of the city board of directors changing the district boundaries or otherwise redistricting the city, or annexing any municipality or territory, or granting to any corporation, firm, person or association or combination of persons, any privilege, right, license, easement or franchise, to establish, maintain or conduct in the city any public utility, except when otherwise required by the general laws of this state, or by the provisions of this charter, shall go into effect before thirty days from the time of its final passage, and not then unless within two days after passage, Sundays and holidays excepted, the same shall have been published in all daily newspapers published and generally circulated in said city. And if during said thirty days a petition signed by electors of the city, equal in number to at least fifteen per centum of the entire vote at the last preceding regular general municipal election, protesting against the passage of such ordinance, resolution or action be presented to the board of directors, the said ordinance, resolution or action shall thereupon be suspended from going into operation, and it shall be the duty of the board of directors to reconsider the same, and if the same is not entirely repealed, the board of directors shall submit the ordinance, resolution or action, as is provided in relation to referendum of ordinances, to the vote of the electors of the city either at the next general municipal election or at a special municipal election to be called for that purpose, and such ordinance, resolution or action shall not go into effect or become operative unless a majority of the qualified electors voting on the same shall vote in favor thereof. Said petition shall be in all respects in accordance with the provisions of the last section (except that is must be signed by the number of electors in this section specified), and examined and certified to by the clerk in all respects as in the last preceding section.

Sec. 23. Petition requirements.

Petitions provided for in this charter shall be signed by none but legal voters of the city. Each petition shall contain, in addition to the names of the petitioners, the street and

number of the house, or if no number or street is designated, then the district in which the petitioner resides must be given. It shall also be accompanied by the affidavit of one or more legal voters of the city, stating that the signers thereof were, at the time of the signing, legal voters of said city.

Sec. 24. Control of streets.

The board of directors shall have the custody and control of the streets, alleys and public grounds of the city, with all the powers with reference thereto, which are held by the city immediately before this charter takes effect, and all such powers as are now or hereafter shall be held by boards of directors of cities, towns and villages organized under the general laws of the state; subject, however, to the provisions of this charter.

Sec. 25. Franchise restrictions.

Franchises, rights or privileges may be granted by the board of directors, allowing to persons, firms or corporations, for a limited time, such occupancy of portions of the streets, alleys or public grounds of the city, as may be deemed by it necessary for works of public utility and service, such as steam railroad tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles, electric light and other electric poles, wires and conduits, and subways, and water, gas, steam and heating pipe lines. But no franchise, right or privilege shall hereafter be granted by the city board of directors, except under the following restrictions and conditions:

First: No ordinance granting any franchise, right or privilege, for the use of the streets, alleys or public grounds of the city, for any of the purposes of public utility above named, or for any other purpose of like nature, shall be passed unless it shall have been first offered at a regular meeting of the city board of directors, and notice of the object, nature and full extent of such franchise, right or privilege shall have been published daily for at least thirty days (Mondays excepted) by the applicant, in some daily paper published in the City of Bluefield before being acted

upon. The vote thereon shall be taken by ayes and noes and the same entered upon the journal of the proceedings at the meeting of the board of directors.

Second: If no time be expressly provided in the grant, the franchise, right or privilege shall be granted for one year only, and in no case shall the same extend for a period exceeding thirty years. No shall any grant of a franchise, right or privilege be made without reservation on the part of the city of the right to alter, amend or repeal the same at any time during its term, should the grantee fail to do those things which the said grant of franchise, right or privilege stipulates that the grantee shall do, or, should the grantee do such things as by the said grant of franchise, right or privilege the grantee is prohibited from doing; provided, that after notice by the city to the grantee, specifying wherein the grantee has failed to comply with the terms of the grant, the grantee shall not within three months from the service of such notice comply with such terms.

Third: No grant of any franchise shall be made without, at the time of making it, providing that the grantee shall indemnify the city against all damages caused by the construction, operation or maintenance of any works, under the grant. All reasonable additional provisions and conditions may be made for the protection of the public from unnecessary damages or inconvenience by reason of such works and the maintenance or operation thereof.

Fourth: No grant of any franchise, rights or privilege shall be made without, at the time of making it, providing that the city shall receive in consideration therefor, a compensation, to be paid annually during the whole period; provided, however, that the principle of competition shall be employed by the city board of directors where the same is offered, so that the franchise, right or privilege with prescribed terms and conditions as to its extent, and as to the rates to be charged the public by it for its services will be given to the person, firm or corporation bidding or agreeing to pay therefor to the city the highest compensa-

tion, or so that the franchise, right or privilege with prescribed conditions as to its extent and the compensation that must be paid therefor, will be given to the person, firm or corporation that will agree to render service to the public at the lowest rates. But where revenue or tolls to be charged the public and revenue to the city are joint points of deliberation, the city board of directors may take both into consideration with probable good or ill service of competing applicants, and grant any such franchise to the applicant, the grant to whom will result in the greatest benefit to the largest number of citizens of the city, in the board of director's judgment.

Fifth: The board of directors shall, in suitable terms, make it an express condition of the grant of any such franchise, right or privilege, where it is for a work that is useful chiefly to the local public, that at the expiration of such franchise, grant, right or privilege, the grantee shall, if required by the board of directors, sell to the city the physical plant in the city, at what it is then worth, independent of any value based upon the earning power thereof, and may also provide a means of arbitration or otherwise for determining what such value may be; provided, the city is authorized by law to use, maintain and operate such plant.

Sixth: In case a petition for stay of ordinance is presented, in accordance with section twenty-two, and a special election is called for the purpose of accepting or rejecting the application for a franchise, right or privilege, the applicant for the same shall deposit with the city, the amount of expenses of said election, which shall be applied to the payment of such expenses, if the franchise is granted, otherwise to be returned to the applicant.

Seventh: No franchise, right or privilege referred to in this section can be granted unless on the affirmative vote of a majority of the membership of the board of directors.

Eighth: The provisions of this section, however, shall not apply to grants made under section twenty-eight of this act.

Sec. 26. Further franchise provisions.

No renewal of any franchise, right or privilege for any such work of public utility or service as is mentioned in the next preceding section, granted for a period of more than three years, shall in any manner be granted until within three years of the time of its expiration.

Sec. 27. Vacation of franchise.

The nonuser of a franchise, right or privilege, for a period continuously of one year, shall vacate and annul the same.

Sec. 28. Private switch grants.

Permission may be given to a person, firm or private corporation, not engaged in conducting a public utility business, to place a switch or tramway on a part of a public street or alley, at grade, for his own or its own use, but the grant shall be so limited as not to exceed ten years, and a charge, in the nature of an annual rental or license charge for the same, payable to the city, may be fixed by the board of directors.

All grants under this section shall be subject to the following restrictions and conditions:

If no time is expressly provided in the grant, it shall be for one year only.

It shall provide that the grantee shall indemnify and save harmless the city against all suits, loss or damage, by reason of the construction or maintenance of such switch or tramway, and that said grant may be altered, amended or repealed upon satisfactory evidence that the grantee has failed to comply with its provisions. Reasonable provisions must be made to protect the public from unnecessary damage or inconvenience by reason of such switch or tramway and the operation or maintenance thereof.

Sec. 29. Ordinances, etc., available for public inspection before enactment; franchises, etc., by ordinance.

Every ordinance, resolution or action appropriating money or ordering any street improvement or sewer or making or

authorizing the making of any contract, or granting any franchise, or right to occupy or use the streets, highways, bridges or public places in the city, or any part thereof, for any purpose shall be complete in the form in which it is finally passed, and remain on file with the city clerk for public inspection at least one week before the final passage or adoption thereof. No franchise, or right to occupy or to use the streets, highways, bridges, or public places in said city, or any part thereof, shall be granted, renewed, altered, amended, repealed or extended except by ordinance.

Sec. 30. General ordinance powers as to city services.

The board of directors shall have authority to acquire or establish, own and operate waterworks, gasworks, and works for generating and furnishing heat and electricity for the use of said city, and to sell water, heat, electricity and gas from such works to persons or corporations outside as well as within the limits of the city, or to buy heat, electricity, water or gas at wholesale and sell the same at retail; to construct and operate other waterworks for the use of said city at any point to be selected by the board of directors, inside or outside of the city limits, and to place and maintain all needed mains, pipes and other fixtures and appliances at such works and between such works and the city, and for these purposes to acquire and hold, by purchase or condemnation all needed lands and rights-of-way inside or outside of the city limits, and to have power to acquire by purchase or condemnation or damage, private property real or personal inside or outside of the corporate limits of said city, to the end that pure, clean, wholesome water may be obtained and supplied to the inhabitants of said city, and to have the power to proceed as provided by law, against any person, firm or corporation who so uses their property either inside or outside of the corporate limits of said city as to pollute the water supply of said city; to establish and maintain a fire department, police department, health department, public libraries, playgrounds, parks, crematory and city prison, and for these purposes acquire and hold all necessary real estate by purchase or condemnation, and also to establish and maintain hospitals and

cemeteries either within or outside the limits of the city, and for these purposes to acquire and hold all necessary real estate by purchase or condemnation, outside as well as within the city limits.

Sec. 31. Weights and measures.

The city board of directors may by ordinance provide for the proper weighing or measurement of all goods of any description whatsoever, which may be offered for sale in said city by either weight or measure; and the board of directors shall further have authority to require by ordinance that goods ordinarily sold by measure shall be sold by weight, and to prescribe proper weights and measures. It shall also be within the power of the board of directors to provide for the inspection of all weights and measures used in said city at such times and in such manner as to the board of directors may seem fit and proper.

Sec. 32. Inspection and regulation of food.

The board of directors may by ordinance provide for the inspection of bread, milk, meat, and all other articles intended for food, including animals from which milk and meat are obtained, and all substances entering into the manufacture of food intended for use in said city; and regulate or prevent the sale, or cause the destruction of any such food or milk as may be unwholesome, adulterated, or dangerous, and provide for the punishment of persons negligently or knowingly selling or offering the same for sale. Under this section the word "food" means anything intended to be eaten or drunk by the inhabitants of the said city.

Sec. 33. Abatement of nuisances; regulating various activities.

The board of directors may by ordinance require and compel the abatement and removal of all nuisances within said city at the expense of the person, or persons causing the same, or of the owner or owners of the ground whereon the same shall be; restrict the driving of hogs, cattle or other

stock within said city, either as to time within which they may be driven, or both; prevent any such stock or dogs and other animals, chickens or other fowl from running at large in said city; or subject the same to such regulations and taxes as they may deem proper. The board of directors shall also have authority to locate, prohibit or license, regulate and tax, slaughterhouses and stockyards, or the exercise of any offensive or unhealthful business, trade or employment within said city; to prevent the firing of guns, crackers, or any combination of gunpowder, or other explosives and dangerous materials in said city; to prevent the driving or riding of horses or other animals, the riding of bicycles or other vehicles, the running of locomotives or automobiles propelled by steam, electricity or other power, and of cars of all kinds at a speed exceeding that prescribed by an ordinance of the city, within its limits; and, generally, to prevent such conduct in the city as is prejudicial to the comfort, health, convenience, safety, peace and good order of said city or the inhabitants thereof, and to make and ordain appropriate provisions and penalties for the enforcement of all the lawful regulations of said city, respecting the matters hereinbefore in this section mentioned.

Sec. 34. Markets.

The board of directors may establish markets in and for said city, maintain or authorize the maintenance of any already established, appoint the time and place for holding the same, provide suitable buildings therefor and ordain and enforce such regulations respecting the markets as in its opinion the convenience or interest of the inhabitants of said city shall require, among others such regulations as it shall deem necessary or proper to prevent forestalling therein.

Sec. 35. Assessment for abatement of property nuisances.

If any ground in the said city shall be subject to be covered by stagnant water, or if the owner or owners, occupier or occupiers thereof, shall permit weeds, rank growth, or offensive or unwholesome substances to remain or accumulate

thereon, the board of directors may cause such ground to be filled up or drained, or such growths or substances to be cut or covered up or removed therefrom, and collect the expense of so doing from the said owner or owners, occupier or occupiers, or any of them, by distress and sale, in the same manner as taxes levied upon real estate for the benefit of said city; provided, however, that at least five days' notice of what is required shall be given to the said owners or occupiers, or their agents.

In case of nonresident owners, who have no agent in said city, such notice may be given by publication, for not less than ten days in some newspaper printed in said city, at the expense of said owners.

Sec. 36. Providing for public safety and welfare.

The board of directors may pass and cause to be enforced such ordinances as it shall deem necessary or proper to secure the inhabitants of said city against thieves, robbers, burglars, persons carrying concealed weapons, and all other persons violating the public peace of said city, for the suppression of riots and gaming, and for the prevention and punishment of lewd, lascivious, indecent or disorderly conduct in said city. The board of directors shall also have the authority to provide in like manner for preventing children under twelve years of age from being at large and unattended in the streets or alleys, commons, parks, fairgrounds, or other public places within the city; to provide for the prevention of cruelty to animals, and of cruelty, neglect, or otherwise, to aged, feebled or imbecile persons or children, within the city; and to provide for the welfare, health and safety of persons in theaters or other places of amusement, including assembly and lodge rooms, requiring proper sanitary hygienic arrangements together with adequate exits and fire escapes.

Sec. 37. Explosives and combustibles.

The board of directors may by ordinance require that suitable magazines or places shall be provided in or near said city for the storage of gunpowder, dynamite, petroleum and

the volatile products thereof, and all explosives and combustible and dangerous articles; make and enforce such regulations as it may deem necessary respecting the place and manner of transporting the same, and assess and collect an annual license tax for the keeping and selling of any or all such articles.

Sec. 38. Shows and exhibitions.

The board of directors may by ordinance regulate theatrical exhibitions, public shows, musical performances and hypnotic exhibitions, and all performances to which admission is obtained by the payment of money or other reward, and grant or refuse license for any such performances, and levy and collect license taxes on the same.

Sec. 39. Licensing conveyances, hawkers, etc.

The board of directors may grant licenses to owners and keepers of horses, hacks, carts, wagons, drays, automobiles, bicycles and every description of wheeled vehicles kept within the said city; levy and collect license taxes as well as other taxes thereon, and subject the same to such regulations as the interest or convenience of the inhabitants of said city, in the opinion of the board of directors, may require. The board of directors shall also have authority to license and collect license taxes from hawkers and peddlers within said city, and persons who rent temporary quarters or who temporarily station themselves upon a street to sell or exhibit articles, and all butchers who do not rent a stall or stand in any of the market houses in the city hawking and peddling meat on the streets of the city must take out and pay the license required by the city of hawkers and peddlers.

Sec. 40. Fortune-telling; clairvoyance.

It shall be unlawful for any person, in said city, to hold himself or herself out as a fortune-teller, clairvoyant, mind-reader or palmist, and purport and claim to tell the future or the past by the above or any other hidden and secret

methods or science, or to practice the above callings, avocations or professions, and the board of directors may pass an ordinance prohibiting the same and prescribing penalties for its violation. Nothing in this section contained shall be construed so as to regulate or control any religious association or body.

Sec. 41. Auctions; loan agencies.

The board of directors may by ordinance regulate sales at auction within said city, and levy and collect taxes upon such sales; grant or refuse licenses to auctioneers, and loan agencies, and levy and collect taxes upon such licenses, in addition to any tax which may be payable to the state; provided, however, that nothing herein contained shall be construed to authorize any interference by the corporate authorities of the city with, or the imposition of any tax upon any sale made under the judgment or decree of any court of justice in this state, or made by a trustee under a deed of trust given in this state, or made by a trustee under a deed of trust given bona fide in this state to secure debt.

Sec. 42. Hotels, restaurants, stables, garages.

The board of directors shall have exclusive authority within said city, by ordinance, to grant or refuse license to the keepers of hotels, inns and taverns, houses of public or private entertainment, not used for immoral purposes, boarding-houses, public eating houses, places of public amusement, and boarding stables or stables for keeping and feeding horses and mules for compensation, and automobile garages; provided, however, that persons keeping an inn, hotel or tavern, with stabling attached, shall not be required to have any other license to keep an inn, hotel, or tavern, by reason of their keeping and feeding horses and mules for compensation. The board of directors shall further have authority, by ordinance, to regulate the manner in which such houses or places shall be kept, and to levy and collect a license tax from every person licensed under the authority of this section, in addition to all other taxes imposed upon him or his property.

Sec. 43. Pawnbrokers.

The board of directors may by ordinance require a city license from persons conducting the business of pawnbroker or loan agent in the city by lending money or other thing of value for profit, for or on account of personal property deposited with the lender in pledge, or left in the possession of the borrower and secured to the lender by lien, pledge, mortgages, or deed of trust.

Sec. 44. City may license state licensees.

The board of directors may by ordinance require city licenses for persons conducting and carrying on any business or vocation in the city for which the state may now or hereafter require licenses.

Sec. 45. Failure to obtain license.

The board of directors may by ordinance subject any person or persons, who without having obtained a city license therefor, shall do any act, or follow any employment or business in said city, for which the board of directors is or shall be authorized to grant license, to any fine or punishment which they are authorized to impose or inflict [in] the enforcement of their ordinance.

Sec. 46. Public ways and grounds, extension powers.

The board of directors may, by ordinance, within said city lay out and cause to be opened any streets, walks, alleys, market grounds, and public squares, or extend or widen the same, first having obtained title to the ground necessary for the purpose, and grade any street, walk, alley, market ground or public square which is or shall be established within said city, pave or otherwise improve the same, and cause them to be kept open and in good repair, and generally ordain and enforce such regulations respecting the same, or any of them, as shall be proper for the health, interest or convenience of the inhabitants of said city.

Sec. 47. Work without contractors or middlemen.

The board of directors may by ordinance have all work done without the intervention of contractors or middlemen, but shall not be compelled so to do.

Sec. 48. Taking or damaging land for public purposes.

The board of directors may cause to be taken or damaged for the use of the city, for streets, alleys, markets, bridges, public squares, parks, playgrounds and other municipal purposes, including occupation by sewer, water pipes, gas pipes, heating pipes, compressed air pipes and electric or other subways, any private property within the city, (and where such use is to secure or improve the water supply, or for park, playground, sanitary or cemetery purposes, outside the limits of the city), but no such property shall be taken or damaged without just compensation. The compensation, if it cannot be determined by agreement with the owner of the property so taken or damaged, shall be ascertained in such manner as is, or may be, prescribed by general law for the condemnation of land for public purposes.

Sec. 49. City planning commission.

There shall be a city planning commission of three members, consisting of the city manager and two citizens to be elected by the board of directors. The said citizen members shall be chosen because of their knowledge of city planning and kindred subjects, shall serve without compensation, and shall hold their positions at the pleasure of the board of directors. The board of directors may in its discretion appropriate such sums of money as shall be needed to defray the necessary expenses of said commission.

The duties of the city planning commission shall be advisory only to the board of directors, and in general said duties shall be as follows:

First: To keep itself informed of the progress of city planning in this and other countries, to make investigations

into existing physical conditions in the City of Bluefield and vicinity and compile information relative thereto.

Second: To determine and report upon what should be done to improve those conditions.

Third: To prepare a comprehensive city plan for the future improvement and growth of the city within and without the city limits, including recommendation for:

(a) Extension of streets and opening of new subdivisions.

(b) Improvement of entrances and terminals to and from the city, particularly those of the public service corporations, looking to the future harmonious development of a city plan.

(c) A rapid transit system, including terminal projects when the same may become advisable.

(d) Extension of car lines into outlying districts.

(e) Playgrounds, parks and boulevard system.

(f) Location of public buildings and other public works as in the opinion of the commission, will tend to make Bluefield a more convenient and attractive city.

Fourth: After money to cover the cost thereof shall have been appropriated by the board of directors, to cause the necessary survey to be made, and to prepare a plat for the extension of the city for such distance beyond the city limits as said commission shall deem advisable, which plat shall harmonize with projected improvements within the present city limits, shall carefully conserve the topography of the land as may be requisite for sanitary influences and purposes, and shall make ample provision for factory and other commercial territory, with efficient transportation service, and may provide residence areas apart from the commercial and industrial zones; provided that such plat shall not include territory within the corporate limits of any other city or town.

Fifth: To suggest, upon the written approval of its chairman and of the city manager, such legislation as may be necessary to facilitate the carrying out of the commission's recommendation. (Amend. 1958)

Sec. 50. Paving—Generally.

The board of directors may cause any street or alley to be paved, or repaved between the sidewalks, or between the parkways, with cobble, asphalt, stone, brick, or other suitable materials, under such regulations as shall be fixed by ordinance, upon the lowest and best terms to be obtained by advertisement for bids on proposals therefor by the board of directors as herein provided; or the board of directors may have such work done without the intervention of contractors or middlemen; and the cost of such paving and repaving shall be paid in compliance and accordance with all of the provisions of chapter eight of the West Virginia Code. (Amend. 1972)

Sec. 51. Same—On request.

If two-thirds, or more, of the owners of the property abutting on any street or alley, or any section thereof which shall lie between intersecting streets or alleys, shall desire the same to be paved or repaved, and shall present a petition to the board of directors, setting forth their desire and describing the street or alley, or the section thereof desired to be paved or repaved, the board of directors may, within a reasonable time cause the said work to be done, after the method set forth in the next preceding section, the provisions of which section shall apply to the last named paving or repaving. (Amend. 1972)

Sec. 52. Sewers—Constructing.

The board of directors of the City of Bluefield may order a sewer or sewers to be constructed in or through any street or alley in the city, under such regulations as may be prescribed

by ordinance either by the city itself, or upon the lowest and best terms to be obtained by advertisement for bids therefor by the board of directors; the cost of the construction of any such sewer or sewers, to be paid by the city.

Sec. 53. Same—Connections.

The board of directors shall have the authority to regulate by ordinance, the manner and time in which connections are to be made with the sewers of the said city by the owners of property therein, and shall have the authority to compel the owners of any property abutting upon a street or alley, in which there is a sewer, to connect their pipes therewith under the regulations prescribed by the board of directors, and may charge such person or persons a reasonable amount therefor, to be fixed by the board of directors by ordinance; and in case of the failure of the owner of any such property to so connect his sewer pipe with any such sewer when required, the board of directors may provide by ordinance such fines and penalties as in its discretion may be necessary to effect a compliance with its regulations. The amount fixed by the board of directors for the connection with such sewer shall be paid into the city treasury to the credit of the fund to be used for sewers, and shall be used for no other purpose.

Sec. 54. Sidewalks.

The board of directors may by ordinance establish the width of any sidewalks along any street, alley or public square or part thereof, and cause to be constructed or reconstructed, the curbing thereon, and require that when any such street, alley or public square, or part thereof shall be prepared by the city for the laying of sidewalks, by grading the sidewalk space, either by filling or cutting, as the case may require, the owner or owners of any ground fronting on such sidewalks adjacent to their property shall be required to pave or repave the same; and in case of the failure or refusal of such owners so to do, the city may cause the same to be

properly paved or be repaved by others than such owner or owners, and levy and collect from such owner or owners the cost of the paving or repaving adjacent to his or their property, or where the cost cannot be conveniently ascertained, levy and collect a special tax to defray the expense of such paving or repaving upon the owner or owners of such adjacent ground, who fail to pave as required, by an assessment upon each, proportionate to the number of front feet which he shall own abutting on the sidewalk. The board of directors shall have power, by ordinance, in like manner, to require the owner or owners of property adjacent to any paved sidewalk whether heretofore or hereafter constructed, to keep such sidewalk in repair, and in default of his or their so doing, to cause the same to be repaired, and assess the cost thereof upon such owner or owners. It shall be lawful for the officers authorized by the board of directors to collect any such tax or assessment for the cost of such paving or repaving, to collect the same from the owner or owners of such grounds at once by distress and sale as provided in sections seventy-three and seventy-four of this charter, and such assessment shall be a lien upon such adjacent property, which may be enforced as taxes assessed upon estate for the benefit of the city. All disturbances of any streets or alleys of the city (including sidewalks), or public ground of said city, caused by digging therein for the benefit of a private person or firm, other than the city itself, and except where the digging is done by the city to furnish water, gas or other commodity to such private person or firm, for a consideration, shall be repaired by the city at the expense of the person or firm for whose benefit, or for the benefit of whose property the digging is done; and the board of directors shall by ordinance require the enforcement of this duty, including the duty of making repeated repairs, as often as the defect so caused shall reappear.

The board of directors may by ordinance establish a date from which new or renewed sidewalks along any of the streets or alleys of the city must be made uniform as to width, material and construction for paving and repaving sidewalks.

Sec. 55. Ornamental streetlighting.

The board of directors may, by ordinance, establish a district or zone which shall include the business section of the city, for the purpose of ornamental streetlighting, the limits of said district or zone to be defined in said ordinance.

The board of directors may order ornamental streetlights placed upon any street within the said ornamental lighting district or zone, the same to be fully described in such ordinance, which shall also state the distance such lights shall be placed apart, and assess and collect the cost of the installation of same from the owners of the property abutting on said street in proportion to the frontage owned by each. And such assessment shall be made in the same manner and shall become a lien upon the property abutting upon the said street to the same extent as herein provided for liens against property for sidewalks constructed upon any street by the city, and the remedies herein provided for the collection of sidewalk assessments against property owners or the property abutting upon any street upon which a sidewalk is laid by the city, shall apply to the collection of any assessment made for the construction of ornamental streetlighting upon any street upon which such lights are installed; provided, however, that electric current for any such streetlights or system of streetlighting shall be carried by wires placed beneath the surface of the street or sidewalk, and in no event shall such a system of lights or lighting be established by electricity carried from wires on poles located along said street, unless all parties owning property abutting upon said street shall join in a petition to the board of directors asking that poles be used instead of the underground system as hereinbefore set forth.

Sec. 56. Buildings—Regulating those over ten feet high.

The board of directors may, by ordinance, prohibit the erection within any square or squares of the city, of any building or any addition to any building, more than ten feet high, having in the foundation or outer walls thereof, or the outside covering of the roof thereof, any wood or other combusti-

ble material; and provide for the removal of any building, or addition which shall be erected contrary to such prohibition, at the expense of the builder or builders, or owners thereof.

Sec. 57. Same—Inspection; permits; unsafe structures.

The board of directors, by ordinance, may establish a system of regulations by which all plans for the construction of buildings or additions thereto within the city shall be required to be submitted to the board of directors or some other designated officer or officers of the city, for inspection as to the safety of all flues, elevators, drainage, plumbing, electrical wiring, power and lighting or heating arrangements, and as to the sufficiency of all supporting parts and the general safety of such buildings and additions.

The board of directors may provide by ordinance, that no building or addition thereto, shall be erected within the city without the owner or builder thereof having first obtained from the officer designated to make such inspection, a license or building permit authorizing the erection of such structure. Such ordinance may provide for the keeping of a permanent record of all such permits or licenses, and the keeping on file, or on record, of a full description of all such buildings and structures. The board of directors may, by ordinance, establish and maintain supervision over the construction and maintenance of electrical conductors within said city, whether they be located within or outside of a building.

The board of directors may, by ordinance, regulate buildings, already constructed, which are either dangerous, unsafe or in a bad sanitary condition, and may require the removal or reconstruction of the same, or that they be repaired so as to render them safe or put in proper condition.

Sec. 58. Power to enact laws.

The board of directors shall have authority to pass all ordinances not in conflict with the Constitution and laws of the United States, or of this state, which shall be necessary and proper to carry into effect any power, authority, capacity or jurisdiction which is or shall

be granted to, or vested in, the said city, or in the board of directors or any officer of said city; and to provide for the enforcement of any and all of their ordinances by reasonable fines and penalties, or by imprisoning the offender or offenders violating such ordinances, and by compelling them to labor without compensation, at any of the public works or improvements undertaken by said city, or by any or all of the said modes; provided, however, that no person shall be imprisoned or compelled to labor as aforesaid more than thirty days or fined more than a fine authorized for a similar offense by the West Virginia Code, or fined more than one hundred dollars for any offense not appearing in the West Virginia Code. (Amend. 1972; Ord. No. 81-5, 5-12-81)

State law reference—See W.Va. Code, § 8-11-1.

Sec. 59. Police court judge.

The judge of the police court shall receive a salary to be fixed by the board of directors, and no other compensation shall be allowed him. He shall preside over said police court and try and determine all cases over which said court has jurisdiction. At his request, or where necessary in his temporary absence or disability, the board of directors may appoint assistant judges of police court to discharge some or all of his duties, or to aid him in the discharge of some or all of his duties. The purpose and the limitations, if any, upon the appointment of such assistant police court judges, shall be stated by the board of directors in the appointments of any such assistant police court judges, which appointments shall also set out the compensation to be paid them. (Ord. No. 83-5, 8-9-83)

Sec. 60. Police court jurisdiction—Generally.

The said police court shall have jurisdiction over all offenses against, or violation of, the ordinances of said city, and full authority to punish in any manner lawfully prescribed by such ordinances, the offenders against, or violation of, the same; provided, however, that no jury shall be allowed in any trial in said court for the violation of any ordinance of said city.

Sec. 61. Same—Enforcement of penalties.

The proceedings for the recovery of the fine or for the enforcement of the penalty prescribed by any ordinance shall

conform to the regulations as far as they are applicable, prescribed in the Code of West Virginia for civil proceedings before justices of the peace; but the judge of said court may, for good cause, shown by affidavit, by an endorsement upon the summons, order the defendant or defendants to be arrested and brought before the said court to be dealt with according to law.

Sec. 62. Same—Violation of state law.

In cases where evidence discloses such a violation within the city, of a law of the state, that, in the opinion of the judge of the police court, the person accused should be committed to await the action of the grand jury upon an accusation made, the judge of the police court shall have the same jurisdiction and power as a justice of the peace in the County of Mercer, in regard to the apprehension, commitment and admission to bail of the person so accused; and in the exercise of such jurisdiction and powers, shall be governed by the same regulations.

Sec. 63. Sessions of court.

The sessions of said court shall be at such time and place as the board of directors of said city shall by ordinance direct.

Sec. 64. Enforcement of orders and judgments by police court; fees.

The said court shall have full power and authority to enforce its orders and judgments by any process of law which may be necessary and proper for the purpose, and all processes, executions and orders of said court shall be signed by the judge thereof. Such processes and executions shall be directed to the chief of police of said city, and be executed by him or one of his deputies. In the execution of any process or order of said court, the chief of police or deputy shall have the same powers, be governed in his proceedings by the same rules of law, and be subject to the same liabilities as the sheriff of Mercer County, West Virginia, in the performance of like services. There may be charged for the services of

such officer the same fees as the sheriff is entitled to charge for like services, but all such fees, as well as all fines imposed by said court, shall be collected by the chief of police and accounted for and paid by him to the treasurer of the city. The city shall in no event be liable for any such fees.

Sec. 65. Court docket, seal, records.

A docket and other books required for the records and a seal shall be provided for the said court by the board of directors, and the seal may be altered or renewed as the said court may direct. Full faith and credit shall be given to the records of said court, and the certificates of its judge whether the seal of said court be fixed thereto or not, in like manner and with the same effect as if the same were records of the circuit court or certificates of the judge of a circuit court similarly authenticated.

Sec. 66. Costs of prosecution.

The said police court shall have power, upon rendering judgment against a defendant charged with the violation of an ordinance of the city, to render judgment against him also for the costs of prosecution. In every suit or prosecution for the violation of an ordinance the said court shall cause the person or persons at whose instance it was instituted to be designated upon the warrant or writ issued to arrest or summon the person charged, and if the person or persons charged shall not be convicted in such court, and such court shall be of the opinion that no sufficient or probable cause existed for the institution of the said suit or prosecution, then judgment for the costs of the city, and of the defendant, or of either of them, as the court shall deem just, shall be rendered against the person or persons at whose instance such suit or prosecution was instituted.

Sec. 67. Appeals.

From the judgment of the police court in any case in which there is imposed a fine of ten dollars or more, or imprisonment, or both, or in any case involving the validity of an

ordinance of the said city, an appeal shall lie as a matter of right, to the criminal court of said Mercer County, either on behalf of the defendant or the city, and in any case where a fine is imposed, on demand of the defendant, such fine must be fixed at not less than ten dollars, so that such appeal may be taken: but no defendant shall be entitled to such appeal until and unless he executes before the said police court, bond in such penalty, not exceeding two hundred dollars, as the said police court may prescribe, conditioned for the performance of the judgment or order of the criminal court of said county made or rendered upon such appeal. Every such bond shall be with security approved by the said police court; but in any case in which an appeal is taken or granted on behalf of the city, no bond or security shall be required. Every such appeal shall be proceeded with in the criminal court, in the same manner as is provided by law for the proceedings in such criminal court, in cases appealed from justices of the peace. If on such appeal judgment be against the appellant it shall also be against the sureties on his appeal bond for costs, and for any fine or percuniary penalty adjudged against him. No such appeal shall be allowed after ten days from the date of any fiscal order or judgment desired to be appealed from.

Sec. 68. Government buildings, hospitals, parks, libraries, etc.

The board of directors shall have the authority to erect, buy, sell, and lease all buildings necessary for the use of the city government, and to provide for and regulate the same; to establish, regulate and maintain public parks, hospitals, libraries, and reading rooms, and to purchase books, papers, and manuscripts for such libraries and reading rooms, and to receive donations, gifts, or bequests for the same in trust or otherwise.

Sec. 69. City prison.

It shall be lawful for the board of directors to maintain within said city a prison, and to ordain and enforce all necessary or proper regulations respecting the same, and to vest in the officer or officers of said prison, under the supervision of

the city manager, any powers and duties which, by the laws of this state, are or shall be vested in or imposed on the sheriffs or jailors of the several counties in this state in relation to the county jails, or the custody of persons imprisoned therein.

Sec. 70. Annual audits.

At the end of each year the board of directors shall cause a full and complete examination of all the books and accounts of the city to be made by competent accountants, and shall publish the result of such examination in connection with the annual city financial statement required by law.

Sec. 71. Taxation—Statutory power.

The board of directors shall have power and authority to levy taxes on all property subject to taxation within the city in accordance with the provisions of chapter nine of the acts of the Legislature of West Virginia, special session of one thousand nine hundred and eight, and as it may be amended, and in the making of such levies the said board of directors shall comply with all the provisions of said act as the same now exists, or as it may be hereafter amended insofar as it applies to the laying of levies by municipalities. The taxes so levied as aforesaid shall be levied upon the values of the real and personal property within the city as the same shall be ascertained by the assessor [of] Mercer County.

Sec. 72. Same—Scope of property and activities.

The board of directors shall have authority to levy and collect an annual tax on real estate and personal property in said city, and to impose a license and assess a tax thereon on wheeled vehicles for public hire, and for all dogs and horses kept within said city, and upon automobile garages, and gasoline filling stations occupying any street or alley, and to impose a tax upon all other subjects of taxation as provided in this charter, or under the several laws of the state, which taxes shall be uniform with respect to persons and property within the jurisdiction of said city, and shall only be levied on

such property, real, personal and mixed, and on capital which the state imposes a tax; provided, the levy upon all taxable property of said city shall not exceed for all purposes one dollar upon the one hundred dollars valuation. There shall be a tax of one dollar annually assessed on each inhabitant of said city over the age of twenty-one years who is subject to a capitation tax under the laws of the State of West Virginia. The same shall be set out and included in the personal property book against every such inhabitant, and shall be collected under the authority of the board of directors at the time of collecting other levies and taxes.

Sec. 73. Same—Due date; collection procedure.

The taxes levied by the board of directors for the use of the city shall become due at the same time as taxes levied for the use of the County of Mercer, and the treasurer of said city, or such other person as the board of directors may direct, shall collect the same at the same time, and in the same manner, as taxes are collected by the sheriff of Mercer County for county purposes, and the same discount shall be allowed to those paying taxes to the city and the same penalties added as in the case of taxes collected by the sheriff of Mercer County, it being the intention of this act to make the collection of taxes levied for the purposes of the city uniform in all respects with the collection of taxes for county purposes, and the treasurer of said city, or such other person as may be designated by the board of directors for the collection of taxes, is hereby clothed with all the power within the said city for the purposes of collecting city taxes, that is now possessed by the sheriff of Mercer County for the collection of county taxes.

The treasurer, or collector, on the first Monday in June next succeeding the year for which such taxes were assessed, shall make out and return to the board of directors two alphabetical lists, one a list of real estate, and the other a list of persons and property other than real estate, in the city delinquent for the nonpayment of taxes thereon for such year and shall subscribe on oath to each list in form and effect as

sheriffs are required to make to delinquent lists returned to county courts, and the board of directors shall not give the treasurer or collector, credit for any uncollected taxes unless the same have been abated as prescribed herein or are mentioned in such lists. If any real estate within said city be returned delinquent for the nonpayment of the taxes thereon and such return shall be made by the treasurer or collector thereof, in the manner aforesaid, a copy of such delinquent list shall be certified by the board of directors to the auditor of the state, and the same shall be sold for taxes, interest, and commissions thereon, in the same manner and at the same time, and by the same officer as real estate is sold for the nonpayment of state and county taxes. A copy of said delinquent list within ten days after it has been certified by the board of directors, shall be filed in the office of the clerk of the county court of Mercer County, and recorded in a well-bound permanent book, to be furnished by the city, and kept and preserved in said office for that purpose; provided, however, that a copy of each of said lists shall be posted at the front door of the city hall of said city at least two weeks before said lists are returned to the board of directors, and a copy of said lists shall at the same time be printed for one time in two newspapers of opposite politics, if such there be in said city.

Sec. 74. Same—Power of treasurer to collect.

The treasurer shall have power to collect the city taxes, except as otherwise provided in this act, and he shall also have power to collect city claims which may be placed in his hands by the board of directors for collection, and to execute, within the city, any process which might be executed by the sheriff of Mercer County.

Sec. 75. Same—Power to distrain for taxes.

All goods and chattels belonging to a person, firm, corporation or estate, assessed with any city taxes, whether the same be a capitation tax or a tax upon real or personal property, or an assessment for paving or other improvements shall

be liable for said tax, and may be distrained therefor in whosesoever possession they may be found, and the treasurer shall have the same power to collect said taxes or assessments from any person owing a debt to or having in his possession any estate belonging to a person assessed with any tax or assessment of any kind that the sheriff has to collect state taxes in such cases. The treasurer may distrain and sell for all city taxes and assessments and in all respects have the same power to enforce the collection thereof as the sheriff has to enforce the collection of state taxes.

Sec. 76. Same—Imposing liens for taxes.

There shall be a lien upon all real estate within said city for the city taxes assessed thereon, including such penalties added thereto for nonpayment thereof as are prescribed by this act, from the first day of January of the year in which said taxes are assessed. Said liens may be enforced by appropriate suit in any court of record within Mercer County: provided, such suit be instituted within five years from the time the said liens attached as herein provided, and such suit may either be instituted by and in the name of the City of Bluefield as plaintiff, or said city may intervene by petition in any suit pending to sell or enforce liens against any real estate which is subject to such lien for said taxes.

The liens herein created shall have priority over all other liens except those for taxes due the state.

Sec. 77. Same—Enforcement of liens.

Said liens for city taxes and attendant penalties may also be enforced by certifying the same to the clerk of the county court of Mercer County for certification to the state auditor, and the same may be certified down by said auditor, and sold for the taxes, interest, penalties and commissions thereon, in the same manner, at the same time and by the same officer as real estate is sold for the taxes, interest, damages, costs and commissions due the state thereon, which officer shall account therefor on settlement with the board of directors, and pay over the same to the treasurer of the city.

Sec. 78. Debts of city—Limits on payment.

Neither the city clerk, the treasurer, nor any other disbursing officer of the city, shall issue any order or check for the payment of money for any work, matter or thing contracted for or ordered by the board of directors or any officer or employee of the city, which shall have been so contracted for or ordered wholly or in part in excess of the amount which shall have been previously set by ordinance or resolution as the limit of expenses of the department to which such work, matter or things belongs, or in excess of the amount previously appropriated for the payment thereof, or in the city treasury available for such payment. The foregoing provision of this section is intended as a restrainer provision, and it is further declared that no act of such clerk, treasurer or other disbursing officer shall be in anywise held to render valid any debt contracted by or on behalf of the city in violation of the constitution and laws of the state. If any such officer of the city, as is mentioned in the first sentence of this section, shall violate the provisions thereof, he shall be disqualified from holding his office, and shall forfeit and pay for such violation to the city a fine of not less than twenty dollars, nor more than one hundred dollars, or be imprisoned for a term not exceeding one year, or both.

Sec. 79. Same—Legal limit.

No debt shall be incurred by said city even with the consent of the voters, to an amount, including existing indebtedness, in the aggregate exceeding the amount fixed by law of the State of West Virginia.

Sec. 80. Deposits of city funds.

The board of directors shall provide by ordinance, for the deposit of all public moneys of the city, in such bank, or banks, situated within the city, as offer, at competitive bidding, the highest rate of interest and give a good and sufficient bond to the city, to secure the accounting for and due

payment of such public money, with security approved by board of directors. The security shall always be in a sum less than ten per cent, in excess of the maximum amount at any time deposited, but there shall not be deposited in any bank an amount in excess of the paid-up capital stock and surplus of such bank, and not in any event to exceed one million dollars.

In such ordinance the board of directors may determine the method by which such bids shall be received, the authority which shall receive them, the duration of the contracts respecting deposits of public money, and all details for carrying this section into effect. Proceedings in connection with such competitive bidding and the deposit of money shall be conducted in such manner as to insure full publicity, and shall be open at all times to the inspection of any citizen. As to any deposits made under authority of an ordinance of the board of directors, passed pursuant to this section, neither the depositing officer, nor other persons so depositing, nor such officers' sureties shall be liable for any loss occasioned by the deposit, or in anywise growing out of it.

Sec. 81. Improvement, etc., bonds—Procedure.

All provisions of general law governing the issuance and sale of bonds by municipalities and the investment of sinking funds shall be applicable to the issuance and sale of bonds and the investment of sinking funds by said City of Bluefield, except as herein otherwise provided. All the provisions of general law governing the levying and collecting of taxes for the use and benefit of municipal corporations shall be enforced and applied by the board of directors in the levying and collecting of taxes for the use and benefit of said City of Bluefield, except as herein otherwise provided, and the provisions of general law requiring the making and publishing of estimates of expenditures in advance of the laying of levies therefor, and limiting the amount of such levies, shall be enforced and complied with by the board of directors of said city.

Sec. 82. Same—Issuance.

The board of directors may refund the lawful bonded indebtedness of said city by issuing bonds of the city, payable within twenty years, bearing no greater rate of interest than five per cent, but the indebtedness of the city shall not thereby be increased without the consent of the voters of said city being first had and obtained, as provided by law.

Such bonds shall not be sold for less than par nor exchanged for the evidence of said indebtedness of said city, except dollar for dollar, and there shall be provided a sinking fund that will discharge said bonds as they shall become due. Said bonds shall express on their face that they may be paid at any time after five years, at the pleasure of the city. A record shall be kept of all proceedings hereunder; provided, that nothing herein contained shall be construed to authorize an increase of the bonded indebtedness of said city beyond the amount now authorized by law.

Sec. 83. Investigations of official malfeasance; removal from office.

The board of directors shall have authority at its discretion, upon the filing before it, by any person, of charges in writing, of malfeasance or nonfeasance in office, of gross immorality, or any improper conduct, verified by affidavit, against any officer of the city, in any department thereof, to make or cause to be made an investigation of such charges. The board of directors shall have authority to require the attendance of witnesses, and the production of any books or papers pertinent to such inquiry or investigation. Any officer found guilty of any such offense shall be removed from office.

Sec. 84. Bribery—Definition; punishment.

Any person who shall bribe, by directly or indirectly giving to or bestowing upon a member of the board of directors of the city, or other officer thereof, any money, testimonial or other valuable thing, or do any act beneficial to such officer, in order to influence him in the performance of any of his official or public duties, shall be deemed guilty of a felony,

and, upon conviction thereof, shall be imprisoned in the penitentiary of the State of West Virginia, for a term of not less than two years, nor more than five years, and shall, moreover, be forever disqualified from holding any office or position of honor, trust or profit in said city.

Sec. 85. Same—Attempting; punishment.

Any person attempting to bribe, by offering or proposing to give any officer or member of the board of directors of the said City of Bluefield, money, testimonial, or other valuable thing, or to do any act beneficial to such officer or member of the board of directors in the performance of his official or public duties, shall be deemed guilty of a felony, and, upon conviction thereof, shall be imprisoned in the penitentiary of the State of West Virginia, for not less than one year, nor more than three years, and shall, moreover, be forever disqualified from holding any office of honor, trust or profit in said city.

Sec. 86. Same—Demanding or receiving bribe; punishment.

If any member of the board of directors of the City of Bluefield, or other officer of the said city shall demand or receive from any corporation, company, firm or person, any money, testimonial or other valuable thing, for the performance of any of his official or public duties, or for refusal or failure to perform the same, or for any vote or influence he may give or withhold as such member of the board of directors or other officer, or for making any particular nomination or appointment, he shall be deemed guilty of felony, and, upon conviction thereof, shall be imprisoned in the penitentiary of the State of West Virginia, for not less than five years, nor more than ten years; and shall, moreover, be forever disqualified from holding any office or position of honor, trust or profit in said city.

Sec. 87. Same—Testifying as to.

Any person bribing or attempting to bribe, or demanding or receiving a bribe, fee, reward or testimonial, as set forth

in any of the three next preceding sections, shall be compelled to testify against any person or persons who have committed any of the offenses in said sections mentioned; provided, that any person so compelled to testify shall be exempted from trial and punishment for the offense of which he may have been guilty, and concerning which he is compelled to testify.

Sec. 88. Annual account by officers who handle money.

All officers of the City of Bluefield, who shall collect or receive or whose official duty it is, or shall be, to collect, receive, hold or pay out any money belonging to, or which is or shall be, for the use of said city, shall make annual account and settlement therefor. Such settlement, when made, shall be subject to exceptions and take such direction, and have only such force and effect as may be provided by law; but in all cases, such settlements shall be recorded, and be open to examination of the people, at such convenient place or places as may be appointed by ordinance of the city.

Any person violating any of the provisions of this section shall be guilty of a misdemeanor, and fined not less than fifty dollars nor more than one hundred dollars, or imprisoned not less than two nor more than twelve months, or punished by both such fine and imprisonment.

Sec. 89. Prior obligations to continue.

All contracts, grants, easements, rights, privileges or consents on, in or relative to any street, alley, or public ground or property of said city, made by the council of said city, or by any board or officer thereof, prior to this charter taking effect, and all other contracts, grants, easements, rights, privileges or consents entered into or granted by the said city or its duly constituted authorities, at any time prior to this charter taking effect, which are now in force, or which may have been lawfully entered into or granted within any territory hereafter annexed to the City of Bluefield and be in force and effect, when the annexation is made, shall continue in full force and effect, and be respected and complied with by the

City of Bluefield, and the board of directors and other offi[illegible] thereof under this charter, and all indebtedness incurred by the said city, prior to this charter going into effect, shall be binding upon the City of Bluefield, under this charter, and be paid by it out of its revenues.

Sec. 90. Admission into evidence of ordinances.

All copies purporting to be copies of the ordinances of said city or extracts from the journal or minutes of the board of directors, which shall be printed by the authority of the board of directors, or which shall be certified to be correct by the mayor of said city under the seal thereof, shall be received by all courts and magistrates of this state as prima facie evidence of the tenor of such ordinances, and of the acts and proceedings of the board of directors therein set forth.

Sec. 91. Prior ordinances not affected.

All valid ordinances and regulations passed and adopted by the duly constituted authorities of the City of Bluefield on or before the date this charter goes into effect, and not inconsistent with this act, shall be and remain in full force until amended or repealed.

Sec. 92. Fees to be paid into treasury.

All fees and money paid to an officer of the city, for any official service, shall belong to the city and be paid at once into the city treasury by such officer, the salary or compensation given by the city to its officers respectively, being all the compensation they shall be entitled to for any official service.

Sec. 93. General penalty.

Any person who shall violate any of the provisions of this charter for the violation of which no punishment has been provided herein, shall be deemed guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine not exceeding one hundred dollars, or by imprisonment in the county jail not exceeding one year, or by both such fine and imprisonment.

Sec. 94. Civil service provisions.

The city board of directors, in its discretion, may appoint a civil service commission for the purpose of examining applicants for positions in the fire, police and health departments. Said commission shall consist of three citizens, not all of whom shall be of one political party. Any vacancies occurring in the commission shall be filled by the board of directors. For the purpose of conducting tests in the departments specified they shall conduct practical examinations annually or oftener, fixing grades and classifications as they may determine, and a list of those successfully passing the examinations prescribed shall be furnished to the city manager. Such list shall be known as the "eligible list," and, unless for good cause shown, selections must be made from among the three applicants rated highest for the appointments necessary to be made. Said list and all examination papers shall be kept on file in the office of the city clerk and available to the public at all times; provided, that appointees in the departments under civil service may be subjected to examinations from time to time in the interest of efficiency, and that the passing of the required examination prior to entering the city's employ shall not constitute a life tenure of office. No member of the civil service commission during his incumbency shall be a holder of any state, county or municipal office.

Sec. 95. First and subsequent election—Generally.

The officers elected at the first election held under this charter, shall begin their terms on the first day of August, one thousand nine hundred and twenty-one, and thereafter all elections, except special elections, shall be held on the first Tuesday in July in every fourth year thereafter; unless the first Tuesday falls on the fourth then the day following and the terms of office of the persons elected shall begin on the first day of August next after such election.

For the first election to be held hereunder, the city council now in office shall be a canvassing board to ascertain and disclose the result of said election, to determine and settle ties

as herein provided for, and determine all contests. Thereafter, the board of directors shall act as such canvassing board.

Sec. 96. Same—Duty of recorder at first election.

At the first election held hereunder, the recorder of the City of Bluefield shall perform all the duties prescribed under the charter of the City of Bluefield existing at the time of such election, and the general laws of the State of West Virginia.

Sec. 97. Former officers and offices.

The mayor and council and all other officers, agents and employees of the City of Bluefield shall remain in and hold their offices and discharge the duties thereof, until the first day of August, nineteen hundred and twenty-one, and thereafter until their successors are elected and qualified as provided by this act, and all existing offices not provided for by this act shall be abolished as of the first day of August, nineteen hundred and twenty-one.

Sec. 98. Charter election; repeal of conflicting acts.

Before this charter shall become effective a special election shall be called and held in said city in the several precincts as now established and existing in said city to be held on the sixteenth day of May, one thousand nine hundred and twenty-one, at which election if a majority of the votes cast in said election be in favor of the adoption of this charter then this charter shall thereafter be the charter of the City of Bluefield.

The ballots at said election shall be prepared as provided by the general election laws of this state, except that the duties in connection with the preparation of said ballots to be performed by the clerks of the circuit and county courts shall be performed by the city recorder, and the said ballots shall be in the following form:

Vote on New Charter

( ) For new charter.

( ) Against new charter.

And the voter shall indicate his preference by making a cross or X in the square opposite the wording for or against new charter.

The laws of the State of West Virginia governing the holding of elections, and special elections, and the ascertaining of the result thereof shall govern the conduct of the special election herein, insofar as applicable, except that the recorder shall perform the duties required of the circuit and county clerks under general election laws, and the council of said city in connection with the selection of election officers and ascertaining the result of said election, and the holding of said special election shall perform the duties required of the county court under general election laws.

The council of said city at a special or regular meeting shall enter an order calling said special election to be held in said city on May sixteenth, one thousand nine hundred and twenty-one, and have published once a week for two weeks immediately preceding the date of said election in a newspaper of general circulation in said city, the call for said special election, as well as a full draft of this charter. The expense of holding said election, including the publication of said call for said election and the publication of a draft of this charter, shall be paid by the said city out of its treasury.

The result of said special election, shall be ascertained and be spread upon the minutes of the city council of said city at once after the result of said election is ascertained, so that a permanent record of the choice of the voters for and against this charter shall exist. If a majority of the votes in said election be in favor of adopting this charter it shall become effective for all purposes from the date of the ascertaining of the result of said election.

All acts in conflict or inconsistent with this act are hereby repealed.

The Board of Directors
of the
CITY OF BLOOMFIELD

In Session on the 22nd day of
Oct. 1935

Motion of
Sanitary Sewer Ordinance

	Yes	Nay	Not Voting	Absent
Mr. Mayor				
Mr. [illegible] Godsey				
Mr. [illegible] Franklin				
Mr. [illegible] Sauniere				
Mr. Warren Settle				

Exhibit H

ORDINANCE CREATING A SANITARY
FOR THE CITY OF BLOOMFIELD

Introduced October 15, 1935.
Record 6, page 1.

Adopted October 22, 1935.
Record 6, page 10.

Ordinance Docket 2, page 340.

26

27

21

24

25

CERTIFICATE

The undersigned, Beverly G. Tresch, Clerk of the City of Bluefield, West Virginia, does hereby certify that the attached is a true copy of the Charter and General Ordinances of the City of Bluefield, West Virginia.

Given under my hand and seal this 13th day of June, 2000.

(SEAL)

Beverly G. Tresch (Seal)
Beverly G. Tresch

DO YOU SOLEMNLY SWEAR THAT YOU WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA, THE STATE OF WEST VIRGINIA AND THE LAWS AND ORDINANCES OF THE CITY OF BLUEFIELD; AND THAT YOU WILL DISCHARGE YOUR DUTIES AS _____ TO THE BEST OF YOUR SKILL AND JUDGMENT; SO HELP YOU GOD?

State of West Virginia
County of Mercer, to wit:

I, Drema A. Shireman, Clerk of the City of Bluefield, West Virginia do hereby certify that the above is an accurate copy of the Oath of Office on file in the City Clerk's Office of the City of Bluefield, West Virginia.

Drema A. Shireman

Clerk, City of Bluefield, WV

CERTIFICATE

The undersigned, Drema Shireman, Clerk of the City of Bluefield, West Virginia, does hereby certify that the following are the dates of office of the Mayor and members of the City Board and Sanitary Board of Bluefield:

OFFICE	NAME	TERM ENDS
Mayor, City of Bluefield	Paul Cole	6/30/01
Board Member, City of Bluefield	George McGonagle	6/30/01
Board Member, City of Bluefield	Doris Sue Kantor	6/30/01
Board Member, City of Bluefield	Gary Moore	6/30/01
Board Member, City of Bluefield	Oliver Law	6/30/01
City Manager, City of Bluefield	Ron Crabtree	NA
City Clerk, City of Bluefield	Drema Shireman	NA
Chairman, Sanitary Board	Ron Crabtree	NA
Member, Sanitary Board	Ray Bragg	9/26/03
Member, Sanitary Board	Jerry Cameron	1/05/02
Member, Sanitary Board	William H. King	6/30/02
Member, Sanitary Board	J.C. Higgenbotham	6/30/02

GIVEN UNDER MY HAND AND SEAL THIS 13TH DAY OF JULY, 2000

SEAL

Drema Shireman

Drema Shireman, Clerk
City of Bluefield
Bluefield, West Virginia

Commonwealth of Virginia

State Corporation Commission

I Certify the Following from the Records of the Commission:

THE SANITARY BOARD OF BLUEFIELD, INCORPORATED is a corporation existing under and by virtue of the laws of Virginia, and is in good standing.

The date of incorporation is July 01, 1936.

Nothing more is hereby certified.

Signed and Sealed at Richmond on this Date:
June 9, 2000

Joel H. Peck

Joel H. Peck, Clerk of the Commission

STATE CORPORATION COMMISSION VIRGINIA SIC SEMPER TYRANNIS 1903

CIS0502

AN ORDINANCE CREATING A SANITARY BOARD, VESTING IN SAID BOARD THE CUSTODY, ADMINISTRATION, OPERATION AND MAINTENANCE OF THE SEWERAGE WORKS OF THE CITY OF BLUEFIELD, PROVIDING THE METHOD OF APPOINTMENT, TERM OF OFFICE AND COMPENSATION OF MEMBERS OF SAID BOARD, PROVIDING OFFICERS OF SAID BOARD AND THE COMPENSATION AND BOND FOR CERTAIN OF SAID OFFICERS.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

Sec. 1. There is hereby created a Sanitary Board for the City of Bluefield, in which is hereby vested the custody, administration, operation and maintenance of the sewerage works of said City. Said Board shall possess all the rights, powers and duties granted to such boards by Chapter 25, Acts of the Legislature of West Virginia, First Extraordinary Session, 1933, and such rights, powers and duties as may hereafter be granted to such boards by any amendment to said Act of the Legislature or by any further Acts passed by the Legislature of the State of West Virginia.

Sec. 2. Said Board shall be composed of the Mayor of said City and two persons appointed to membership thereon by the Board of Directors of said City, at least one of whom shall be a registered professional engineer and may or may not be a resident of said City. No officer or employee of said City, whether holding a paid or unpaid office, shall be eligible to appointment upon said Board until at least one year after the

expiration of the term of his public office.

Sec. 3. Said appointees shall originally be appointed for terms of two and three years respectively, and upon expiration of each such term, and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment.

Sec. 4. The Mayor of said City shall act as Chairman of said Sanitary Board. Said Board shall select a Vice

AN ORDINANCE CREATING A SANITARY BOARD, VESTING IN SAID BOARD THE CUSTODY, ADMINISTRATION, OPERATION AND MAINTENANCE OF THE SEWERAGE WORKS OF THE CITY OF BLUEFIELD, PROVIDING THE METHOD OF APPOINTMENT, TERM OF OFFICE AND COMPENSATION OF MEMBERS OF SAID BOARD, PROVIDING OFFICERS OF SAID BOARD AND THE COMPENSATION AND BOND FOR CERTAIN OF SAID OFFICERS.

BE IT ORDAINED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

Sec. 1. There is hereby created a Sanitary Board for the City of Bluefield, in which is hereby vested the custody, administration, operation and maintenance of the sewerage works of said City. Said Board shall possess all the rights, powers and duties granted to such boards by Chapter 25, Acts of the Legislature of West Virginia, First Extraordinary Session, 1933, and such rights, powers and duties as may hereafter be granted to such boards by any amendment to said Act of the Legislature or by any further Acts passed by the Legislature of the State of West Virginia.

Sec. 2. Said Board shall be composed of the Mayor

Sec. 6. The Sanitary Board shall have power to establish by-laws, rules and regulations for its own government.

Sec. 7. This ordinance shall become effective from passage.

DO YOU SOLEMNLY SWEAR THAT YOU WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA, THE STATE OF WEST VIRGINIA AND THE LAWS AND ORDINANCES OF THE CITY OF BLUEFIELD; AND THAT YOU WILL DISCHARGE YOUR DUTIES AS _____ TO THE BEST OF YOUR SKILL AND JUDGMENT; SO HELP YOU GOD?

State of West Virginia
County of Mercer, to wit:

I, Drema A. Shireman, Clerk of the City of Bluefield, West Virginia do hereby certify that the above is an accurate copy of the Oath of Office on file in the City Clerk's Office of the City of Bluefield, West Virginia.

Drema A. Shireman

Clerk, City of Bluefield, WV

CERTIFICATE

The undersigned, Drema Shireman, Clerk of the City of Bluefield, West Virginia, does hereby certify that the following are the dates of office of the Mayor and members of the City Board and Sanitary Board of Bluefield:

OFFICE	NAME	TERM ENDS
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Member, Sanitary Board	Jerry Cameron	1/05/02
Member, Sanitary Board	William H. King	6/30/02
Member, Sanitary Board	J.C. Higgenbotham	6/30/02

GIVEN UNDER MY HAND AND SEAL THIS 13TH DAY OF JULY, 2000

SEAL

Drema Shireman

Drema Shireman, Clerk
City of Bluefield
Bluefield, West Virginia

RE: PETITION OF THE SANITARY BOARD OF BLUEFIELD SEEKING AN ORDINANCE BY THE CITY OF BLUEFIELD, WEST VIRGINIA, AUTHORIZING THE ISSUANCE OF BLUEFIELD SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000A, IN AN AMOUNT NOT TO EXCEED $307,000.00 TO REPLACE THE MAIN INTERCEPTOR LINE IN THE BRUSHFORK PROJECT.

WHEREAS, by Recommended Decision entered on June 16, 1998, which became a Final Order of the Public Service Commission of West Virginia ("PSC") on July 6, 1998, the PSC issued a certificate of public convenience and necessity to the Bluefild Sanitary Board ("Board") to construct sewer collection mains, pump stations, and appurtenances to serve the Brushfork customers in the Bluewell Public Service District ("District") in Mercer County. By that same order, the PSC approved the Board's proposed financing for the project, which was comprised of a $1,545,800 State Revolving Fund ("SRF") loan, and a $40,000 contribution from the Bluefield Sanitary Board to meet the total project costs of $1,585,800; and

WHEREAS, by Commission Order dated February 5, 1999, the PSC approved a change in the funding for the project including a reduced SRF loan in the amount of $1,106,923, and an Appalachian Regional Commission ("ARC") grant in the amount of $585,510, for a total revised project cost of $1,732,344; and

WHEREAS, by Commission Order dated May 14, 1999, an additional amendment to the funding was approved to include the estimated

value of in-kind labor and service from the Board in the amount of $585,510, a SRF loan in the amount of $1,116,645, a ARC grant in the amount of $585,510, and estimated revised project costs of $2,287,765; and

WHEREAS, the City of Bluefield ("City") has heretofore demonstrated its approval of the project through the above-mentioned contribution toward construction and acquisition costs; and

WHEREAS, the project is designed to benefit the residents of the Brushfork service area of Mercer County, and the public interest is promoted by the City's approval of the project; and

WHEREAS, the territory to be served by this project includes an area that falls withing the former territory of the Bluewell Public Service District, and that governing body has heretofore demonstrated its support for the project by joining in the above-referenced PSC case; and

WHEREAS, it has become necessary to rehabilitate approximately 8,000 feet of 10-inch interceptors and approximately 3,500 feet of four-inch collector lines in connection with the project.

THEREFORE, the Board respectfully requests that the City adopt an ordinance authorizing the issuance of the City's Sewerage System Revenue Bonds, to be designated Series 2000 A, in an amount not to exceed $307,000 in order to replace the main interceptor line in

the Brushfork project, thereby bringing the amended SRF loan for the entire project to $1,423,645.00, an amount that is within the limit originally authorized by the PSC.

Dated this 22nd day of February, 2000.

BLUEFIELD SANITARY BOARD

By: /s/ Ronald Dodson
Ronald Dodson,
Assistant Executive Director
Bluefield Sanitary Board

VERIFICATION

STATE OF WEST VIRGINIA,
COUNTY OF MERCER, to-wit:

I, Ronald Dodson, after being duly sworn, upon my oath depose and say that I am the Assistant Executive Director of the Bluefield Sanitary Board of the City of Bluefield, West Virginia, that have read and am familiar with the PETITION executed on behalf of the Bluefield Sanitary Board, and that the facts and allegations contained therein are true, except so far as they are therein stated to be on information and belief, and that, so far as they are therein stated to be on information and belief, I believe them to be true.

/s/ Ronald Dodson
Ronald Dodson,
Assistant Executive Director
Bluefield Sanitary Board

Taken, subscribed and sworn to before me, the undersigned authority, this the 22nd day of February, 2000.

My commission expires November 12, 2008.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BEVERLY G. TRESCH
CITY OF BLUEFIELD
P. O. BOX 4100
BLUEFIELD, WV 24701
My Commission Expires November 12, 2008

/s/ Beverly G. Tresch
Notary Public

The undersigned Beverly G. Tresch, Clerk of the City of Bluefield, West Virginia, does hereby certify that the foregoing is a true copy of a Petition of the Sanitary Board of Bluefield presented to the City Board of Bluefield, West Virginia, at a duly held meeting thereof on the twenty-second of February 2000 and aat said duly held meeting accepted by a unanamous vote by said City Board.

Given under my hand and seal this 23rd day of February 2000.

SEAL

Beverly G. Tresch
Beverly G. Tresch, Clerk
City of Bluefield, West Virginia

CITY OF BLUEFIELD

BOND ORDINANCE

TABLE OF CONTENTS

ARTICLE I 1

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS 1
Section 1.01. Authority for this Ordinance. 1
Section 1.02. Findings. 1
Section 1.03. Bond Legislation Constitutes Contract. 3
Section 1.04. Definitions. 3

ARTICLE II 11

AUTHORIZATION OF CONSTRUCTION OF THE PROJECT 11
Section 2.01. Authorization of Construction of the Project. 11

ARTICLE III 12

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT 12
Section 3.01. Authorization of Bonds. 12
Section 3.02. Terms of the Bonds. 12
Section 3.03. Execution of Bonds. 13
Section 3.04. Authentication and Registration. 13
Section 3.05. Negotiability, Transfer and Registration. 13
Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. 14
Section 3.07. Bonds not to be Indebtedness of the Issuer. 14
Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 2000 A Bonds to be on Parity with the Prior Bonds. 15
Section 3.09. Delivery of Bonds. 15
Section 3.10. Form of Bonds. 15
Section 3.11. Sale of Bonds; Ratification of Execution of Loan Agreement . 21
Section 3.12. "Amended Schedule A" Filing. 21

ARTICLE IV 21

SYSTEM REVENUES AND APPLICATION THEREOF 21
Section 4.01. Continuation or Establishment of Funds and Accounts with Depository Bank. 21
Section 4.02. Continuation or Establishment of Funds and Accounts with Commission. 21
Section 4.03. System Revenues; Flow of Funds. 22

ARTICLE V 27

BOND PROCEEDS; DISBURSEMENTS 27
Section 5.01. Application of Bond Proceeds; Pledge of 27
Unexpended Bond Proceeds. 27
Section 5.02. Disbursements From the Bond Construction Trust Fund. 27

ARTICLE VI 29

ADDITIONAL COVENANTS OF THE ISSUER 29
Section 6.01. General Covenants of the Issuer. 29
Section 6.02. Bonds not to be Indebtedness of the Issuer. 29
Section 6.03. Bonds Secured by Pledge of Net Revenues. 29
Section 6.04. Initial Schedule of Rates and Charges. 29

Section 6.05. Sale of the System. 29
Section 6.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. 31
Section 6.07. Parity Bonds. 31
Section 6.08. Books and Records. 33
Section 6.09. Rates.34
Section 6.10. Operating Budget . 35
Section 6.11. No Competing Franchise. 36
Section 6.12. Engineering Services and Operating Personnel. 36
Section 6.13. Enforcement of Collections. 36
Section 6.14. No Free Services. 37
Section 6.15. Insurance and Construction Bonds. 37
Section 6.16. Completion of Project. 39
Section 6.17. Tax Covenants. 39
Section 6.18. Mandatory Connections. 40
Section 6.19. Compliance with Loan Agreement and Law. 41
Section 6.20. Contracts; Public Releases. 41

ARTICLE VII 41

INVESTMENT OF FUNDS; NON ARBITRAGE41
Section 7.01. Investments. 41
Section 7.02. Arbitrage. 42
Section 7.03. Small Issuer Exemption from Rebate . 42
Section 7.04. Securities Laws Compliance. 45

ARTICLE VIII 45

DEFAULT AND REMEDIES 45
Section 8.01. Events of Default. 45
Section 8.02. Remedies. 46
Section 8.03. Appointment of Receiver. 46

ARTICLE IX 47

PAYMENT OF BONDS 47
Section 9.01. Payment of Bonds. 47

ARTICLE X 48

MISCELLANEOUS 48
Section 10.01. Amendment or Modification of Bond Legislation.48
Section 10.02. Bond Legislation Constitutes Contract. 48
Section 10.03. Severability of Invalid Provisions. 49
Section 10.04. Headings, Etc. 49
Section 10.05. Conflicting Provisions Repealed. 49
Section 10.06. Covenant of Due Procedure, Etc. 49
Section 10.07. Effective Date. 49
Section 10.08. Statutory Notice and Public Hearing. 49

CITY OF BLUEFIELD

BOND ORDINANCE

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF CERTAIN IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM FACILITIES OF THE CITY OF BLUEFIELD, WEST VIRGINIA, AND THE FINANCING OF THE COSTS THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $307,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO THE SERIES 2000 A BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE BOARD OF DIRECTORS OF THE CITY OF BLUEFIELD:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

SECTION 1.01. AUTHORITY FOR THIS ORDINANCE.

This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

SECTION 1.02. FINDINGS.

It is hereby found, determined and declared that:

A. The City of Bluefield (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State.

B. The Issuer presently owns and operates a public sanitary sewerage collection and treatment system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be constructed certain betterments and improvements to the existing sewerage facilities of the Issuer, consisting of replacement of a main interceptor line, including rehabilitation of approximately 8,000 feet of 10-inch interceptors and approximately 3,500 feet of 4-inch collector lines in the Brushfork service area connected with the system (the "Project"), which constitute properties for the collection and treatment of wastewater (the existing sewerage system facilities of the Issuer, the Project and any further

additions thereto or extensions thereof is herein called the "System") at an estimated cost of $307,000.00, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have been approved by the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and all Sinking Funds, Reserve Accounts and other payments provided for herein, all as such terms are hereinafter defined.

D. It is deemed necessary for the Issuer to issue its Sewerage System Revenue Bonds, Series 2000 A, in the total aggregate principal amount of not more than $307,000.00 (the "Series 2000 A Bonds"). The proceeds of the Series 2000 A Bonds will used to finance certain costs for the construction of the Project and to pay costs of issuance of the Series 2000 A Bonds . Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2000 A Bonds prior to and during construction or for a period not exceeding six months after completion of construction of the Project; amounts which may be deposited in the Series 2000 A Bonds Reserve Account; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

E. The Issuer intends to permanently finance such costs of construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority") in connection with West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), pursuant to the Act, in order to take advantage of the favorable terms available to the Issuer under the SRF Program.

F. The period of usefulness of the System after completion of the Project is not less than 25 years.

G. It is in the best interests of the Issuer that its Series 2000 A Bonds be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement to be entered into by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of the Environment ("DEP"), in form satisfactory to the Issuer, the Authority and the DEP, as shall be approved herein (the "Loan Agreement").

H. The Series 2000 A Bonds shall be issued on a parity with the Prior Bonds (hereinafter defined) with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2000 A Bonds, the Issuer will obtain (i) the

certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met; (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2000 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds , there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the construction and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2000 A Bonds for the purposes set forth herein.

K. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

SECTION 1.03. BOND LEGISLATION CONSTITUTES CONTRACT.

In consideration of the acceptance of the Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

SECTION 1.04. DEFINITIONS.

The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Series 2000 A Bonds, or any other agency of the State of West Virginia that succeeds to the functions of the Authority.

"Authorized Officer" means the Mayor of the Issuer or any acting Mayor duly appointed by the Governing Body.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 4.01 hereof.

"Bondholder," "Holder of the Bonds," "Holder" or any similar term whenever used herein with respect to an outstanding Bond or Bonds, means the person in whose name such Bond is registered.

"Bond Legislation," "Ordinance," "Bond Ordinance" or "Local Act" means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Bond Year" means the 12 month period beginning on the anniversary of the Closing Date in each year and ending on the day prior to the anniversary date of the Closing Date in the following year except that the first Bond Year shall begin on the Closing Date.

"Bonds" means, collectively, the Series 2000 A Bonds, the Prior Bonds and any bonds on a parity therewith authorized to be issued hereunder.

"City Clerk" means the City Clerk of the Issuer.

"City Manager" means the City Manager of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2000 A Bonds for all or a portion of the proceeds of the Series 2000 A Bonds from the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and Regulations.

"Commission" means the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia that succeeds to the functions of the Commission.

"Consulting Engineers" means Appalachian Engineering & Surveying, Inc., Bluefield, West Virginia, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

"Costs" or "Costs of the Project" means those costs described in Section 1.02D hereof to be a part of the cost of construction of the Project.

"Debt Service" means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns.

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of the Environment.

"FDIC" means the Federal Deposit Insurance Corporation and any successor to the functions of the FDIC.

"Fiscal Year" means each 12-month period beginning on July 1 and ending on the succeeding June 30.

"Governing Body" means the Board of Directors, the duly elected governing body of the Issuer, as it may now or hereafter be constituted.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America.

"Gross Proceeds" means any proceeds and replacement proceeds of the Series 2000 A Bonds.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 7.01 hereof) or any tap fees.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment" means any investment property as defined in Sections 148 (b) (2) and 148 (b) (3) of the Code and any other tax exempt bond.

"Issuer" means The City of Bluefield, a municipal corporation and political subdivision of the State of West Virginia, in Mercer County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" means the Loan Agreement to be entered into among the DEP, the Authority and the Issuer providing for the purchase of the Series 2000 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means Sale Proceeds, less the portion of those Sale Proceeds invested in a reasonably required reserve or replacement fund under Section 148(d) and as part of a minor portion under Section 148(e) of the Code.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any investment property as defined in Section 148(b).

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article IX hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 6.07 hereof.

"Paying Agent" means the West Virginia Municipal Bond Commission, as paying agent for the Series 2000 A Bonds.

"Prior Bonds" means, collectively, the Series 1992 Bonds, the Series 1995 Bonds, and the Series 1998 A Bonds.

"Prior Ordinances" means, collectively, the ordinance enacted by the Governing Body of the Issuer on June 2, 1992, as amended and supplemented by a Supplemental Resolution adopted June 2, 1992, pursuant to which the Series 1992 Bonds were issued; the ordinance enacted by the Governing Body of the Issuer on June 27, 1995, as amended and supplemented by a Supplemental Resolution adopted August 22, 1995, pursuant to which the Series 1995 Bonds were issued; and the ordinance enacted by the Governing Body of the Issuer on July 14, 1998, as amended and supplemented by a Supplemental Resolution adopted May 11, 1999, pursuant to which the Series 1998 A Bonds were issued.

"Private Business Use" means use (directly or indirectly) in a trade or business carried on by any person other than a governmental unit; provided that, use as a member of the general public shall not be taken into account.

"Project" means the construction of certain improvements and betterments to the Issuer's wastewater collection and treatment facilities of the Issuer, as described in paragraph 1.02B

hereof.

"Qualified Investments" means and includes any of the following:

(a) Government Obligations;

(b) Government Obligations which have been stripped of their unmatured interest coupons, interest coupons stripped from Government Obligations, and receipts or certificates evidencing payments from Government Obligations or interest coupons stripped from Government Obligations;

(c) Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Banks for Cooperatives; Federal Intermediate Credit Banks; Federal Home Loan Bank System; Export-Import Bank of the United States; Federal Land Banks; Government National Mortgage Association; Tennessee Valley Authority; or Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligations issued by the Federal National Mortgage Association to the extent such obligation is guaranteed by the Government National Mortgage Association or issued by any other federal agency and backed by the full faith and credit of the United States of America;

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) Money market funds or similar funds whose only assets are investments of the type described in paragraphs (a) through (e) above;

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

(h) The West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the West Virginia Code of 1931, as amended; and

(i) Obligations of States or political subdivisions or agencies thereof, the interest on which is exempt from federal income taxation, and which are rated at least "A" by Moody's Investors Service, Inc. or Standard & Poor's Corporation.

"Registered Owner," "Bondholder," "Holder" or any similar term means whenever used herein with respect to an outstanding Bond or Bonds, the person in whose name such Bond or Bonds is registered.

"Registrar" means the Bond Registrar.

"Regulations" means temporary and permanent regulations promulgated under the Code, or any predecessor thereto.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established and continued by the Prior Ordinances.

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2000 A Bonds and the Prior Bonds.

"Reserve Requirements" means, collectively, the respective amounts required to be on deposit in the Reserve Accounts.

"Revenue Fund" means the Revenue Fund established and continued by the Prior Ordinances.

"Sale Proceeds" means any amounts actually or constructively received from the sale of the Series 2000 A Bonds, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest.

"Sanitary Board" means the Sanitary Board of the Issuer.

"Series 1992 Bonds" means the Sewerage System Refunding Revenue Bonds, Series 1992, dated June 1, 1992, of the Issuer, issued in the original principal amount of $4,985,000.

"Series 1995 Bonds" means the Sewerage System Refunding Revenue Bonds, Series 1995, dated August 29, 1995, of the Issuer, issued in the original principal amount of $7,945,000.

"Series 1998 A Bonds" means the Sewerage System Revenue Bonds, Series 1998 A, dated May 20, 1999, of the Issuer, issued in the original principal amount of $1,116,645.

"Series 2000 A Bonds" means the not more than $307,000.00 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2000 A, of the Issuer issued pursuant to this Ordinance.

"Series 1992 Bonds Reserve Account" means the Series 1992 Bonds Reserve Account established in the Series 1992 Bonds Sinking Fund pursuant to the Prior Ordinance.

"Series 1995 Bonds Reserve Account" means the Series 1995 Bonds Reserve Account established in the Series 1995 Bonds Sinking Fund pursuant to the Prior Ordinance.

"Series 1998 A Bonds Reserve Account" means the Series 1998 A Bonds Reserve Account established in the Series 1998 A Bonds Sinking Fund pursuant to the Prior Ordinance.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account established in the Series 2000 A Bonds Sinking Fund pursuant to Section 4.02 hereof.

"Series 2000 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2000 A Bonds in the then current or any succeeding year.

"Series 1992 Bonds Sinking Fund" means the Series 1992 Bonds Sinking Fund established by the Prior Ordinance.

"Series 1995 Bonds Sinking Fund" means the Series 1995 Bonds Sinking Fund established by the Prior Ordinance.

"Series 1998 A Bonds Sinking Fund" means the Series 1998 A Bonds Sinking Fund established by the Prior Ordinance.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund established by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2000 A Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds from the State.

"SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Series 2000 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including the Renewal and Replacement Fund and the Reserve Accounts.

"System" means the existing sewerage system facilities as expanded by the Project, and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with said sewerage system; and shall include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

"Yield" means that yield computed under Section 1.148–4 of the Regulations for the Series 2000 A Bonds and yield computed under Section 1.148-5 of the Regulations for an investment.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF CONSTRUCTION OF THE PROJECT

SECTION 2.01. AUTHORIZATION OF CONSTRUCTION OF THE PROJECT.

There is hereby authorized the construction of the Project in accordance with the plans and specifications prepared by the Consulting Engineers. The Project consists of the replacement of a main interceptor line, including rehabilitation of approximately 8,000 feet of 10-inch interceptors and approximately 3,500 feet of 4-inch collector lines in the Brushfork service area connected with the system. The proceeds of the Bonds hereby authorized shall be applied as provided in Article V hereof.

It is estimated that the Project will cost approximately $307,000.00, which will be obtained from proceeds of the Series 2000 A Bonds. The Issuer hereby approves the costs of the Project as set forth in the Schedule A attached to the certificate of the Consulting Engineer.

The Issuer has received bids and will enter into contracts for the construction of the Project, compatible with the financing plan submitted to the SRF Program.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT

SECTION 3.01. AUTHORIZATION OF BONDS.

For the purposes of paying certain Costs of the Project not otherwise provided for, paying certain costs of issuance of the Series 2000 A Bonds and related costs, there shall be issued negotiable Series 2000 A Bonds of the Issuer, in an aggregate principal amount of not more than $307,000.00. Said Series 2000 A Bonds shall be issued as a single bond and designated as "Sewerage System Revenue Bonds, Series 2000 A." The Series 2000 A Bonds shall bear interest at the rate of two percent (2%) per annum. There shall also be payable on the Series

2000 A Bonds a one percent (1%) administrative fee. The Series 2000 A Bonds shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 A Bonds shall be deposited in the Bond Construction Trust Fund.

SECTION 3.02. TERMS OF THE BONDS.

The Series 2000 A Bonds shall bear interest as set forth above; shall be payable and mature on such dates and in such amounts as set forth in the Schedule Y attached to the Loan Agreement ; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution, or as specifically provided in the Loan Agreement. The Series 2000 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 A Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2000 A Bonds shall be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2000 A Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a supplemental resolution and shall bear interest from the date so specified therein.

SECTION 3.03. EXECUTION OF BONDS.

The Bonds shall be executed, either manually or by facsimile, in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk . In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

SECTION 3.04. AUTHENTICATION AND REGISTRATION.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

SECTION 3.05. NEGOTIABILITY, TRANSFER AND REGISTRATION.

Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring the registered Bonds are exercised, Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Bonds during the period commencing on the 15th day of the month preceding an interest payment date on the Bonds or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

SECTION 3.06. BONDS MUTILATED, DESTROYED, STOLEN OR LOST.

In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen

or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

SECTION 3.07. BONDS NOT TO BE INDEBTEDNESS OF THE ISSUER.

The Series 2000 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided . No holder or holders of any of the Series 2000 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 A Bonds or the interest thereon.

SECTION 3.08. BONDS SECURED BY PLEDGE OF NET REVENUES; SERIES 2000 A BONDS TO BE ON PARITY WITH THE PRIOR BONDS.

The payment of the debt service of all the Prior Bonds and Series 2000 A Bonds shall be secured forthwith equally and ratably with each other, by a first lien on the Net Revenues derived from the System, which first lien shall be shared prorata among all the Bonds . Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter and in the Prior Ordinance established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

SECTION 3.09. DELIVERY OF BONDS.

The Issuer shall execute and deliver the Series 2000 A Bonds to the Bond Registrar, and the Registrar shall authenticate, register and deliver the Bonds to the original purchasers thereof upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar, on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Bonds to the original purchasers;

C. The unqualified approving opinion of bond counsel on the Bonds;

D. An executed and certified copy of the Bond Legislation; and

E. An executed copy of the Loan Agreement.

SECTION 3.10. FORM OF BONDS.

The text of the Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 2000 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BOND
SERIES 2000 A

No. AR-__ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, beginning _____, as set forth on the "Debt Service Schedule " attached as Exhibit B hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit B.

The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning _____, as shown on Exhibit B attached hereto . Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Bank One, West Virginia, National Association, as registrar (the "Registrar") on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated

_____, 2000.

This Bond is issued (i) to pay a portion of the costs of construction of certain improvements and betterments to the existing public sewerage system facilities of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds") and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on June 27, 2000, and July 11, 2000, (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH THE ISSUER'S (1) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1992 DATED JUNE 1, 1992, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $4,985,000 (THE "SERIES 1992 BONDS"), (2) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1995, DATED AUGUST 29, 1995, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,945,000, AND (3) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A DATED MAY 20, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,116,645, WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a first lien pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the Prior Bonds, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount required in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1992 Bonds are outstanding, and thereafter, 115% of such amount; provided however , that when the Series 1992 Bonds are no longer outstanding and so long as there exists in the Series 2000 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations

outstanding prior to or on a parity with the Bonds , an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

Subject to the registration requirements set forth herein, this Bond, under the provision of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

All provisions of the Bond Legislation, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk , and has caused this Bond to be dated July 13, 2000.

[SEAL]

_____

Mayor

ATTEST:

_____

City Manager

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A, described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____

_____,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	Amount	Date
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, ___.

_____

In the presence of:

_____

SECTION 3.11. SALE OF BONDS; RATIFICATION OF EXECUTION OF LOAN AGREEMENT.

The Series 2000 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, ratified and approved. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

SECTION 3.12. "AMENDED SCHEDULE A" FILING.

Upon completion of construction of the Project, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual

costs of the Project and sources of funding therefor.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

SECTION 4.01. CONTINUATION OR ESTABLISHMENT OF FUNDS AND ACCOUNTS WITH DEPOSITORY BANK.

The following special funds or accounts are hereby continued or created with and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

SECTION 4.02. CONTINUATION OR ESTABLISHMENT OF FUNDS AND ACCOUNTS WITH COMMISSION.

The following special funds or accounts are hereby continued or established with the Commission:

(1) Series 1992 Bonds Sinking Fund;

(a) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Reserve Account.

(2) Series 1995 Bonds Sinking Fund;

(a) Within the Series 1995 Bonds Sinking Fund, the Series 1995 Bonds Reserve Account.

(3) Series 1998 A Bonds Sinking Fund;

(a) Within the Series 1998 A Bonds Sinking Fund, the Series 1998 A Bonds Reserve Account.

(4) Series 2000 A Bonds Sinking Fund;

(a) Within the Series 2000 A Bonds Sinking Fund, the Series 2000 A Bonds Reserve Account.

SECTION 4.03. SYSTEM REVENUES; FLOW OF FUNDS.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) The Issuer shall first, each month, pay from the Revenue Fund, all current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Sinking Fund, the Series 1995 Bonds Sinking Fund and the Series 1998 A Bonds Sinking Fund, the respective amounts required by the Prior Ordinance for payment of interest on the Series 1992 Bonds, the Series 1995 Bonds and the Series 1998 A Bonds; and (ii) commencing three months prior to the first date of payment of interest on the Series 2000 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2000 A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Series 2000 A Bonds on the next ensuing quarterly interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2000 A Bonds Sinking Fund and the next quarterly interest payment date is less than three months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Sinking Fund, the Series 1995 Bonds Sinking Fund and the Series 1998 A Bonds Sinking Fund, the respective amounts required by the Prior Ordinances for payment of principal of the Series 1992 Bonds, the Series 1995 Bonds and the Series 1998 A Bonds; and (ii) commencing three months prior to the first date of payment of principal of the Series 2000 A Bonds, for deposit in the Series 2000 A Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will become due on the Series 2000 A Bonds on the next ensuing quarterly principal payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 2000 A Bonds Sinking Fund and the next quarterly principal payment date is less than three months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Reserve Account, the Series 1995 Bonds Reserve Account and the Series 1998 A Bonds Reserve Account, the respective amounts required by the Prior Ordinances to be deposited therein; and (ii) commencing three months prior to the first date of payment of principal of the Series 2000 A Bonds, if not fully funded upon issuance of the Series 2000 A Bonds, for deposit in the Series 2000 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 2000 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000 A Bonds Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to 2½% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Reserve Accounts, except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required by hereof, shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 2000 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2000 A Bonds as the same shall become due. Moneys in the Series 2000 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 2000 A Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2000 Bonds Sinking Fund and the Reserve Account therein shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Series 2000 A Bonds Sinking Fund and applied to the next ensuing interest payments due on the Series 2000 A Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 2000 A Bonds Reserve Account which result in a reduction in the balance of the Series 2000 A Bonds Reserve Account to below the Series 2000 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Bonds are issued, provision shall be made for additional payments into the respective Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate Reserve Account in an amount equal to the maximum amounts of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds .

The Issuer shall not be required to make any further payments into the Series 2000 A Bonds Sinking Fund or into the Series 2000 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2000 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2000 A Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the

Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at any time, the Issuer shall make the necessary arrangements whereby required payments into said account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required interest, principal and reserve account payments , and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the SRF Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

Moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 7.01 hereof.

The Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 A Bonds under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall complete the "Monthly Payment Form," a copy of which is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its check to the Authority by the 5th day of each calendar month.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar or the Depository Bank, on such dates as the Commission, the Registrar or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at any time, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made

up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

G. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

H. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE V

BOND PROCEEDS; DISBURSEMENTS

SECTION 5.01. APPLICATION OF BOND PROCEEDS; PLEDGE OF UNEXPENDED BOND PROCEEDS.

From the moneys received from the sale of the Series 2000 A Bonds, the following amounts shall be deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 A Bonds, there shall first be deposited with the Commission in the Series 2000 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2000 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining moneys from the sale of the Series 2000 A Bonds, as requisitioned by the Issuer, such moneys shall be deposited in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 5.02 hereof and until so expended, are hereby pledged as additional security for the Series 2000 A Bonds.

C. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2000 A Bonds shall be expended as approved by the DEP.

SECTION 5.02. DISBURSEMENTS FROM THE BOND CONSTRUCTION TRUST FUND.

On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2000 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 5.01 hereof, disbursements from the Bond Construction Trust Fund shall be made only after submission to, and approval from the Authority and DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, in compliance with the construction schedule, and

(2) a certificate signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing, or that Issuer or the Sanitary Board has previously paid such item in connection with the Project is being reimbursed for such payment.

Pending such application, moneys in the Bond Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

SECTION 6.01. GENERAL COVENANTS OF THE ISSUER.

All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2000 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

SECTION 6.02. BONDS NOT TO BE INDEBTEDNESS OF THE ISSUER.

The Series 2000 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

SECTION 6.03. BONDS SECURED BY PLEDGE OF NET REVENUES.

The payment of the debt service of the Series 2000 A Bonds and the Prior Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the operation of the System. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

SECTION 6.04. INITIAL SCHEDULE OF RATES AND CHARGES.

The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer duly enacted and currently in effect for the System.

The Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and in compliance with the requirements of the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2000 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

SECTION 6.05. SALE OF THE SYSTEM.

So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances. Additionally, so long as the Series 2000 A Bonds are outstanding and except as otherwise required by law, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, in accordance with Section 9.01 hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $25,000, the Sanitary Board shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $25,000 but not in excess of $50,000, the Sanitary Board shall first, in writing

determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $25,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Funds and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value . Such payment of such proceeds into the Sinking Funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding . The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

SECTION 6.06. ISSUANCE OF OTHER OBLIGATIONS PAYABLE OUT OF REVENUES AND GENERAL COVENANT AGAINST ENCUMBRANCES.

Except as provided in this Section 6.06, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Bonds may be issued as provided for in Section 6.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Prior Bonds and the Series 2000 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts have been made and are current at the time of the issuance of such subordinate obligations .

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the DEP prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System from any grants for the Project, or any other obligations related to the Project or the System.

SECTION 6.07. PARITY BONDS.

So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no Parity Bonds,

payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided and with the written consent of the Authority and the DEP.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the three succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants , which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on

the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Prior Bonds and the Series 2000 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2000 A Bonds or the Prior Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of such Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

SECTION 6.08. BOOKS AND RECORDS.

The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing System, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting

system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds and shall submit said report to the Authority and DEP, or any other original purchaser of the Bonds. Such audit report submitted to the Authority and DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Operating Expenses and debt service and reserve requirements.

Commencing on the date contracts are executed for the construction of the Project and for two years following completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy to the Authority and DEP by the 10th day of each month.

The Issuer shall provide the DEP with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement or as promulgated from time to time.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

The Issuer shall permit the Authority or the DEP, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of the Project, the Issuer shall also provide the Authority and the DEP, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the DEP

with respect to the System pursuant to the Act.

SECTION 6.09. RATES.

So long as the Prior Bonds are outstanding, the Issuer shall maintain rates and charges for the use of the System consistent with the requirements of the Prior Ordinances .

Prior to the issuance of the Series 2000 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk , which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 120% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, so long as the Series 1992 Bonds are outstanding and thereafter, 115% of such amount; provided that, when the Series 1992 Bonds are no longer outstanding and in the event an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, subject to any requirements of law, the Issuer shall not reduce the rates and charges for services set forth in the rate ordinance described in the Section 6.04 hereof.

SECTION 6.10. OPERATING BUDGET .

The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer , which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and

maintenance to the Authority, the DEP and to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

SECTION 6.11. NO COMPETING FRANCHISE.

To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

SECTION 6.12. ENGINEERING SERVICES AND OPERATING PERSONNEL.

Prior to the issuance of the Series 2000 A Bonds, Issuer shall provide the Authority a certificate of the Consulting Engineer, substantially in the form as shown on Exhibit D to the Loan Agreement.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the supervision and inspection of the development and construction of the Project and bearing responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

SECTION 6.13. ENFORCEMENT OF COLLECTIONS.

The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the Issuer, the rules and

regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law, or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

The Issuer further acknowledges that it has a water termination agreement with all entities providing water service in the areas in which the Issuer provides sewer service and will maintain and use such agreement subject to all the rules, regulations and orders of the Public Service Commission.

SECTION 6.14. NO FREE SERVICES.

The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

SECTION 6.15. INSURANCE AND CONSTRUCTION BONDS.

A. The Issuer hereby covenants and agrees that so long as any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer shall also require all contractors engaged in the construction of the Project to carry such workers compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project, provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the DEP, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

The Issuer shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount at least equal to 100% of the

contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

SECTION 6.16. COMPLETION OF PROJECT.

The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by state and federal laws for the construction of the Project, and all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project, the operation of the System and all approvals for issuance of the Bonds required by state law, with all requisite appeal periods having expired without successful appeal.

SECTION 6.17. TAX COVENANTS.

The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 2000 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2000

A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2000 A Bonds and the interest thereon, including without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Series 2000 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

SECTION 6.18. MANDATORY CONNECTIONS.

The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State of West Virginia and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

SECTION 6.19. COMPLIANCE WITH LOAN AGREEMENT AND LAW.

The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with copies of all documents submitted to the Authority.

The Issuer also agrees to comply with all applicable laws, rules and regulations issued by the Authority, the DEP or other State, federal or local bodies in regard to the construction of the Project and the operation, maintenance and use of the System.

SECTION 6.20. CONTRACTS; PUBLIC RELEASES.

The Issuer shall, simultaneously with the delivery of the Series 2000 A Bonds or immediately thereafter, enter into written contracts for the immediate construction of the Project.

The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2000 A Bonds held in "contingency" as set forth in the Schedule A attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2000 A Bonds made available due to bid or construction or project underruns.

The Issuer shall list the funding provided by the DEP and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any ground breaking or dedication of the Project.

ARTICLE VII

INVESTMENT OF FUNDS; NON ARBITRAGE

SECTION 7.01. INVESTMENTS.

Any moneys held as a part of the funds and accounts created by this Bond Legislation, other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 7.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, a summary of such funds,

accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2000 A Bonds from gross income for federal income tax purposes.

SECTION 7.02. ARBITRAGE.

The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2000 A Bonds which would cause the Series 2000 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 2000 A Bonds) so that the interest on the Series 2000 A Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

SECTION 7.03. SMALL ISSUER EXEMPTION FROM REBATE.

In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2000 A Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2000 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt bonds (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2000 A Bonds are issued are not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 7.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 7.03 and Section 148(f)(4)(D) of the Code, be trated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 7.03 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2000 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when

required to be paid, plus interest on that amount, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority at least 30 days before a rebate payment is due, a certified copy of its rebate calculation or, if the Issuer qualifies for the small issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge which would make the Series 2000 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

SECTION 7.04. SECURITIES LAWS COMPLIANCE.

The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

ARTICLE VIII

DEFAULT AND REMEDIES

SECTION 8.01. EVENTS OF DEFAULT.

Each of the following events shall constitute an "Event of Default" with respect to the Series 2000 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on the Series 2000 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2000 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

SECTION 8.02. REMEDIES.

Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Holders of the Series 2000 A Bonds shall be on a parity with those of the Holders of the Prior Bonds.

SECTION 8.03. APPOINTMENT OF RECEIVER.

Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the construction of the Project on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might do.

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for Reserve, Sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE IX

PAYMENT OF BONDS

SECTION 9.01. PAYMENT OF BONDS.

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of all Series 2000 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 2000 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2000 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000 A Bonds from gross income for federal income tax purposes.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. AMENDMENT OR MODIFICATION OF BOND LEGISLATION.

Prior to the issuance of the Series 2000 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 A Bonds, no material modification or amendment of this Ordinance , or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Series 2000 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of

interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Bonds from gross income of the holders thereof.

SECTION 10.02. BOND LEGISLATION CONSTITUTES CONTRACT.

The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

SECTION 10.03. SEVERABILITY OF INVALID PROVISIONS.

If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Bonds.

SECTION 10.04. HEADINGS, ETC.

The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

SECTION 10.05. CONFLICTING PROVISIONS REPEALED.

All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed ; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds or any portion thereof are outstanding.

SECTION 10.06. COVENANT OF DUE PROCEDURE, ETC.

The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk, City Manager and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

SECTION 10.07. EFFECTIVE DATE.

This Ordinance shall take effect immediately following public hearing hereon.

SECTION 10.08. STATUTORY NOTICE AND PUBLIC HEARING.

Upon adoption hereof, an abstract of this Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in Bluefield Daily Telegraph, which is a qualified newspaper of general circulation in The City of Bluefield, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of the abstract and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading - June 13, 2000

Passed on Second Reading - June 27, 2000

Effective Date Following
Public Hearing - July 11, 2000

Paul Cole, Jr.
Mayor

Drema R. Shreman
City Clerk

BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
JUNE 13, 2000

The Board of Directors of the City of Bluefield, West Virginia met in regular session June 13, 2000 in the Municipal Boardroom. Present were Mayor: Nelson Walker, Vice-Mayor: George McGonagle, Directors: Ollie Law, Garry Moore, Sr., Doris Sue Kantor, City Manager: Ron Crabtree, Assistant City Manager/Treasurer: Charles Cromer, Jr.; Chief Financial Officer: Hasan Baig, City Solicitor: John Feuchtenberger and City Clerk: Beverly G. Tresch.

INVOCATION/PLEDGE:

Director Garry Moore, Sr. gave the Invocation followed by the Pledge of Allegiance.

FIRST READING: BOND ORDINANCE

With permission of the Board of Directors Bluefield attorney Norris Kantor held the first reading by title of the following Bond ordinance by title:

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF CERTAIN IMPROVEMENTS AND BETTERMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM FACILITIES OF THE CITY OF BLUEFIELD, WEST VIRGINIA, AND THE FINANCING OF THE COSTS THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $307,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO THE SERIES 2000 A BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

Kantor stated that the series 2000A Bonds are for a new major sewer interceptor line in Brushfork and that the Sanitary Board will pick up an additional 100 customers as a result of the new line.

JACK AND BORE UNDER U.S. ROUTE 460

Attorney Kantor also reported that thanks to the efforts of Sanitary Board member Ray Bragg ands a generous grant from the H.I. Shott, Jr. Foundation, the Sanitary Board will be able to initiate jack and bore work under U.S. Route 460 to provide sewer service to customers on the south side of the highway.

PUBLIC HEARING: State/HUD Small Cities (Demolition Grant)

City Manager Ron Crabtree announced that this is the first of two public hearings required to meet the Small Cities Block Grant application for a request to apply for funds to enter into a second phase of the cities demolition of below standard and dilapidated structures. ($500,000 requested)

Ted Curtis- 210 Henry Street asked if the public could view the proposed grant and make suggestions prior to the Grant's submission. Crabtree stated that the grant is public knowledge and anyone is free to speak at the hearings and to view the grant.

FIRST READING BY TITLE (Garbage Fees and Building Permit Fee Increase)

City Solicitor John Feuchtenberger held first reading by title on the following (2) two ordinances:

First Ordinance (First Reading by Title)—

ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, CHAPTEER 8, GARBAGE, TRASH AND OTHER WASTE. ARTICLE II, GARBAGE COLLETION, FEES, PROHIBITED ACTS BY THE AMENDMENT OF SECTION 8-4. REMOVAL SERVICES FEES AND SECTION 8-5. BILLING DATES AS FOLLOWS:

Second Ordinance (First Reading by Title)—

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 4. BUILDINGS AND STRUCTURES. ARTICLE III. PERMITS. BY THE INCREASING OF CONSTRUCTION OR ALTERATION PERMIT FEES BY AN AVERAGE OF 25%

RESOLUTION:

Vice-Mayor George McGonagle moved that the board establish the final date for adoption as well as a final hearing for both of these ordinances for June 27, 2000 7:30 p.m. in this boardroom so that we can have any public comment prior to the passage of these ordinances. Seconded Garry Moore, Sr. So Ordered.

WADE SCHOOL USAGE POSTPONED FOR 90 DAYS

The Mercer County Board of Education has offered to give the city Wade School if the city can provide a plan for its use. The Bluefield Economic Development Commission asked the city to delay any action on the Mercer County Board of Education's offer regarding the school for 90 days.

COMMISSION APPOINTMENTS/REAPPOINTMENTS:

Director Garry Moore, Sr. moved that the board reappoint Ray Bragg – P.O. Box 1777 Bluefield, WV to the Sanitary Board with term expiring September 26, 2003. Seconded Vice-Mayor George McGonagle. So ordered.

We, the Employees of the Street, Sanitation, and Shop Departments of the City of Bluefield, WV

We stand before you yet again requesting that you recognize the Union, which we have freely selected. We still stand in need of a motion to take action upon our request.

We stand before you yet again to notify you of additional manpower shortages. Just this past week we have had 2 full time employees quit. This is in addition to the one we previously notified you about who retired last week, also we had one of the temporary workers to leave. Since January I of this year we have lost 8 full time employees. We need qualified employees to train now so that they can be ready, up and running when winter hits.

We believe that if you would recognize our Union, we would be able to get qualified employees to fill these jobs. We firmly believe that if you attempt to replace these workers with temporary help, that this is exactly what you will get. A temporary worker who does not care about doing a quality job, and one who could care less about the City of Bluefield. Whether you on the Board want to believe it or not, we, your full time employees do care about our city and we want to do a quality job for the citizens who ultimately foot the bill.

At your last meeting, we were told by the Mayor that we should be hearing something that would take care of some of our problems before the next meeting. Well, here we stand again and the only thing that we have heard is that now we must work overtime to get the job done. If we don't work it on a voluntary basis then it will be made **mandatory.** This is not what we expected to hear. We have families too, and we would like to spend time with them. We should have known better. This is exactly one of the reasons we need you to recognize our Union.

We do not want to hear one thing and then have another happen. We need our concerns addressed in a legal binding agreement so that we don't have to wonder from one day to the next as to what to expect.

Again we ask that one of you take the initiative to make a motion to take action on our request and then for each of you to vote to recognize our Union so we can get on with the task of serving the citizens of the City of Bluefield the way they deserve.

Thank you,

ART RILEY: BUDGET REVENUES

Director Garry Moore, Sr. moved that the Board reappoint **Judy** Gibson – 212 W. Cumberland Road to the Beautification Commission with term expiring February 17, 2004 and to appoint **Patricia Meachum** – 2112 Mt. View to the Beautification Commission with term expiring February 17, 2004. Seconded Director Ollie Law. So ordered.

PLANNING COMMISSION TO STUDY REZONING: Area of **Jefferson/Stowers Street**

Vice-Mayor George McGonagle moved that the board of directors call upon the Planning Commission to see if an area on Jefferson at Stowers streets could be rezoned "to eliminate night club or alcohol" in the vicinity. Seconded Director Garry Moore, Sr. So ordered.

2000-2001 BUDGET (SALARY CUTS REVIEWED)

City Manager Ron Crabtree reported that he, City Treasurer Charlie Cromer and Chief Financial Officer Hasan Baig have been examining the budget for the past several months. He said prior to the start of the fiscal year on July 1, he recommended "in order to lessen the effect monetarily to the employees," that the city reduce salaries by five percent rather than the ten percent reduction he recommended in March.

Crabtree asked that the city not refill two open positions on the fire department—one created by the death of Lt. Robby Brannon in the line of duty and the other that will appear in July with the retirement of Captain Tim McPeak.

Crabtree also recommended not rehiring new police officers to replace three that will become resource officers in city schools. He also asked the board of directors not to replace one street department vacancy and one garbage department vacancy.

He said that he might come back and ask the board to revisit that five-percent in January.

Director Ollie Law moved to approve the above recommendations of City Manager Ron Crabtree and Director Doris Sue Kantor seconded. So ordered.

REQUEST FOR RECOGNITION OF UNION: Keitho Molineaux

Another Request for Recognition of our Union

Art Riley questioned the directors and administration on several issues concerning the up-coming 2000/2001 budget and asked for the city's support in the downtown Merchants Association's Street Fair schedule August 4-5 downtown.

City Manager Crabtree will call and ask that the State Highway Department to close Federal Street to through traffic from Scott Street to Princeton Avenue with traffic detoured on Scott Street to Princeton Avenue with Downtown Merchants providing appropriate signs for the hours of the fair only.

SALE OF TELEGRAPH BUILDING:

Upon the recommendation of City Manager Crabtree Vice-Mayor George McGonagle moved that the board accept a $995 bid for the purchase of the old Bluefield Daily Telegraph building on Bland Street with City Solicitor Feuchtenberger defining the details and conditions of purchase made by the board. Seconded Director Ollie Law. So ordered.

PURCHASE OF VACANT CITY LOTS:

Director Ollie Law moved that the city sell a lot at **307 Reese Street** to William and Kathy Moore (Lot 21 Section 359) for $100.00 with the condition that a house be built on this lot and that the lot cannot be transferred to another individual to sell. Seconded Director Garry Moore, Sr. So ordered.

Vice-Mayor George McGonagle moved that the city reject (decline) the offer to sell (2) lots located on **Bryant Street** to Tim Booth for $100.00 each. Seconded Director Ollie Law. So ordered.

Executive Session:
Vice-Mayor George McGonagle moved that the board adjourn to executive session for personnel issues and return for adjournment only. Seconded Director Doris Sue Kantor. So ordered.

Beverly G. Tresch, City Clerk Nelson R. Walker, Mayor

BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
JUNE 27, 2000

The Board of Directors of the City of Bluefield, West Virginia met in regular session June 27, 2000 in the Municipal Boardroom. Present were Mayor: Nelson Walker, Vice-Mayor: George McGonagle, Directors: Ollie Law, Garry Moore, Sr., Doris Sue Kantor, City Manager: Ron Crabtree, Assistant City Manager/Treasurer: Charles Cromer, Jr.: City Solicitor: John Feuchtenberger and City Clerk: Drema A. Shireman. Chief Financial Officer, Hasan M. Baig was absent.

INVOCATION/PLEDGE:

Director Garry Moore, Sr. gave the Invocation followed by the Pledge of Allegiance.

BOARD APPOINTMENTS:

Effective June 30, 2000, Beverly Tresch will retire as City Clerk. A motion to select Drema Shireman to serve as City Clerk as well as to continue her duties as Director of Human Resources was made by George McGonagle and seconded by Rev. Garry Moore. The motion carried unanimously.

The vacancy created by the retirement of Mayor Nelson Walker and a subsequent board appointment was also filled. Vice-Mayor George McGonagle placed the name of a 12-year veteran mayor, Paul Cole, in nomination for the vacant board position. Director Doris Sue Kantor seconded the motion, and it carried unanimously. The position of Mayor will be elected at the next board meeting in July.

SECOND READING: BOND ORDINANCE

With permission of the Board of Directors, Bluefield attorney Norris Kantor held the second reading by title:

AN ORDINANCE AUTHORIZING THE CONSTRUCTION OF CERTAIN IMPROVEMENTS AND BETTERMENTS TO THE

EXISTING PUBLIC SEWERAGE SYSTEM FACILITIES OF THE CITY OF BLUEFIELD, WEST VIRGINIA, AND THE FINANCING OF THE COSTS THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $307,000.00 IN AGGREGATE PRINCIPAL AMOUNT OF SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A, PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; APPROVING AND RATIFYING A LOAN AGREEMENT RELATING TO THE SERIES 2000 A BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

Public Hearing set for Series 2000A bonds on Tuesday, July 11, 2000.

PUBLIC HEARING: State/HUD Small Cities (Demolition Grant)

The Second of two public hearings required for the Small Cities Block Grant application was held. City Manager, Ron Crabtree, fielded questions and announced that this would be a continuation of grant funds requested in 1997. The request for funds for the second phase of this demolition of below standard and dilapidated structures is due in Charleston on July 14. ($500,000 requested)

Robert Day, Jr.-211 Third Street asked for definition of criteria for determining housing demolition.

Bettye Sykes-300 Tyler Street expressed concerns about dilapidated houses in her neighborhood, and asked if they would be included in this new grant proposal.

Eugene Davis– 224 Third Street said that he had made several calls complaining about graffiti painted on a building at 219-221 Rogers Street. Mayor Nelson Walker asked Mr. Crabtree to check on these concerns and take required action.

Ted Curtis-210 Henry Street stated that he had reviewed the previous grant request. He asked that the Board review the section on citizen participation and allow more citizens to be involved in the proposed grant. Rev. Garry Moore moved that the city review the citizens

participation section of the Small Cities Block grant, seconded by George McGonagle. So ordered.

ORDINANCE:

With the second reading of the following City Ordinance by City Solicitor John Feuchtenberger, Vice-Mayor George McGonagle moved that the ordinance be approved. So ordered.

ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD, CHAPTER 8, GARBAGE, TRASH, AND OTHER WASTE ARTICLE II, GARBAGE COLLECTION, FEE, PROHIBITED ACTS BY THE AMENDMENT OF SECTION 8-4. REMOVAL SERVICES FEES AND SECTION 8-5. BILLING DATES AS FOLLOWS:

Sec. 8-4. Removal service fees.

(a) (1) Every property owner or occupant of a residential unit shall be responsible for the payment of a monthly fee of eleven dollars ($11.00) {thirty-three dollars ($33.00) per quarter} for minimum regular service per residential unit.

(2) (remains unchanged)

(b) (remains unchanged)

(c) (remains unchanged)

(d) (1) (remains unchanged)

(2) The treasurer or chief financial officer may establish school rates For public schools, subject to avail-

Ability of the service after public
Residential needs are met, per school
Within the city limits. No such school may
Without prior written permission, use a private
Collector.

(e) Each user of the driveway removal service shall be subject To a charge of nineteen dollars ($19.00) per month {fifty-seven Dollars ($57.00) per quarter], billed and payable According to the provisions set out In section 8-5 below. Extreme conditions, Such as extremely steep or narrow driveways or driveways in poor condition, may require the the treasurer to deny driveway service or to access an additional surcharge to cover the costs of this service.

(f) (1) Each user of the special pickup services shall be subject to a charge of thirteen ($13.00) for each pickup or for loads of one-half (1/2) dump truck or less; nineteen dollars and fifty cents ($19.50) for loads up to an entire dump truck load; and thirty-seven dollars and 50 cents ($37.50) for Swacar or similar vehicle-size loads. In addition to charges provided in this subsection, users of special service fee shall pay the actual cost of landfill charges for such pickup; users of partial loads shall pay the prorated charges attributable to their portion of total loads delivered to the landfill.

(2) The following special fees are also established in addition to pickup fees for tire disposal: Landfill charges plus fifty cent ($0.50) handling charge.

Sec. 8-5. Billing dates.

(a) (remains unchanged)

(b) The city treasurer shall render quarterly statements in advance of furnishing the service to all property owners or occupants of residential units for solid waste removal service as specified under section 8-4 (a) – (e) and shall render statements promptly after provision of the service described in section 8-4 (f). Such charges shall be due and payable on rendition and may be made in conjunction with charges for fire protection service as set out in section 6-30 et seq. Of this code; rendition dates shall be July 1st, October 1st, January 1st, and April 1st.

(c) Any quarterly or other statement to a residential customer which remains unpaid sixty (60) days after the date of rendition will bear interest on the past due balance at the rate of ten percent (10%) per annum, compound. Any such statement to a commercial customer which remains unpaid thirty (30) days after the date of rendition will bear interest on the past due balance at the rate of ten percent (10%) per annum, compound.

(d) (remains unchanged)

Adopted this 27th day of June 2000.

First Reading: June 13, 2000

Second Reading: June 27, 2000

ATTEST: City Clerk Mayor

The Mayor asked if anyone was there to speak on the adoption of the Ordinance. Charlene Long stated opposition to increased fees and encouraged the directors to downsize the city workforce, and look at other cost cutting measures.

Upon Second Reading, the board moved that the following Ordinance be approved: Motion by Rev. Garry Moore, seconded By Ollie Law.

AN ORDINANCE TO AMEND PART II, CODE OF ORDINANCES OF THE CITY OF BLUEFIELD BY THE AMENDMENT OF CHAPTER 4. BUILDINGS AND STRUCTURES. ARTICLE III. PERMITS. BY THE INCREASING OF CONSTRUCTION OR ALTERATION PERMIT FEES BY AN AVERAGE OF 25%

WHEREAS, the Board of Directors of the City of Bluefield finds that fees from permits do not approach the costs of providing qualified inspectors to perform construction and alteration inspections as required by BOCA Codes; and,

WHEREAS, the Board of Directors finds that an increase of those fees by an average of 25% will keep fees at a minimal level, imposing no burden upon owners or contractors for repairs, remodeling or constructions of structures;

NOW, THEREFORE, BE IT ORDAINED by the City of Bluefield the following Ordinance:

Sec. 4-42. Permits for Construction or Alterations of Buildings or Structures; **Electrical, Plumbing, Mechanical and Sign Installation Work; Demolition.**

(a) For a permit for the construction of new

buildings or structures or alterations of existing structures, fees shall be payable as follows, calculated on estimated cost or value of work:

Cost	*Permit Fee*
Less than $200.00 . .	$0.00
$201 to $1,000 . . :	$12.50
$1,001 to $10,000 . .	$12.50 plus $10.00 for each whole or partial $1,000 of cost
exceeding	$1,000
$10,000 to $50,000 .	$102.50 plus $7.50 for each whole or partial $1,000 of cost
exceeding	$10,000
$50,001 to $100,000 . .	$402.50 plus $5.00 for each whole or partial $1,000 of cost
exceeding	$50,000$100,001 to
$500,000	.$652.50 plus $3.75 for each whole or partial $1,000 of cost exceeding $100,000
$500,001 to $1,000,000	$2,152.50 plus $2.50 for each whole or partial $1,000 of cost exceeding
	$500,000
$1,000,001 and above. .	$3,402.50 plus $1.25 for each whole or partial $1,000 of cost exceeding $1,000,000

(b) [remains unchanged]

(c) [remains unchanged]

Adopted this 27th day of June 2000.

FIRST READING:
June 13, 2000

SECOND
READING:
June 27, 2000

City Clerk Mayor

COMMISSION APPOINTMENTS/REAPPOINTMENTS:

Director Ollie Law moved that the Board reappoint Charles Cole-208 Memorial Avenue Bluefield, WV with term expiring May 31, 2004 and Terry Ferguson-2811 Clovis Avenue Bluefield, WV with term expiring December 31, 2004 to the Firemen's Civil Service Commission. Seconded by Doris Sue Kantor. So ordered.

Director Garry Moore, Sr. moved that the Board reappoint Tonia Russell – 108 Christie Manor with term expiring May 31, 2003 and William Aldridge – 1244 Sunrise Drive with term expiring June 01, 2003 and to appoint James Baylor – 643 Shenandoah with term expiring June 22, 2003 to the Policemen's Civil Service Commission. Seconded Director Ollie Law. So ordered.

Vice-Mayor George McGonagle moved that the board appoint Dr. Robert Moore-219 Rock Street to the Economic Development Commission with term expiring November 5, 2002. Seconded by Ollie Law. So ordered.

Harold Adkins-1237 Augusta Street- expressed economic concerns for the city and is diligently searching to find solutions to the City's economic woes (downsizing, new businesses, media cooperation, tax adjustments, fees- increase in garbage and building permits affecting citizens on fixed incomes).

Economic Development – Art Riley

Businessman Art Riley spoke to remind the board of their administrative goals and objectives. Their main administrative goal was Economic Development. He and Walker exchanged opinions on the matter of new business coming into the city. Walker mentioned the list of business licenses included with the board's agenda, but Riley went down the list to point out the businesses that are located outside the city. "There's not much there you can hang your hat on Mr. Mayor," Riley said.

Recognition of United Steelworkers Union: John Profitt of the city street department read a statement asking the board to recognize the United Steelworkers as the department's bargaining unit.

RESOLUTION: 1999-2000 Budget Revision

Upon the recommendation of Charles Cromer, City Treasurer, Vice-mayor George McGonagle moved that the budget be revised prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists, as shown on budget revision number 1, a copy of which is entered as part of this record. Director Ollie Law seconded. Unanimously approved by all members of the Board.

RESOLUTION: COMCAST CABLE "LIFELINE" SERVICE:

The board passed a resolution calling on Comcast cable television to provide a "lifeline" cable service of a few basic stations at a modest fee to make cable accessible to people on low to moderate incomes. Vice-Mayor George McGonagle moved that the board pass a resolution, seconded by Ollie Law. So ordered.

Drema Shireman, City Clerk Nelson R. Walker, Mayor

CITY OF BLUEFIELD
ABSTRACT OF ORDINANCE AND
NOTICE OF PUBLIC HEARING

Notice is hereby given to any person interested that on June 27, 2000, the Board of Directors (the "Board") of the City of Bluefield, West Virginia (the "City"), adopted an Ordinance that:

1. Determined that the City now owns and operates a public sewer collection, transportation and treatment system (the "System").

2. Authorized the issuance of its Sewerage System Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds"), in the principal amount not to exceed $307,000.00, in order to provide funds to pay the costs of certain improvements and betterments to the System consisting of the replacement of the main interceptor and collector lines in the Brushfork service area (the "Project"), and to pay the costs of issuing the bonds.

3. Provided for the sale of the Series 2000 A Bonds to the West Virginia Water Development Authority pursuant to the terms and provisions of a loan agreement and as established by the Ordinance and in a supplemental resolution of the Board.

4. Directed that the Series 2000 A Bonds be dated their date of issuance, bear interest payable on March 1, June 1, September 1 and December 1 of each year at the rate of two percent (2%) per annum, together with an administrative fee equal to one percent (1%) per annum, and shall contain such other terms, provisions, conditions and limitations as provided by the Ordinance and prescribed by supplemental resolution of the Board; that the Bonds be executed in the name of the City by the Mayor and the seal of the City be affixed thereto and attested to by the City Clerk; and that said Bonds be duly authenticated by the registrar.

5. Provided for the monthly payment of principal and interest on the Series 2000 A Bonds; provided for the creation of a sinking fund and a reserve account for the Series 2000 A Bonds.

6. Provided for the creation of a bond construction trust fund and the disposition of bond proceeds therefrom.

7. Provided that the Series 2000 A Bonds shall not or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the revenues of the System.

8. Provided that the 2000 Series A Bonds will be secured by a first lien on the net revenues of the System, on a parity with the City's Series 1992 Bonds, Series 1995 Bonds, and the Series 1998 A Bonds in the original principal amounts of $4,985,000, $7,945,000, and $1,116,645 respectively.

9. Provided that the rates and charges for the System shall always be sufficient to produce gross revenues to pay operating expenses and make payments into the funds and accounts created in the Ordinance and, so long as the Series 1992 Bonds are outstanding, leave a balance each year equal to at least 120% of the maximum annual debt service on the Series 1992 Bonds, the Series 1995 Bonds, the Series 1998 A Bonds, and the Series 2000 A Bonds and all obligations of the City payable from revenues of the System. When the Series 1992 Bonds are no longer outstanding, the percentage may be reduced to 115%, unless the Series 1995 Bonds Reserve Account and the Series 1998 A Bonds Reserve Account and the Series 2000 A Bonds Reserve Account are fully funded, in which case, the rate coverage may be reduced to 110%.

10. Provided that the System may be sold, transferred, mortgaged or leased under certain terms and conditions; provided that the issuance of additional bonds on a parity with the Bonds may be authorized under certain terms and conditions.

11. Provided for insurance coverage on the System; provided that the City will render no free service; provided for the enforcement of collection of fees, rates, rentals or other charges for service; provided for mandatory connections under certain circumstances; and provided for the discontinuance of service for non-payment of the fees, rates, rentals and other charges of the System.

12. Established that terms for defaults and the remedies of the owners of the Series 2000 A Bonds; provided for the security and for the rights and remedies of the owners of the Series 2000 A Bonds including the appointment of a receiver.

13. Provided that the City will take all actions that may be required of it so that the interest on the Series 2000 A Bonds will be and remain excluded from gross income for federal income tax purposes.

The City of Bluefield contemplates the issuance of the Series 2000 A Bonds described in, and under the conditions set forth in, the Ordinance abstracted above. Any person interested may appear before the Board of the City of Bluefield at a meeting thereof at 7:00 o'clock p.m., on Tuesday July 11, 2000, in the City Hall, 200 Rogers Street, in the City of Bluefield, West Virginia, and present protests and be heard as whether the Ordinance shall be put into effect. At said hearing all objections and suggestions shall be heard and the Board shall take such action as it shall deem proper in the premises.

A certified copy of the Ordinance as adopted by the Board of the City on June 27, 2000, is on file in the office of the City Clerk and at the office of the Sanitary Board for review by interested persons during the regular office hours of such office.

Beverly G. Tresch
City Clerk, City of Bluefield, W.Va.

CERTIFICATE OF PUBLICATION

State of West Virginia, }
County of Mercer, } To-wit:—

I, Kay Chinsolo of the Bluefield Daily Telegraph, a daily morning newspaper published in the City of Bluefield, Mercer County, West Virginia, do certify that the notice attached hereto under the caption;

was published in the said Bluefield Daily Telegraph
Two (2) Times
on the following days, namely; June 29 & July 6

in the year ~~19~~ 2000.

Publication Fee 162.72

Kay Chinsolo

Subscribed and sworn to before me this 10 day of July ~~19~~ 2000.

My Commission expires 10/21 ~~19~~ 2007

Connie E. Burnette
Notary Public

BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
JULY 11, 2000

The Board of Directors of the City of Bluefield, West Virginia met in regular session July 11, 2000 in the Municipal Boardroom. Present were Vice-Mayor: George McGonagle, Directors: Ollie Law, Garry Moore, Sr., Doris Sue Kantor, and Paul Cole, Jr.; City Manager: Ron Crabtree, Assistant City Manager/Treasurer: Charles Cromer, Jr., Chief Financial Officer: Hasan Baig, City Solicitor: John Feuchtenberger and City Clerk: Drema A. Shireman.

Vice-Mayor George McGonagle called the meeting to order.

INVOCATION/PLEDGE:

Director Rev. Garry Moore, Sr. gave the Invocation followed by the Pledge of Allegiance.

BOARD APPOINTMENT:

Drema Shireman was administered the Oath of office by City Solicitor, John Feuchtenberger, as City Clerk.

NOMINATION OF MAYOR:

Director Ollie Law made the motion to appoint Mr. Paul Cole, Jr. Mayor to replace Nelson Walker as a member of the board and mayor of the City of Bluefield. The motion was seconded by Doris Sue Kantor, and passed unanimously. The Oath of Office was administered by City Solicitor, John Feuchtenberger, and Mr. Cole assumed the duties of Mayor.

"I very much appreciate this board's confidence in me," Cole said. And, he further stated that he pledged to support the board's effort to be "a good benefit" for the city.

MINUTES:

The minutes of the June 27, 2000 Board Meeting were approved as read. *(Unanimously approved).*

PUBLIC HEARING:

Sanitary Board (Sewerage System Revenue Bonds, Series 2000 A Bonds) – Norris Kantor, attorney for the Sanitary Board of Bluefield, made a presentation concerning the issuance of a $1.4 million bond program to fund sewerage system to customers of the Bluewell/Brushfork Public Service District. Mr. Kantor said this accomplished two things: (1) it allows the "BPSD" to stay in existence, and (2) it eliminates the big lagoon on Brushfork/Falls Mill Road. In addition, it provides sewerage to residents. Rev. Garry D. Moore moved that the resolution approving the bond issuance be approved. Motion seconded by Vice-Mayor George McGonagle. So moved. It was further stated that the City Manager, Mr. Ron Crabtree, City Clerk, Drema Shireman, and the Mayor, Mr. Paul Cole, Jr. would travel to Charleston on Thursday, July 13, 2000 to appear before the State Water Board and complete necessary paperwork.

RESOLUTION:

Contractual Agreement with the Division of Criminal Justice Service and the City of Bluefield to Receive and Administer Grant Funds – Drug Control and System Improvement Grant Program:

The Police Department has recently been notified that a grant in the amount of $86,000.00 had been awarded for a drug and violent crime task force. This task force would be made up of one officer each from McDowell and Mercer Counties, Bluefield, Princeton, and West Virginia State Police Departments. The resolution was read and motion made by Director Doris Sue Kantor that we accept the terms of the agreement. Ollie Law seconded the motion. Motion carried unanimously.

RESOLUTION:

Small Cities Block Grant Authorization – Mr. Ron Crabtree, City Manager, explained that the city is seeking continued funds for the spot demolition project begun in 1997. One of the requirements of the grant is the adoption of a resolution authorizing the City to seek funds. A motion was made by Doris Sue Kantor, and seconded by Rev. Garry Moore to adopt resolution as read. Motion carried unanimously.

RESOLUTION:

Small Cities Block Grant Citizen Participation Plan – A resolution to request that the citizens of Bluefield have input into the spot demolition grant was read. Rev. Garry Moore moved that the resolution be adopted, seconded by Ollie Law. So Moved.

Jo Ann Sowers, a resident of Market Street/Virginia Avenue expressed concerns to the Board regarding fire fees, street sweeping, and weed cutting. She said she contacted the board one year ago to express her concerns regarding the assessment of fees, and that she had received no assistance. Mr. Crabtree told her he would "look into the situation".

Recogniton of Union- Charles Gross

Mr. Charles Gross, a member of the Street Department, read the following statement:

"We the shop, sanitation, and street dept. are here again tonight more determined than ever to get our United Steel Workers union recognized. We will not go away. We will not give up our fight to achieve our goal that will benefit us, our citizens and the city.

We the men of our departments are having to work harder for less and less. When is enough is enough?

How much more are you going to squeeze out of us? On a good day we might have 3 men for the street dept. This will not keep up a city this size. Can the city run with only 3 policemen, 3 firemen, 3 city hall personel and 3 board members if we are being forced to do it. Why haven't you made this adjustment? It would save the city alot of money.

We cannot express enough how having the United Steel Workers on your side. You will get the qualified people you need, or do you even want qualified people. The future of Bluefield is in your hands. Citizens, Please voice your concerns on this matter. It's your City. Your Future." (Verbatim from notes)

FIRST READING:

John Feuchtenberger, City Solicitor read the following ordinance, and requested that a public hearing be held on July 25, 2000.

ORDINANCE TO AMEND PART II CODE OF ORDINANCES

CITY OF BLUEFIELD BY THE AMENDMENT OF

CHAPTER 6, FINANCE AND TAXATION

ARTICLE II, SPECIAL CHARGES FOR MUNICIPAL

SERVICES DIVISION 2. FIRE PROTECTION.

BY THE AMENDMENT OF SECTION 6-30. CHARGING PERIOD; COLLECTION TIMES; LATE CHARGES

WHEREAS, The Board of Directors of the City of Bluefield finds that the costs of providing fire protection for the citizens of the City of Bluefield continue to increase, and the present fire protection fee schedules are frequently paid by some citizens are extremely late dates, resulting in hardship to the City in receiving sufficient revenue to provide the service of fire protection and,

WHEREAS, the Board of Directors finds that interest amounts should be added to delinquent accounts for fire protection service to encourage prompt payment to the City for such service.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 6-30. Charging period; collection times; late charge. (The ordinance as printed shall remain in full force and effect with the exception that the last paragraph of Subsection (2) will be omitted, and a new Subsection (3) shall be adopted as follows:

(3) Any quarterly statement to a residential, commercial or institutional customer which remains unpaid after the due date of said statement will bear interest on the past due balance of 10% per annum, compounded, until paid.

Adopted this ____ day of _____, 2000.

FIRST READING: July 11, 2000

SECOND READING: _____

PUBLIC HEARING: July 25, 2000

ATTEST:

_____

Mayor, City of Bluefield

_____

Clerk, City of Bluefield

A motion to hold a public hearing on July 25, 2000 was made by Rev. Garry Moore, and seconded by Director Doris Sue Kantor. So ordered.

Mr. Feuchtenberger further stated that the Bluefield Daily Telegraph had been sold to Thomas Moore, and several stipulations were attached.

Art Riley of the Downtown Merchants Association stated that plans for the August 4 and 5 downtown fair were well underway, and expressed his appreciation to the city for its anticipated participation in these activities.

Drema A. Shireman

Drema A. Shireman, City Clerk

Paul Cole, Jr.

Paul Cole, Jr., Mayor

bsb bluesupr.cer

CERTIFICATE

The undersigned, Drema Shireman, Clerk of the City of Bluefield, Bluefield, West Virginia, does hereby certify that the attached is a true copy of the minutes of duly held meeting of the City Board of Bluefield, West Virginia held on the 11th day of July, 2000, and the minutes of a Public Hearing held at 7:00 o'clock pm on Tuesday, July 11, 2000, by the City Board of Bluefield, West Virginia, at the City Hall, 200 Rogers Sreet, Bluefield, West Virginia, pursuant to Ordinance adopted on June 27, 2000, and pursuant to notice in the Bluefield Daily Telegraph on June 29, 2000, and July 6, 2000.

Given under my hand and seal this 1st day of August, 2000.

SEAL

Drema Shireman (SEAL)
Drema Shireman, City Clerk

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A

SUPPLEMENTAL RESOLUTION

Supplemental Resolution providing for the principal amount, date, maturity date, interest rate, interest and principal payment dates, sale prices and other terms of the Sewerage System Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds"), of The City of Bluefield (the "Issuer"), designating a registrar, paying agent and depository bank, approving and ratifying a loan agreement (the "Loan Agreement") and the sale of the Series 2000 A Bonds to the West Virginia Water Development Authority (the "Authority") and making other provisions as to the Series 2000 A Bonds.

WHEREAS, the Board of Directors of the Issuer, on June 27, 2000, enacted an Ordinance, all as more fully set out therein (the "Ordinance"); and

WHEREAS, the Ordinance provides for the issuance of Series 2000 A Bonds of the Issuer in an aggregate principal amount not to exceed $307,000, and has authorized the execution and delivery of the Loan Agreement relating to the Series 2000 A Bonds, by and among the Issuer, the Authority, and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and further provides that the principal amount, date, maturity date, interest rate, interest and principal payment dates, sale prices, and other terms of and matters relating to, the Series 2000 A Bonds should be established by Supplemental Resolution; and

WHEREAS, the Series 2000 A Bonds are proposed to be sold to the Authority pursuant to the Loan Agreement; and

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Ordinance; and

WHEREAS, the Governing Body of the Issuer deems it essential and desirable that this resolution (the "Supplemental Resolution"), be adopted, that the Loan Agreement be approved and ratified by the Issuer, and that the principal amount, the date, the maturity date, the interest rate, the interest and principal payment dates, and the sales prices of the Series 2000 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for.

NOW THEREFORE, be it resolved by the Board of Directors of The City of Bluefield as follows:

Section 1. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewerage System Revenue

Bonds, Series 2000 A, in the aggregate principal amount of $307,000.00, all in the form set forth in the Ordinance.

(A) The Series 2000 A Bonds of the Issuer shall be originally issued in the form of a single bond payable to the Authority, numbered AR-1, shall be in the principal amount of $307,000. The Series 2000 A Bonds shall be dated as of July 13, 2000, or as of the date of closing and shall mature on March 1, 2021. The Series 2000 A Bonds shall bear interest at the rate of 0% per annum, together with a 1% administrative fee. The principal of and administrative fee on the Series 2000 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2001, all as set forth on the Schedule Y attached to the Loan Agreement.

(B) The sale of the Series 2000 A Bonds to the Authority, which is hereby designated as the Original Purchaser of the Series 2000 A Bonds, and the Loan Agreement dated June 6, 2000, including all schedules and exhibits attached thereto, in the form attached to this Resolution as Exhibit A, are hereby ratified and approved. The Mayor and City Manager are authorized and directed to execute and deliver the Loan Agreement with such changes and insertions as they may approve. The Mayor's and City Manager's signatures on the Loan Agreement shall be conclusive evidence of such approval.

Section 2. Except as herein provided, all other provisions relating to the Series 2000 A Bonds shall be as provided in the Ordinance, and the Series 2000 A Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor and City Manager of the Issuer. The execution of the Series 2000 A Bonds by the Mayor and City Manager shall be conclusive evidence of such approval.

Section 3. The Issuer hereby appoints and designates First Century Bank, National Association, Bluefield, West Virginia, as the Depository Bank.

Section 4. The Issuer hereby appoints and designates Bank One, West Virginia, National Association, Charleston, West Virginia, as Registrar for the Bonds.

Section 5. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, as Paying Agent for the Bonds.

Section 6. The Mayor, City Manager, and the City Clerk of the Issuer are hereby authorized and directed to execute and deliver such other documents and certificates, including the Registrar's Agreement required or desirable in connection with the Series 2000 A Bonds in order for the Series 2000 A Bonds to be delivered to the Original Purchaser pursuant to the Loan Agreement.

Section 7. The Issuer hereby approves and authorizes all contracts relating to the financing, acquisition and construction of the Project.

Section 8. Series 2000 A Bonds proceeds in the amount of $15,352 shall be deposited in the Series 2000 A Bonds Reserve Account at closing. The balance of the proceeds of the Series 2000 A Bonds shall be deposited in the Bond Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 9. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Ordinance held by the Depository Bank until expended in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 10. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2000 A Bonds as a condition to issuance of the Series 2000 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and the Regulations from time to time in effect and applicable to the Series 2000 A Bonds as may be necessary in order to maintain the status of the Series 2000 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2000 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the DEP, as the case may be, from which the proceeds of the Series 2000 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the DEP, to ensure compliance with the covenants set forth in this section.

Section 11. This Supplemental Resolution shall be effective immediately upon adoption.

Adopted this 11th day of July 2000, by the governing body of The City of Bluefield, West Virginia.

Paul Cole, Jr.
Mayor

Ronald G. Cahill
City Manager

Irema R. Shireman
~~Recorder~~ City Clerk

BOARD OF DIRECTORS
BLUEFIELD, WEST VIRGINIA
JULY 11, 2000

The Board of Directors of the City of Bluefield, West Virginia met in regular session July 11, 2000 in the Municipal Boardroom. Present were Vice-Mayor: George McGonagle, Directors: Ollie Law, Garry Moore, Sr., Doris Sue Kantor, and Paul Cole, Jr.; City Manager: Ron Crabtree, Assistant City Manager/Treasurer: Charles Cromer, Jr., Chief Financial Officer: Hasan Baig, City Solicitor: John Feuchtenberger and City Clerk: Drema A. Shireman.

Vice-Mayor George McGonagle called the meeting to order.

INVOCATION/PLEDGE:

Director Rev. Garry Moore, Sr. gave the Invocation followed by the Pledge of Allegiance.

BOARD APPOINTMENT:

Drema Shireman was administered the Oath of office by City Solicitor, John Feuchtenberger, as City Clerk.

NOMINATION OF MAYOR:

Director Ollie Law made the motion to appoint Mr. Paul Cole, Jr. Mayor to replace Nelson Walker as a member of the board and mayor of the City of Bluefield. The motion was seconded by Doris Sue Kantor, and passed unanimously. The Oath of Office was administered by City Solicitor, John Feuchtenberger, and Mr. Cole assumed the duties of Mayor.

"I very much appreciate this board's confidence in me," Cole said. And, he further stated that he pledged to support the board's effort to be "a good benefit" for the city.

MINUTES:

The minutes of the June 27, 2000 Board Meeting were approved as read. *(Unanimously approved).*

PUBLIC HEARING:

Sanitary Board (Sewerage System Revenue Bonds, Series 2000 A Bonds) – Norris Kantor, attorney for the Sanitary Board of Bluefield, made a presentation concerning the issuance of a $1.4 million bond program to fund sewerage system to customers of the Bluewell/Brushfork Public Service District. Mr. Kantor said this accomplished two things: (1) it allows the "BPSD" to stay in existence, and (2) it eliminates the big lagoon on Brushfork/Falls Mill Road. In addition, it provides sewerage to residents. Rev. Garry D. Moore moved that the resolution approving the bond issuance be approved. Motion seconded by Vice-Mayor George McGonagle. So moved. It was further stated that the City Manager, Mr. Ron Crabtree, City Clerk, Drema Shireman, and the Mayor, Mr. Paul Cole, Jr. would travel to Charleston on Thursday, July 13, 2000 to appear before the State Water Board and complete necessary paperwork.

RESOLUTION:

Contractual Agreement with the Division of Criminal Justice Service and the City of Bluefield to Receive and Administer Grant Funds – Drug Control and System Improvement Grant Program:

The Police Department has recently been notified that a grant in the amount of $86,000.00 had been awarded for a drug and violent crime task force. This task force would be made up of one officer each from McDowell and Mercer Counties, Bluefield, Princeton, and West Virginia State Police Departments. The resolution was read and motion made by Director Doris Sue Kantor that we accept the terms of the agreement. Ollie Law seconded the motion. Motion carried unanimously.

RESOLUTION:

Small Cities Block Grant Authorization – Mr. Ron Crabtree, City Manager, explained that the city is seeking continued funds for the spot demolition project begun in 1997. One of the requirements of the grant is the adoption of a resolution authorizing the City to seek funds. A motion was made by Doris Sue Kantor, and seconded by Rev. Garry Moore to adopt resolution as read. Motion carried unanimously.

RESOLUTION:

Small Cities Block Grant Citizen Participation Plan – A resolution to request that the citizens of Bluefield have input into the spot demolition grant was read. Rev. Garry Moore moved that the resolution be adopted, seconded by Ollie Law. So Moved.

Jo Ann Sowers, a resident of Market Street/Virginia Avenue expressed concerns to the Board regarding fire fees, street sweeping, and weed cutting. She said she contacted the board one year ago to express her concerns regarding the assessment of fees, and that she had received no assistance. Mr. Crabtree told her he would "look into the situation".

Recogniton of Union- Charles Gross

Mr. Charles Gross, a member of the Street Department, read the following statement:

"We the shop, sanitation, and street dept. are here again tonight more determined than ever to get our United Steel Workers union recognized. We will not go away. We will not give up our fight to achieve our goal that will benefit us, our citizens and the city.

We the men of our departments are having to work harder for less and less. When is enough is enough?

How much more are you going to squeeze out of us? On a good day we might have 3 men for the street dept. This will not keep up a city this size. Can the city run with only 3 policemen, 3 firemen, 3 city hall personel and 3 board members if we are being forced to do it. Why haven't you made this adjustment? It would save the city alot of money.

We cannot express enough how having the United Steel Workers on your side. You will get the qualified people you need, or do you even want qualified people. The future of Bluefield is in your hands. Citizens, Please voice your concerns on this matter. It's your City. Your Future." (Verbatim from notes)

FIRST READING:

John Feuchtenberger, City Solicitor read the following ordinance, and requested that a public hearing be held on July 25, 2000.

ORDINANCE TO AMEND PART II CODE OF ORDINANCES

CITY OF BLUEFIELD BY THE AMENDMENT OF

CHAPTER 6, FINANCE AND TAXATION

ARTICLE II, SPECIAL CHARGES FOR MUNICIPAL

SERVICES DIVISION 2. FIRE PROTECTION.

BY THE AMENDMENT OF SECTION 6-30. CHARGING PERIOD; COLLECTION TIMES; LATE CHARGES

WHEREAS, The Board of Directors of the City of Bluefield finds that the costs of providing fire protection for the citizens of the City of Bluefield continue to increase, and the present fire protection fee schedules are frequently paid by some citizens are extremely late dates, resulting in hardship to the City in receiving sufficient revenue to provide the service of fire protection and,

WHEREAS, the Board of Directors finds that interest amounts should be added to delinquent accounts for fire protection service to encourage prompt payment to the City for such service.

NOW, THEREFORE WITNESSETH, THE FOLLOWING ORDINANCE:

Sec. 6-30. Charging period; collection times; late charge. (The ordinance as printed shall remain in full force and effect with the exception that the last paragraph of Subsection (2) will be omitted, and a new Subsection (3) shall be adopted as follows:

(3) Any quarterly statement to a residential, commercial or institutional customer which remains unpaid after the due date of said statement will bear interest on the past due balance of 10% per annum, compounded, until paid.

Adopted this ____ day of _____, 2000.

FIRST READING: July 11, 2000

SECOND READING: _____

PUBLIC HEARING: July 25, 2000

ATTEST:

_____

Mayor, City of Bluefield

_____

Clerk, City of Bluefield

A motion to hold a public hearing on July 25, 2000 was made by Rev. Garry Moore, and seconded by Director Doris Sue Kantor. So ordered.

Mr. Feuchtenberger further stated that the Bluefield Daily Telegraph had been sold to Thomas Moore, and several stipulations were attached.

Art Riley of the Downtown Merchants Association stated that plans for the August 4 and 5 downtown fair were well underway, and expressed his appreciation to the city for its anticipated participation in these activities.

Drema A. Shireman

Drema A. Shireman, City Clerk

Paul Cole, Jr.

Paul Cole, Jr., Mayor

bsb bluesupr.cer

CERTIFICATE

The undersigned, Drema Shireman, Clerk of the City of Bluefield, Bluefield, West Virginia, does hereby certify that the attached is a true copy of the minutes of duly held meeting of the City Board of Bluefield, West Virginia held on the 11th day of July, 2000, and the minutes of a Public Hearing held at 7:00 o'clock pm on Tuesday, July 11, 2000, by the City Board of Bluefield, West Virginia, at the City Hall, 200 Rogers Sreet, Bluefield, West Virginia, pursuant to Ordinance adopted on June 27, 2000, and pursuant to notice in the Bluefield Daily Telegraph on June 29, 2000, and July 6, 2000.

Given under my hand and seal this 1st day of August, 2000.

SEAL

Drema Shireman (SEAL)
Drema Shireman, City Clerk

PA FILE C544340

SRF-LP-1
(4/6/00)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

CITY OF BLUEFIELD
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration: Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

WHEREAS, the Local Government is included on the DEP State Project Priority List and the Intended Use Plan and has met DEP's pre-application requirements for the Program;

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a wastewater treatment project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

WHEREAS, the Local Government intends to construct, is constructing or has constructed such a wastewater treatment project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Government has completed and filed with the Authority and DEP an Application for a Loan with attachments and exhibits and an Amended Application for a Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and DEP are willing to lend the Local Government the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Government with moneys held in the Fund, subject to the Local Government's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Government, DEP and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local government," and "project" have the definitions and meanings ascribed to them in the Act or in the SRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Loan" means the loan to be made by the Authority and DEP to the Local Government through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.4 "Local Act" means the official action of the Local Government required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Government pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.6 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.7 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.8 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the

Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.10 "SRF Regulations" means the regulations set forth in Title 47, Series 31 of the West Virginia Code of State Regulations.

1.11 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.12 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Government by the Consulting Engineers, the DEP and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Government, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by DEP and the Authority.

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Government shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Government shall permit the Authority and DEP, acting by and through their Directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Government shall submit to the Authority and DEP such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Government shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form)

on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Government shall provide and maintain competent and adequate engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Government hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Government, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward a copy by the 10th of each month to DEP.

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward such forms to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and DEP to make the Loan is subject to the Local Government's fulfillment, to the satisfaction of the Authority and DEP, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Government shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Government shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP

shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

(e) The Local Government shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(g) The Local Government shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and DEP shall have received a certificate of the accountant for the Local Government, or such other person or firm experienced in the finances of local governments and satisfactory to the Authority and DEP, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been

entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Government by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, DEP and the Local Government. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans from the Fund to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority

may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly

deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided, that if the Local Government has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Government shall complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local

Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Local Government will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Government will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Government under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Government will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Government shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and DEP within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Government and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing of such Local Government, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and DEP, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Government may authorize redemption of the Local Bonds with 30 days written notice to the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F

and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Government will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

4.2 The Loan shall be secured by the pledge and assignment by the Local Government, as effected by the Local Act, of the fees, charges and other revenues of the Local Government from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Government. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the SRF Regulations, the Local Government agrees to pay from time to time, if required by the Authority and DEP, the Local Government's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be determined by the Authority and shall include, without limitation, Program expenses, legal fees paid by the Authority and fees paid to the trustee and paying agents for any bonds or notes to be issued by the Authority for contribution to the Fund and the fees and expenses of any corporate trustee for the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

Certain Covenants of the Local Government: Imposition and Collection of User Charges: Payments To Be Made by Local Government to the Authority

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and

the Local Government hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and DEP may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Government to be monitored or cause the rebate calculations for the Local Government to be prepared, in either case at the expense of the Local Government.

6.6 The Local Government hereby agrees to give the Authority and DEP prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Government hereby agrees to file with the Authority and DEP upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Government specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority if the Local Government has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Loan made by the Authority and DEP is not terminated due to such non-funding on any balance of the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

CITY OF BLUEFIELD
[Name of Local Government]

(SEAL)

By: Ronald H. Carlstrom
Its: City Manager

Attest:

Date: 06-07-00

Beverly G. Trusch
Its City Clerk

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: August L. Turner
Its: Chief

Date: 6-9-00

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yoskovich
Its: Director

Attest:

Date: June 6, 2000

Barbara B. Meadows
Secretary-Treasurer

00832/00372

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

[Form of Monthly Financial Report]
[Name of Local Government]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

MINUS	ITEM	CURRENT MONTH	TOTAL YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET YEAR YEAR TO DATE
1.	Gross Revenues Collected				
2.	Operating Expenses				
3.	Other Bond Debt Payments (including Reserve Account Deposits)				
4.	SRF Bond Payments (include Reserve Account Deposits)				
5.	Renewal and Replacement Fund Deposit				

Witnesseth my signature this ___ day of _____, _____.

[Name of Local Government]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Local Government to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 (1200/12). This is the incremental amount for the Budget Year to Date column.

2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF administrative fee should be included in the operating expenses. Divide the budgeted annual operating expenses by 12. For example, if operating expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 (900/12). This is the incremental amount for the Budget Year to Date column.

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Local Government other than this Loan.

4. In Item 4, provide the principal, interest and reserve account payments for this Loan. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

6. The Local Government must complete the Monthly Financial Report and forward it to the DEP by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. DEP will notify the Local Government when the Monthly Financial Report no longer needs to be filed.

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____, _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by DEP and any change orders approved by the Issuer, DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in

Schedule A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this ____ day of _____, ____.

_____

By _____

West Virginia License No. _____

[SEAL]

---

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT E

SPECIAL CONDITIONS

A. PUBLIC RELEASE REQUIREMENT - The Local Government agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with Federal money, (1) the percentage of the total costs of the program or project which will be financed with Federal money, (2) the dollar amount of Federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The Local Government that receives $300,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of [Name of Local Government] on [Date].

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston. WV 25311

West Virginia Division of Environmental Protection
617 Broad Street
Charleston. WV 25301

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Government"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated ____. ____. including all schedules and exhibits attached thereto (the "Loan Agreement"). among the Local Government. the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"). and (ii) the issue of a series of revenue bonds of the Local Government. dated _____. ____ (the "Local Bonds"). to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____. in the form of one bond. registered as to principal and interest to the Authority. with principal and interest payable quarterly on March 1. June 1. September 1. and December 1 of each year. beginning _____ 1. ____. and ending _____ 1. ____. all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____. and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia. 1931. as amended (the "Local Statute"). and the bond _____ duly

adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Government and is a valid and binding special obligation of the Local Government enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

3. The Local Government is a duly organized and presently existing _____ _____, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Government and constitute valid and binding obligations of the Local Government enforceable against the Local Government in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Government to the Authority and are valid and legally enforceable and binding special obligations of the Local Government, payable from the net or gross revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the net or gross revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$ 307,000
Purchase Price of Local Bonds	$ 307,000

The Local Bonds shall bear no interest. Commencing June 1, 2001, principal of the Local Bonds is payable quarterly, with an administrative fee of 1 %. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Government shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Government shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

The Local Government may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and DEP. The Local Government shall request approval from the Authority and DEP in writing of any proposed debt which will be issued by the Local Government on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Government:

Sewerage System Refunding Revenue Bonds, Series 1992, issued in original principal amount of $4,985,000.

Sewerage System Refunding Revenue Bonds, Series 1995, issued in original principal amount of $7,945,000.

Sewerage System Revenue Bonds, Series 1998A, issued in original principal amount of $1,116,645.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

City of Bluefield (West Virginia)

Loan of $307,000

20 Years, 0% Interest Rate, 1% Administrative Fee

Closing Date: July 13, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	3,838.00	-	3,838.00
9/01/2001	3,838.00	-	3,838.00
12/01/2001	3,838.00	-	3,838.00
3/01/2002	3,838.00	-	3,838.00
6/01/2002	3,838.00	-	3,838.00
9/01/2002	3,838.00	-	3,838.00
12/01/2002	3,838.00	-	3,838.00
3/01/2003	3,838.00	-	3,838.00
6/01/2003	3,838.00	-	3,838.00
9/01/2003	3,838.00	-	3,838.00
12/01/2003	3,838.00	-	3,838.00
3/01/2004	3,838.00	-	3,838.00
6/01/2004	3,838.00	-	3,838.00
9/01/2004	3,838.00	-	3,838.00
12/01/2004	3,838.00	-	3,838.00
3/01/2005	3,838.00	-	3,838.00
6/01/2005	3,838.00	-	3,838.00
9/01/2005	3,838.00	-	3,838.00
12/01/2005	3,838.00	-	3,838.00
3/01/2006	3,838.00	-	3,838.00
6/01/2006	3,838.00	-	3,838.00
9/01/2006	3,838.00	-	3,838.00
12/01/2006	3,838.00	-	3,838.00
3/01/2007	3,838.00	-	3,838.00
6/01/2007	3,838.00	-	3,838.00
9/01/2007	3,838.00	-	3,838.00
12/01/2007	3,838.00	-	3,838.00
3/01/2008	3,838.00	-	3,838.00
6/01/2008	3,838.00	-	3,838.00
9/01/2008	3,838.00	-	3,838.00
12/01/2008	3,838.00	-	3,838.00
3/01/2009	3,838.00	-	3,838.00
6/01/2009	3,838.00	-	3,838.00
9/01/2009	3,838.00	-	3,838.00
12/01/2009	3,838.00	-	3,838.00
3/01/2010	3,838.00	-	3,838.00
6/01/2010	3,838.00	-	3,838.00
9/01/2010	3,838.00	-	3,838.00
12/01/2010	3,838.00	-	3,838.00
3/01/2011	3,838.00	-	3,838.00
6/01/2011	3,837.00	-	3,837.00
9/01/2011	3,837.00	-	3,837.00
12/01/2011	3,837.00	-	3,837.00

City of Bluefield (West Virginia)

Loan of $307,000

20 Years, 0% Interest Rate, 1% Administrative Fee

Closing Date: July 13, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2012	3,837.00	-	3,837.00
6/01/2012	3,837.00	-	3,837.00
9/01/2012	3,837.00	-	3,837.00
12/01/2012	3,837.00	-	3,837.00
3/01/2013	3,837.00	-	3,837.00
6/01/2013	3,837.00	-	3,837.00
9/01/2013	3,837.00	-	3,837.00
12/01/2013	3,837.00	-	3,837.00
3/01/2014	3,837.00	-	3,837.00
6/01/2014	3,837.00	-	3,837.00
9/01/2014	3,837.00	-	3,837.00
12/01/2014	3,837.00	-	3,837.00
3/01/2015	3,837.00	-	3,837.00
6/01/2015	3,837.00	-	3,837.00
9/01/2015	3,837.00	-	3,837.00
12/01/2015	3,837.00	-	3,837.00
3/01/2016	3,837.00	-	3,837.00
6/01/2016	3,837.00	-	3,837.00
9/01/2016	3,837.00	-	3,837.00
12/01/2016	3,837.00	-	3,837.00
3/01/2017	3,837.00	-	3,837.00
6/01/2017	3,837.00	-	3,837.00
9/01/2017	3,837.00	-	3,837.00
12/01/2017	3,837.00	-	3,837.00
3/01/2018	3,837.00	-	3,837.00
6/01/2018	3,837.00	-	3,837.00
9/01/2018	3,837.00	-	3,837.00
12/01/2018	3,837.00	-	3,837.00
3/01/2019	3,837.00	-	3,837.00
6/01/2019	3,837.00	-	3,837.00
9/01/2019	3,837.00	-	3,837.00
12/01/2019	3,837.00	-	3,837.00
3/01/2020	3,837.00	-	3,837.00
6/01/2020	3,837.00	-	3,837.00
9/01/2020	3,837.00	-	3,837.00
12/01/2020	3,837.00	-	3,837.00
3/01/2021	3,837.00	-	3,837.00
Total	307,000.00	-	307,000.00*

*Plus $388.53 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $31,082.40.

City of Bluefield (West Virginia)

Loan of $307,000
20 Years, 0% Interest Rate, 1% Administrative Fee
Closing Date: July 13, 2000

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Bond Year Dollars	$3,302.61
Average Life	10.758 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	-1.76E-10
Bond Yield for Arbitrage Purposes	-1.76E-10
All Inclusive Cost (AIC)	0.9385384%

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	10.758 Years

WV MUNICIPAL BOND COMMISSION
Suite 300 - L & S Building **NEW ISSUE REPORT FORM**
812 Quarrier Street, Charleston, WV 25301 Date of Report: 7/13/00
(304) 348-3971

ISSUE: City of Bluefield Sewerage System Revenue Bonds, Series 2000 A

ADDRESS: Post Office Box 998, Bluefield, WV 24701 COUNTY: Mercer
PURPOSE OF ISSUE: New Money X
Refunding ___ Refunds issue(s) dated: ___

ISSUE DATE: 7/13/00 CLOSING DATE: 7/13/00

ISSUE AMOUNT: $307,000 RATE: 0%; Administrative Fee: 1 %

1st DEBT SERVICE DUE: 6/1/2001 1st PRINCIPAL DUE: 6/1/2001

1st DEBT SERVICE AMOUNT: $3,838 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Vaughan Law Firm
Contact Person: Dennis R. Vaughan, Jr., Esq.
Phone: (304) 342-3900

UNDERWRITERS COUNSEL: Jackson & Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK: Bank One, WV, NA
Contact Person: Lorene B. Mullins
Phone: (304) 348-4463

ESCROW TRUSTEE: ___
Contact Person: ___
Phone: ___

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Ronald Crabtree
Position: City Manager
Phone: (304) 327-2463

OTHER: West Virginia Division of Environmental Protection
Contact Person: Rosalie Brodersen
Function: Branch Leader
Phone: (304) 558-0637

DEPOSITS TO MBC AT CLOSE:
By ___ Wire
X Check

Accrued Interest: $___
Capitalized Interest: $___
Reserve Account: $15,352
Other: ___ $___

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ___ Wire
___ Check
___ IGT

To Escrow Trustee: $___
To Issuer: $___
To Cons.Invest.Fund $___
To Other: ___ $___

NOTES: ___

MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: ___
Transfers Required: ___

Public Service Commission
Richard E. Hitt, General Counsel

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0317
FAX: (304) 340-0372

February 8, 2000

Mr. Norris Kantor, Esq.
Katz, Kantor & Perkins
Attorneys At Law
P. O. Box 727
Bluefield, West Virginia 24701

RFA# 00-08 (Project Funding)
Sanitary Board of the City of Bluefield

Dear Mr. Kantor:

Your letter regarding the Sanitary Board of the City of Bluefield (Board) was received in the Legal Division of the West Virginia Public Service Commission (PSC) on February 3, 2000. The PSC's General Counsel has asked that I respond to your concerns.

From the contents of your letter and from our meeting in January, 2000, it is my understanding that the project (PSC Case No. 97-1471-S-CN, Sanitary Board of the City of Bluefield) in question is the last project that the DEP has approved for the utilization of force labor in West Virginia. As such, if the Sanitary Board has to reopen its certificate case for additional regulatory approval for the replacement of a main interceptor line and the cost associated therewith, the Board will not be able to utilize the DEP loan monies for the additional construction. If force labor and DEP monies can not be utilized, the cost of the construction will be higher because the Board will have to bid the work which will be more costly and will result, in among other things, an increase in rates and charges for the Board's customers. The fact that the Board has been able to utilize force labor has kept the overall project costs lower than normal.

As I further understand your situation, the Sanitary Board had originally received approval from the PSC to borrow $1,545,800 from the DEP's SRF Loan Fund. The $1,545,800 borrowing was properly noticed to the public and no protest was received to the borrowing. Subsequent to receiving approval to borrow this amount from the DEP, the Board filed for additional regulatory approval to reduce the amount to be borrowed from $1,545,800 to $1,116,645 because the project costs were lower than anticipated. However, with the need to replace the main interceptor line at Brushfork as part of the project, the costs of the project and the borrowing have increased by $307,000. This means that the Board will need to borrow $1,423,645 which is something less than the amount originally approved, but more than the reduced loan that was approved by further PSC order.

As previously stated, you have stressed that, if the Board can not utilize the SRF Loan and

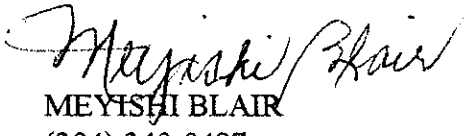
force labor, the project costs will increase as that portion of the project dealing with the main interceptor replacement will have to be let to bid which will be considerably more costly than force labor. You have also stated that the replacement of the main interceptor line is not a significant change in the scope of the project as the purpose of the Board's certificate filing in the first place was to undertake the construction necessary to obviate the need for the lagoon utilized for the Brushfork customers by the Bluewell Public Service District.

I have discussed your concerns at length with the General Counsel. We are in agreement that there is no further regulatory concerns that will be advanced by requiring a reopening of your certificate case given your unique circumstances and particularly since your customers will suffer a rate increase if the case is reopened. As you are aware, under ordinary circumstances, the PSC would require a reopening of your certificate case. Therefore, you should not consider this informal opinion to be of any precedential value on either a formal or informal basis.

To conclude, we are willing to allow the Board to borrow the additional monies needed for the construction so long as the amount borrowed is less than the amount that was noticed to the public to which no protest was received. Should the project costs increase more than what was noticed to the public or the scope and/or financing for the project change, etc., the Board will be required to receive additional regulatory approval. Thus, this informal opinion relates only to the $307,000 that is needed to construct the main interceptor line by force labor.

Should you have any questions, please contact me at your earliest convenience. The opinion expressed herein is not binding on the Legal Division or Commission in any informal or formal proceeding.

Sincerely,



MEYISHI BLAIR
(304) 340-0487

cc: Richard E. Hitt, Esq.
00.08w

971471sec051499.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 14th day of May, 1999.

CASE NO. 97-1471-S-CN
SANITARY BOARD OF THE CITY OF BLUEFIELD
Application for a certificate of convenience and necessity to construct sewer collection mains, pump stations and appurtenances to serve the Brushfork area of Mercer County.

COMMISSION ORDER

By Recommended Decision issued June 16, 1998, which became a Final Order on July 6, 1998, the Commission granted the above referenced certificate application.

On January 27, 1999, the Sanitary Board of the City of Bluefield (Board) filed a petition to reopen this case to obtain approval for changes in the scope and funding for this project. According to the petition, the total project costs changed to include the purchase of certain operation and maintenance equipment necessary to be utilized for the acquired Brushfork collection system once the Board takes over that system. The Board stated that the financing has changed in the amount of loan versus grant money to be used to fund the project. The funding previously approved for the project included a State Revolving Fund (SRF) loan in the amount of $1,545,800 and a grant from the City in the amount of $40,000. The Board states that it has obtained an additional grant in the amount of $585,510 from the Appalachian Regional Commission (ARC) which will reduce the amount it borrows from the SRF to $1,106,923 for the revised project.

On February 4, 1999, and February 5, 1999, Commission Staff filed Memoranda recommending that the Commission approve the revised funding and change in project scope. Staff notes that the revisions will result in lower debt service to be paid by the Board and increased cash surplus. Staff further notes that the revised funding will have no impact on rates. Additionally, Staff voices no objection to the change in the scope of the project.

On February 5, 1999, the Commission entered an order that changed the scope of

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

the project to purchase certain operation and maintenance equipment necessary to be utilized for the acquired Brushfork collection system once the Sanitary Board takes over that system is hereby approved.

It was further ordered that the revised funding for this revised project, including an SRF loan in the amount of $1,106,923, an ARC grant in the amount of $585,510, and a City of Bluefield grant in the amount of $40,000, for a total revised project cost of $1,732,433, is hereby approved.

On May 10, 1999, the Sanitary Board of the City of Bluefield (Board) filed a petition to reopen this case to obtain approval for changes in the funding for this project. The project costs have been amended to include the estimated value of in-kind labor and services to be provided by the Sanitary Board of the City of Bluefield for the project. The project funding has been modified accordingly, and includes a level of State Revolving Fund borrowing which is slightly higher than the borrowing level which was previously approved by the February 5, 1999 Commission Order. The amount of the revised State Revolving Fund borrowing is still significantly less than the borrowing that was initially approved for the project, by the Recommended Decision entered on June 16, 1998 by the Commission. The total estimated revised project costs are $2,287,665. The scope of the project has not changed since the proceeding was first reopened. The Sanitary Board of the City of Bluefield now plants to finance this project with a loan from the State Revolving Fund in the amount of $1,116,645, an Appalachian Regional Commission grant in the amount of $585,510, and an in-kind contribution for labor from the Sanitary Board in the amount of $585,510. The Sanitary Board of the City of Bluefield has already passed a rate ordinance pertaining to this Certificate project. The City has provided commitment letters from all of the above mentioned parties. The proposed revision to the project financing will not have any detrimental rate impact.

On May 13, 1999, Ronald Robertson, Staff Attorney, filed a Final Joint Staff Memorandum stating that Staff recommends approval of the petition to reopen.

IT IS THEREFORE ORDERED that the Sanitary Board of the City of Bluefield's petition to reopen this proceeding is hereby granted.

IT IS FURTHER ORDERED that the change in funding for the project is approved.

IT IS FURTHER ORDERED that the revised funding for this revised project, including an State Revolving Fund loan in the amount of $1,116,645, an ARC grant in the amount of $585,510 for a total revised project cost of $2,287,765 is hereby approved.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

IT IS FURTHER ORDERED that should the scope or financing for the project approved herein change for any reason, the Board must obtain prior Commission approval before continuing construction of the project.

IT IS FURTHER ORDERED that upon entry hereof this case shall be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order on all parties of record by First Class United States Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

PJH/s
971471sa.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
7-6-98

Entered: June 16, 1998

CASE NO. 97-1471-S-CN

SANITARY BOARD OF THE CITY OF
BLUEFIELD, a municipal corporation,
Bluefield, Mercer County.
Application for a certificate of convenience and necessity to construct sewer collection mains, pump stations and appurtenances to serve the Brushfork area of Mercer County.

CASE NO. 97-1472-PSD-S-PC

BLUEWELL PUBLIC SERVICE DISTRICT, a public utility, Bluewell, Mercer County, and the SANITARY BOARD OF THE CITY OF BLUEFIELD, a municipal corporation, Bluefield, Mercer County.
Joint petition for consent and approval to transfer sewer facilities, customers and service obligations in the Brushfork area of Mercer County from Bluewell Public Service District to the Sanitary Board of the City of Bluefield and to enter into a Memorandum of Understanding between parties.

RECOMMENDED DECISION

PROCEDURE

Case No. 97-1471-S-CN

On October 30, 1997, the Sanitary Board of the City of Bluefield (Bluefield), a municipal corporation, Mercer County, filed an application with the Public Service Commission, pursuant to *West Virginia Code* (*Code*) §24-2-11, for a certificate of public convenience and necessity to construct sewer collection mains, pump stations and appurtenances to serve the Brushfork area of Mercer County, and for approval of financing incidental to providing such service. Though the proposed project will not affect Bluefield's rates, the rates of the customers in the Brushfork area will be affected, i.e., Bluewell Public Service District (District) currently serves the affected customers, and these customers, who will become Bluefield's customers, will begin paying Bluefield's rates once the project is completed. Also, on October 30, 1997, Bluefield and the

District jointly filed a Motion to Consolidate Case Nos. 97-1471-S-CN and 97-1472-PSD-S-PC.

On November 18, 1997, the Commission directed that Bluefield publish the Revised Notice of Filing, once, in a newspaper duly qualified by the Secretary of State, published and generally circulated in Mercer County. The Notice of Filing provided that, if no one protested this matter within thirty (30) days, the Commission may waive formal hearing and grant the certificate based upon reviewing the evidence submitted with the application.

On December 1, 1997, Staff Attorney Ronald E. Robertson, Jr., Esquire, filed the Initial Joint Staff Memorandum, dated November 21, 1997, attaching thereto the November 3, 1997 Initial Internal Memorandum from Utilities Analyst Randy Lengyel and Engineer IV Robert L. Skiles, both of the Water and Wastewater Division, recommending that the Commission consolidate Case Nos. 97-1471-S-CN and 97-1472-PSD-S-PC and indicating that, once Commission Staff has reviewed these matters, it would file a recommendation.

On December 3, 1997, the Commission entered the Commission Referral Order in Case No. 97-1471-S-CN, thereby referring this matter to the Division of Administrative Law Judges (ALJ Division) for decision on or before May 27, 1998.

Case No. 97-1472-PSD-S-PC

On October 30, 1997, Bluefield and the District jointly filed a petition with the Public Service Commission, pursuant to *Code* §24-2-12 and §16-13A-18a, seeking the Commission's consent and approval for the District to transfer its sewer system and customers in the Brushfork area of Mercer County to Bluefield, as set forth in a Memorandum of Understanding attached to the petition.

On December 1, 1997, Staff Attorney Ronald E. Robertson, Jr., Esquire, filed the Initial Joint Staff Memorandum, dated November 21, 1997, attaching thereto the November 3, 1997 Initial Internal Memorandum from Utilities Analyst Randy Lengyel and Engineer IV Robert L. Skiles, both of the Water and Wastewater Division, recommending that the Commission consolidate Case Nos. 97-1471-S-CN and 97-1472-PSD-S-PC and indicating that, once Commission Staff has reviewed these matters, it would file a recommendation.

On December 3, 1997, the Commission entered the Commission Referral Order in Case No. 97-1472-PSD-S-PC, thereby referring this matter to the Division of Administrative Law Judges (ALJ Division) for decision on or before May 27, 1998.

In response to all of the above, on December 16, 1997, the Administrative Law Judge (ALJ) issued a Procedural Order consolidating Case Nos. 97-1471-S-CN and 97-1472-PSD-S-PC, and establishing a procedural schedule to process and resolve this consolidated case, including a February 20, 1998 hearing date. The ALJ required that Bluefield file a

publication affidavit indicating publication of the Notice of Filing no later than December 30, 1997.

On January 22, 1998, Staff Attorney Robertson filed the Further Joint Staff Memorandum, dated January 20, 1998, attaching the Final Internal Memorandum, dated January 7, 1998, from Utilities Analyst Lengyel and Engineer Skiles, indicating that Commission Staff still is investigating this consolidated case.

On January 23, 1998, Bluefield and the District, by Robert F. Williams, Esquire, filed a letter, dated January 21, 1998, attaching a publication affidavit indicating that the *Bluefield Daily Telegraph*, a newspaper published and generally circulated in Mercer County, had published a Revised Notice of Filing on January 10, 1998. Noting that Bluefield and the District, after consulting with Commission Staff, had modified the original Notice of Filing to increase the amount borrowed by approximately $192,515 in order for Bluefield to purchase the District's sewer system and noting that the January 10, 1998 publication date for the Revised Notice of Filing would not provide ample time to provide public notice of hearing if protests were filed within the thirty-day protest period, Mr. Williams requested that the ALJ require the parties to immediately publish a public hearing notice without waiting to see if anyone protests. Responding to all of the above, on January 28, 1998, the ALJ issued an Order Requiring Publication of Hearing Notice for the hearing scheduled to be held on February 20, 1998. No one protested this matter.

On February 20, 1998, the ALJ conducted the hearing as scheduled. No one appeared at the hearing to oppose the certificate application or the transfer. Commission Staff, who appeared at the hearing by counsel, Staff Attorney Ronald E. Robertson, Jr., Esquire, and the petitioners, who appeared by counsel, Robert F. Williams, Esquire, indicated that they required additional time to develop the facts in this case. The parties presented no evidence at the hearing, except the publication affidavit indicating that Bluefield had published the Notice of Hearing on February 2 and 9, 1998, in the *Bluefield Daily Telegraph*, a newspaper published and generally circulated in Mercer County, which the ALJ received into evidence as Bluefield Exhibit No. 1 (Tr., 5).

On May 21, 1998, Bluefield filed a supplemental memorandum of understanding entered into by Bluefield and the District, clarifying the terms and conditions of the proposed transaction.

On May 22, 1998, the Commission entered the Commission Order Extending Administrative Law Judge Decision Due Date, thereby granting the parties until June 29, 1998, to resolve their differences. Prior to the parties obtaining the due date extension, the ALJ had informed the parties that he was taking a previously scheduled vacation commencing the middle of June. Pursuant thereto, the ALJ issued an Order Requiring Parties to Respond by June 12, 1998, thereby requiring that the parties present all evidence in this case no later than June 12, 1998.

On June 11, 1998, Staff Attorney Robertson filed the Final Joint Staff Memorandum, attaching the Further Final Internal Memorandum, dated June 10, 1998, from Engineer IV Robert L. Skiles, Jr., P.E., and Utilities

Analyst Randy Lengyel, both of the Water and Wastewater Division. Commission Staff reported that the proposed project contained in Bluefield's certificate application, i.e., Case No. 97-1471-S-CN, is comprised of constructing sewer collection mains, pump stations and appurtenances to serve the Brushfork area of Mercer County. Currently, the District serves this area. Once Bluefield completes construction of the project, 583 District customers will become Bluefield customers. Bluefield and the District filed Case No. 97-1472-PSD-S-PC to obtain Commission approval of the proposed transfer.

Bluefield estimates that the project, which will include decommissioning the existing Brushfork wastewater treatment facility, will cost $1,585,800. The need for the proposed project stems from violations of the sewage discharge permit limitations at the Brushfork treatment facility. In April 1994, the West Virginia Department of Natural Resources, Water Resources Division, issued a consent decree requiring the proposed project. The proposed project is the most cost-effective alternative to properly address the violations.

Commission Staff estimated that Bluefield would incur additional operation and maintenance (O&M) expenses related to the project amounting to $114,450, including $12,500 for inflow and infiltration repair work. The plans for the project do not conflict with Commission rules and regulations nor do they pose any engineering concern. Though the West Virginia Division of Environmental Protection (DEP) has not yet issued a permit for the project, Mr. Frederick L. Hypes of the DEP indicated that the project's plans and specifications conform to the DEP's standards and regulations and that the project is ready for the DEP to issue a permit except for a few administrative items which will be completed shortly. Commission Staff recommended that the Commission approve the certificate application conditioned upon Bluefield obtaining the DEP permit.

Though the District's customers affected by the transfer will experience a significant rate increase of approximately 78%, the increase would be greater if the District had to construct a new treatment plant to serve these customers. Commission Staff recommended that the Commission waive the requirement of Rule 31 of its *Rules and Regulations for the Government of the Construction and Tariffs of Public Utilities and Common Carriers by Motor Vehicles* (*Tariff Rules*) and authorize Bluefield to charge its existing rates to the customers it receives from the District since Bluefield published these rates and no one protested them or appeared at the hearing to object.

Bluefield has obtained a letter of commitment for a loan totaling $1,545,800 from the State Revolving Fund (SRF) to finance the project, and Bluefield will contribute the remaining $40,000. Bluefield will not have to increase its rates because of the project in order to maintain an adequate cash flow.

DISCUSSION

The ALJ has considered all of the above, and, since no dispute remains to be resolved in this proceeding, the ALJ will consider the parties to have waived their rights under *Code* §24-1-9(b) to file proposed

findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing.

The ALJ holds that, since Bluefield published the Notice of Filing and the Notice of Hearing; since no one filed a protest or appeared at the hearing to object to the proposed project; since the project will address the problems for which the District has been cited for violating its pollution permit; since the project complies with the Commission's rules and regulations; since the project complies with DEP engineering requirements; since Bluefield has obtained firm commitment of financing for the project; since Bluefield will not have to increase its rates to support the project; and since Bluefield's O&M estimate of $114,450 is reasonable, he will find that public convenience and necessity require the project and he will grant the application, conditioned upon the DEP issuing the permit. Since Bluefield has obtained a letter of commitment for the $1,545,800 SRF loan and will contribute the $40,000 needed to complete the project, he will approve the proposed financing for the project. Since the project will allow Bluefield to serve those customers of the District located in the Brushfork area; since the parties have entered into a memorandum of understanding and supplemental memorandum of understanding setting forth the terms and conditions for Bluefield to serve the District's affected customers; and since Commission Staff has recommended approval, he will grant the petition in Case No. 97-1472-PSD-S-PC. Since Bluefield's existing rates will provide an adequate cash flow to support the increased O&M expenses and debt service required by the project, he will grant Bluefield a waiver of *Tariff Rule* 31 and permit Bluefield to charge the new customers its existing rates once it completes the project.

FINDINGS OF FACT

1. The Sanitary Board of the City of Bluefield filed an application with the Commission, pursuant to *Code* §24-2-11, for a certificate of public convenience and necessity to construct sewer collection mains, pump stations and appurtenances to serve the Brushfork area of Mercer County, and for approval of financing incidental to providing such service. (See, Application, filed October 30, 1997, in Case No. 97-1471-S-CN).

2. Though the proposed project will not affect Bluefield's rates, the rates of the customers in the Brushfork area will be affected, i.e., Bluewell Public Service District currently serves the affected customers, and these customers, who will become Bluefield's customers once Bluefield completes the project, will begin paying Bluefield's rates. (See, Application, filed October 30, 1997, in Case No. 97-1471-S-CN).

3. Bluefield and the District jointly filed a petition with the Commission, pursuant to *Code* §24-2-12 and §16-13A-18a, seeking the Commission's consent and approval for the District to transfer its sewer system and customers in the Brushfork area of Mercer County to Bluefield, as set forth in a memorandum of understanding attached to the petition, as modified by the supplemental memorandum of understanding filed. (See, Petition, filed October 30, 1997, in Case No. 97-1472-PSD-S-PC; supplemental memorandum of understanding, filed May 21, 1998).

4. Bluefield published the Notice of Filing and the Notice of Hearing. (See, publication affidavit filed January 23, 1998; Bluefield Exhibit No. 1).

5. No one filed a protest or appeared at the hearing to object to the proposed project. (See, Commission's file and Tr., generally).

6. The project will address the problems for which the District has been cited for violating its pollution permit. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

7. The project complies with the Commission's rules and regulations and with DEP engineering requirements. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

8. Bluefield has obtained firm commitment of financing for the project from the SRF for a $1,545,800 loan and will contribute the $40,000 needed to complete the project. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

9. Bluefield will not have to increase its rates to support the project. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

10. Bluefield's O&M estimate of $114,450 is reasonable. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

11. The project will allow Bluefield to serve those customers of the District located in the Brushfork area. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

12. The parties have entered into a memorandum of understanding and supplemental memorandum of understanding setting forth the terms and conditions for Bluefield to serve the District's affected customers. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

13. Commission Staff has recommended approving the petition in Case No. 97-1472-PSD-S-PC. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

14. Bluefield's existing rates will provide an adequate cash flow to support the increased O&M expenses and debt service required by the project. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

15. Commission Staff has recommended that, should the scope or the financing for the project change for any reason, Bluefield obtain separate Commission approval before commencing construction of the project. (See, Final Joint Staff Memorandum, with attachments, filed June 11, 1998).

CONCLUSIONS OF LAW

1. For all of the reasons set forth in Finding of Fact Nos. 4 through 10, it is reasonable to find that public convenience and necessity require the project and to grant the application, conditioned upon the DEP issuing the permit.

2. For all of the reasons set forth in Finding of Fact No. 8, it is reasonable to approve the proposed financing for the project.

3. For all of the reasons set forth in Finding of Fact Nos. 11, 12 and 13, it is reasonable to approve the petition in Case No. 97-1472-PSD-S-PC.

4. For all of the reasons set forth in Finding of Fact No. 14, it is reasonable to grant Bluefield a waiver of *Tariff Rule* 31 and permit Bluefield to charge the new customers its existing rates once it completes the project.

5. For all of the reasons set forth in Finding of Fact No. 15, it is reasonable to require Bluefield to obtain separate Commission approval prior to commencing construction of the project should its scope or financing change for any reason.

ORDER

IT IS, THEREFORE, ORDERED that the application filed with the Commission on October 30, 1997, by the Sanitary Board of the City of Bluefield, in Case No. 97-1471-S-CN, pursuant to *Code* §24-2-11, to obtain a certificate of public convenience and necessity to construct sewer collection mains, pump stations and appurtenances to serve the Brushfork area of Mercer County, be, and it hereby is, granted, subject to Bluefield obtaining the proper permit from the DEP.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a $1,545,800 SRF loan and a $40,000 cash contribution from Bluefield, be, and it hereby is, approved.

IT IS FURTHER ORDERED that the petition filed with the Commission on October 30, 1997, by the Sanitary Board of the City of Bluefield, in Case No. 97-1472-PSD-S-PC, including the memorandum of understanding filed with the petition and the supplemental memorandum of understanding filed on May 21, 1998, be, and it hereby is, approved.

IT IS FURTHER ORDERED that Bluefield hereby is granted a waiver of *Tariff Rule* 31, hereby authorizing it to charge the new customers its existing rates once it completes the project.

IT IS FURTHER ORDERED that, within ten (10) days of completing the project, Bluefield shall file with the Commission a proper tariff setting forth the rates and charges hereby approved for its new customers resulting from the project.

IT IS FURTHER ORDERED that, should the scope or the financing for the project change for any reason, Bluefield first must obtain separate Commission approval before commencing construction of the project.

The Executive Secretary hereby is ordered to serve a copy of this Recommended Decision upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave hereby is granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this Recommended Decision is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this Recommended Decision shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's recommended decision by filing an appropriate petition in writing with the Executive Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's recommended decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000 A

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned Director of the West Virginia Water Development Authority (the "Authority"), and the undersigned Mayor of The City of Bluefield (the "Issuer"), hereby certify as follows:

1. On the 13th day of July 2000, at 180 Association Drive, Charleston, West Virginia, the Authority received the entire original issue of $307,000 in aggregate principal amount of The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds"). The Series 2000 A Bonds, as so received on original issuance, are dated July 13, 2000.

2. At the time of such receipt of the Series 2000 A Bonds, the single, fully registered, Series 2000 A Bond, No. AR-1 had been executed by the undersigned Mayor and the City Manager, by their respective manual signatures, and attested by the City Clerk, by his or her manual signature, and the official seal of the Issuer had been impressed upon the Series 2000 A Bond, and had been authenticated by Bank One, West Virginia, National Association, as Registrar.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2000 A Bonds, the sum of $36,852, as the initial disbursement of the proceeds of the Series 2000 A Bonds. The balance of such proceeds shall be disbursed in accordance with the terms of the Loan Agreement.

In Witness Whereof, each of the parties has caused this instrument to be executed as of the 13th day of July 2000.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By Daniel B. Lyonkovich
Director

THE CITY OF BLUEFIELD, WEST VIRGINIA

By Paul Cole Jr.
Mayor

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BOND,
SERIES 2000 A

No. AR-1 $307,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF BLUEFIELD, a municipal corporation and political subdivision of the State of West Virginia in Mercer County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of THREE HUNDRED SEVEN THOUSAND DOLLARS ($307,000.00), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2001, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2001, as set forth on EXHIBIT B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions

DATED AUGUST 29, 1995, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $7,945,000, AND (3) SEWERAGE SYSTEM REVENUE BONDS, SERIES 1998 A, DATED MAY 20, 1999, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $1,116,645 WITH RESPECT TO LIENS, PLEDGE AND SOURCES OF AND SECURITY FOR PAYMENT (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a first lien pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the holders of the Prior Bonds, moneys in the Reserve Account created under the Bond Legislation for this Bond (the "Series 2000 A Bonds Reserve Account"), and unexpended proceeds of this Bond. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount required in any year for principal of and interest, if any, on the Series 2000 A Bonds and the Prior Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2000 A Bonds and the Prior Bonds, so long as the Series 1992 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that when the Series 1992 Bonds are no longer outstanding and so long as there exists in the Series 2000 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Series 2000 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for and any other obligations outstanding on a parity with the Series 2000 A Bonds and the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar, by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Bond Registrar, duly executed by the registered

NUMBER

issued shall be deemed to be a part of the contract evidenced by this Bond to the same extent as if written fully herein.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD has caused this Bond to be signed by its Mayor and the City Manager and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated July 13, 2000.

[SEAL]

SPECIMEN

Mayor

Ronald G. Gobbart

SPECIMEN

City Manager

ATTEST:

Drema A. Shireman

City Clerk

NUMBER

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A, described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: July 13, 2000.

BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION
as Registrar

By Lorene L. Mullins
Its Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

Amount	Date
$36,852	7/13/00

Exhibit B

City of Bluefield (West Virginia)

Loan of $307,000

20 Years, 0% Interest Rate, 1% Administrative Fee

Closing Date: July 13, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2000	-	-	-
12/01/2000	-	-	-
3/01/2001	-	-	-
6/01/2001	3,838.00	-	3,838.00
9/01/2001	3,838.00	-	3,838.00
12/01/2001	3,838.00	-	3,838.00
3/01/2002	3,838.00	-	3,838.00
6/01/2002	3,838.00	-	3,838.00
9/01/2002	3,838.00	-	3,838.00
12/01/2002	3,838.00	-	3,838.00
3/01/2003	3,838.00	-	3,838.00
6/01/2003	3,838.00	-	3,838.00
9/01/2003	3,838.00	-	3,838.00
12/01/2003	3,838.00	-	3,838.00
3/01/2004	3,838.00	-	3,838.00
6/01/2004	3,838.00	-	3,838.00
9/01/2004	3,838.00	-	3,838.00
12/01/2004	3,838.00	-	3,838.00
3/01/2005	3,838.00	-	3,838.00
6/01/2005	3,838.00	-	3,838.00
9/01/2005	3,838.00	-	3,838.00
12/01/2005	3,838.00	-	3,838.00
3/01/2006	3,838.00	-	3,838.00
6/01/2006	3,838.00	-	3,838.00
9/01/2006	3,838.00	-	3,838.00
12/01/2006	3,838.00	-	3,838.00
3/01/2007	3,838.00	-	3,838.00
6/01/2007	3,838.00	-	3,838.00
9/01/2007	3,838.00	-	3,838.00
12/01/2007	3,838.00	-	3,838.00
3/01/2008	3,838.00	-	3,838.00
6/01/2008	3,838.00	-	3,838.00
9/01/2008	3,838.00	-	3,838.00
12/01/2008	3,838.00	-	3,838.00
3/01/2009	3,838.00	-	3,838.00
6/01/2009	3,838.00	-	3,838.00
9/01/2009	3,838.00	-	3,838.00
12/01/2009	3,838.00	-	3,838.00
3/01/2010	3,838.00	-	3,838.00
6/01/2010	3,838.00	-	3,838.00
9/01/2010	3,838.00	-	3,838.00
12/01/2010	3,838.00	-	3,838.00
3/01/2011	3,838.00	-	3,838.00
6/01/2011	3,837.00	-	3,837.00
9/01/2011	3,837.00	-	3,837.00
12/01/2011	3,837.00	-	3,837.00

City of Bluefield (West Virginia)

Loan of $307,000

20 Years, 0% Interest Rate, 1% Administrative Fee

Closing Date: July 13, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2012	3,837.00	-	3,837.00
6/01/2012	3,837.00	-	3,837.00
9/01/2012	3,837.00	-	3,837.00
12/01/2012	3,837.00	-	3,837.00
3/01/2013	3,837.00	-	3,837.00
6/01/2013	3,837.00	-	3,837.00
9/01/2013	3,837.00	-	3,837.00
12/01/2013	3,837.00	-	3,837.00
3/01/2014	3,837.00	-	3,837.00
6/01/2014	3,837.00	-	3,837.00
9/01/2014	3,837.00	-	3,837.00
12/01/2014	3,837.00	-	3,837.00
3/01/2015	3,837.00	-	3,837.00
6/01/2015	3,837.00	-	3,837.00
9/01/2015	3,837.00	-	3,837.00
12/01/2015	3,837.00	-	3,837.00
3/01/2016	3,837.00	-	3,837.00
6/01/2016	3,837.00	-	3,837.00
9/01/2016	3,837.00	-	3,837.00
12/01/2016	3,837.00	-	3,837.00
3/01/2017	3,837.00	-	3,837.00
6/01/2017	3,837.00	-	3,837.00
9/01/2017	3,837.00	-	3,837.00
12/01/2017	3,837.00	-	3,837.00
3/01/2018	3,837.00	-	3,837.00
6/01/2018	3,837.00	-	3,837.00
9/01/2018	3,837.00	-	3,837.00
12/01/2018	3,837.00	-	3,837.00
3/01/2019	3,837.00	-	3,837.00
6/01/2019	3,837.00	-	3,837.00
9/01/2019	3,837.00	-	3,837.00
12/01/2019	3,837.00	-	3,837.00
3/01/2020	3,837.00	-	3,837.00
6/01/2020	3,837.00	-	3,837.00
9/01/2020	3,837.00	-	3,837.00
12/01/2020	3,837.00	-	3,837.00
3/01/2021	3,837.00	-	3,837.00
Total	307,000.00	-	307,000.00*

*Plus $388.53 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $31,082.40.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, ___.

In the presence of:

VAUGHAN LAW FIRM
Attorneys and Counsellors at Law

DENNIS R. VAUGHAN, JR.
APRIL ROBERTSON BOUGHTON

SUITE 200 CAPITOL CENTRE
232 CAPITOL STREET
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900
TELECOPY (304) 344-2386

July 13, 2000

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

The City of Bluefield
P. O. Box 998
Bluefield, WV 24701

Re: $307,000 The City of Bluefield
Sewerage System Revenue Bonds, Series 2000 A

Ladies and Gentlemen:

We are Bond Counsel to The City of Bluefield (the "City"), a municipal corporation created under the laws of the State of West Virginia in connection with the issuance of its $307,000 Sewerage System Revenue Bonds, Series 2000 A, dated the date hereof (the "Series 2000 A Bonds").

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated June 6, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement") among the City, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") and (ii) the issuance of the Series 2000 A Bonds, pursuant to an Ordinance enacted by the City on June 27, 2000, effective on July 11, 2000, as amended and supplemented by a Supplemental Resolution adopted on July 11, 2000 (collectively, the "Ordinance"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance and the Loan Agreement when used herein.

The Series 2000 A Bonds are issued in the aggregate principal amount of $307,000.00, in the form of one bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year,

beginning June 1, 2001, all as set forth in the Series 2000 A Bonds. The Series 2000 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance and the Loan Agreement.

The Series 2000 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), for the purposes of (i) paying the costs of the construction of certain improvements and betterments to the existing public sewerage system of the City (the "Project"); (ii) funding a reserve account for the Series 2000 A Bonds; and (iii) paying the costs of issuance thereof.

We have also examined the applicable provisions of the Act and the Ordinance, pursuant to and under which the Series 2000 A Bonds are issued and the Loan Agreement has been entered into.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the City and is a valid and binding special obligation of the City enforceable in accordance with its terms.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to adversely affect the rights of the Authority or the DEP or diminish the obligations of the City without the consent of the Authority and the DEP.

3. The City is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to operate and maintain the System, to acquire and construct the Project, to enact the Ordinance and to issue and sell the Series 2000 A Bonds, all under the Ordinance, the Act and other applicable provisions of law.

4. The City has legally and effectively enacted the Ordinance and all other necessary actions and certifications in connection with the issuance and sale of the Series 2000 A Bonds. The Ordinance contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement and constitute a valid and binding obligation of the City enforceable in accordance with its terms.

5. The Series 2000 A Bonds are valid and legally enforceable special obligations of the City, payable from the Net Revenues of the System referred to in the Ordinance and secured by a first lien on and pledge of the Net Revenues of said System, on a parity with respect to liens, pledge and source of and security for payment with the City's Sewerage System Refunding Revenue Bonds, Series 1992, Sewerage System Refunding Revenue Bonds, Series 1995, and the Sewerage System Revenue Bonds, Series 1998 A, all in accordance with the terms of the Series 2000 A Bonds, the Ordinance and the Act and have been duly authorized, issued, executed and delivered to the Authority.

6. The City has reserved the right to issue additional bonds ranking on a parity with the Series 2000 A Bonds, as provided in the Ordinance.

7. The Series 2000 A Bonds and the interest, if any, thereon are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The rights of the owners of the Series 2000 A Bonds and the enforceability of the Series 2000 A Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Series 2000 A Bond numbered AR-1, and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

Vaughan Law Firm

VAUGHAN LAW FIRM

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000 A

GENERAL CERTIFICATE OF:

1. TERMS
2. NO LITIGATION
3. SALE OF BONDS; SIGNATURES
4. DELIVERY AND PAYMENT
5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
6. MEETINGS
7. INCUMBENCY AND OFFICIAL NAME
8. CERTIFICATIONS
9. SPECIMEN BOND
10. CONFLICT OF INTEREST
11. CERTIFICATION OF COPIES OF DOCUMENTS
12. RATES
13. GOVERNMENTAL APPROVALS AND BIDDING
14. BOND PROCEEDS
15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
16. CLEAN WATER ACT
17. LAND AND RIGHTS-OF-WAY
18. LOAN AGREEMENT
19. INSURANCE

We, the undersigned MAYOR, CITY MANAGER AND CITY CLERK of The City of Bluefield, West Virginia (the "Issuer"), and the undersigned Attorney for the Sanitary Board, hereby certify in connection with the $307,000 aggregate principal amount of The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this Certificate and not otherwise defined herein shall have the same meanings as set forth in the Ordinance of the Issuer, enacted by the Board of Directors (the "Board") of the Issuer on June 27, 2000, and effective on July 11, 2000, the Supplemental Resolution adopted by the Board on July 11, 2000 (collectively, the "Ordinance") and the Loan Agreement entered into among the Issuer, the West Virginia Water Development Authority and the West Virginia Division of Environmental Protection, dated June 6, 2000 (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining, or affecting in any manner the issuance and delivery of the Series 2000 A Bonds; the acquisition and construction of the Project; or the collection of the gross revenues of the sewerage system (the "System") or the pledge of the Net Revenues to the payment of the principal of and interest on the Series 2000 A Bonds; nor questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Series 2000 A Bonds; nor questioning the validity or enforceability of the Series 2000 A Bonds, the Ordinance or the Loan Agreement or any agreement or instrument relating thereto, used or contemplated by the Loan Agreement; nor questioning the valid existence of the Issuer, or the Sanitary Board, or the authority or titles of the Mayor, City Manager, City Clerk, the members of the Board or the Sanitary Board, and other officials of the Issuer to their respective offices; nor questioning any proceeding, procedure, action, or thing followed, taken, or done in connection with the Series 2000 A Bonds and the Project.

3. SALE OF SERIES 2000 A BONDS; SIGNATURES: The Series 2000 A Bonds were sold to the West Virginia Water Development Authority (the "Authority") at an agreed purchase price of $307,000. As of the date hereof, the Series 2000 A Bonds were signed by the manual signatures of the Mayor and the City Manager, and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed thereon and attested by the manual signature of the City Clerk.

4. DELIVERY AND PAYMENT: The undersigned Mayor did, on the date hereof, deliver to the Authority, the entire issue of the Series 2000 A Bonds, as one bond, numbered AR-1. Payment of the proceeds of the Series 2000 A Bonds in the amount of $36,852 shall be advanced on the date hereof, and the balance of the proceeds shall be disbursed to the Issuer as set forth in the Loan Agreement.

5. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the Sanitary Board since the approval, execution and delivery of the Loan Agreement. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2000 A Bonds as to liens, pledge and source of and security for payment, being the Prior Bonds. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2000 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

6. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Series 2000 A Bonds , the construction and financing of the Project and the operation of the System were authorized or adopted at meetings of the Board duly and regularly called and held pursuant to the City Charter and Rules of Procedure of the Board and all applicable statutes, including Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected, qualified and acting members of the Board was present and acting at all times during all

such meetings. All notices required to be posted and/or published were so posted and/or published.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Bluefield" and it is a municipal corporation of the State of West Virginia, in Mercer County of said State. The names and dates of commencement and termination of current terms of office of the Mayor and the members of the Board of Directors are as follows:

Board of Directors

Name	Office	Date Term of Office Began	Date Term of Office Ends
Nelson Walker	Mayor and Director	July 1, 1997	June 30, 2000
Paul Cole	Mayor and Director	July 1, 2000	June 30, 2001
George McGonagle	Director	July 1, 1997	June 30, 2001
Doris Sue Kantor	Director	July 1, 1997	June 30, 2001
Gary Moore	Director	July 1, 1997	June 30, 2001
Oliver Law	Director	July 1, 1997	June 30, 2001

The duly elected or appointed members of the Sanitary Board are:

Ron Crabtree	Chairman	N/A
Ray Bragg	Member	September 26, 2003
Jerry Cameron	Member	January 5, 2002
William H. King	Member	June 30, 2002
J.C. Higgenbotham	Member	June 30, 2002

The duly appointed and acting City Manager and City Clerk are Ron Crabtree and Drema Shireman, respectively. The duly appointed and acting City Attorney is John W. Feuchtenberger, Attorney-at-Law, Princeton, West Virginia. The duly appointed and acting Attorney for the Sanitary Board is Douglas G. Campbell, Katz, Kantor, Perkins, Campbell & Matney, Tazewell, Virginia.

8. CERTIFICATIONS: (1) The Issuer has duly performed all of its obligations to be performed at or prior to the Closing and each of the Issuer's representations and warranties contained in the Loan Agreement is true as of the Closing; (2) the Issuer has authorized, by all necessary action, the execution, delivery, receipt, and due performance of the Series 2000 A Bonds, the Ordinance and any and all such other agreements and documents as may be required to be enacted, adopted, executed, delivered, and received by the Issuer in order to carry out, give

enactment and due performance of the Ordinance and the execution, delivery, receipt and due performance of the Series 2000 A Bonds and the other agreements contemplated by the Loan Agreement, under the circumstances contemplated thereby, and the Issuer's compliance with the provisions thereof, will not conflict with or constitute on the Issuer's part a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the Issuer is subject or by which the Issuer is or may be bound.

9. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Series 2000 A Bond which, except as to execution and authentication, is identical in all respects to such Series 2000 A Bond this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

10. CONFLICT OF INTEREST: No Director, Sanitary Board member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer and the sale of any land, materials, supplies or services to the Issuer, or to any contractor supplying the Issuer, relating to the Project, the Series 2000 A Bonds, the Ordinance or the Loan Agreement, including without limitation, with respect to the depository bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

11. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Loan Agreement
Bond Ordinance
Supplemental Resolution
PSC Certificate of Convenience and Necessity and Staff Attorney Letter
City Charter
Oaths of Office of Board Members
Minutes of Board Meetings of June 13, 2000, June 27, 2000 and July 11, 2000
Affidavit of Publication of Ordinance and Notice of Public Hearing
Approval of the Project from the West Virginia Infrastructure and Jobs Development Council
Ordinance Creating Sanitary Board
Petition of Sanitary Board
NPDES Permit
Consent from WDA for Parity Bonds
Financing Statements

12. RATES: The Issuer has duly enacted a sewer rate ordinance on March 31, 1992, setting rates and charges for services of the System. The time for appeal of such rate ordinance has expired and there has been no appeal thereof. The rates and charges of such rate ordinance remain in full force and effect.

13. GOVERNMENTAL APPROVALS AND BIDDING. All applicable approvals, permits and certificates required by law for the construction of the Project, the operation of the System and the issuance of the Series 2000 A Bonds, including, without limitation, the issuance of a certificate of convenience and necessity by the Public Service Commission of West Virginia, have been obtained and remain in full force and effect. Competitive bids, compatible with the plan of financing as described in the application to the Authority, have been obtained in accordance with the provisions of Chapter 5, Article 22 of the West Virginia Code, and such bids remain in full force and effect. The Issuer has received an opinion from the staff attorney of the Public Service Commission of West Virginia, dated February 8, 2000, stating that it is not necessary to reopen the certificate case in Case No. 97-1471-S-CN for this Project.

14. BOND PROCEEDS: On the date hereof, the Issuer received $36,852 from the Authority and the DEP, being a portion of the principal amount of the Series 2000 A Bonds and more than a de minimis amount of the proceeds of the Series 2000 A Bonds. The balance of the principal amount of the Series 2000 A Bonds will be advanced to the Issuer as the construction of the Project progresses.

15. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE. Upon enactment of the Ordinance, an abstract of the ordinance and notice of public hearing was published as a Class II legal advertisement in *The Bluefield Daily Telegraph*, a newspaper published and of general circulation within The City of Bluefield, the first publication of which occurred not less than 10 days prior to the public hearing. At such public hearing the governing body heard the comments of all persons relating to the construction of the Project and the issuance of the Series 2000 A Bonds. No petition was filed with the governing body opposing the construction of the Project or the issuance of the Series 2000 A Bonds. The Ordinance became effective as of the date of such public hearing and remains in full force and effect.

16. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

17. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase or, if necessary, by condemnation by the Issuer, and are adequate for such purposes and are not and will not be subject to any liens, encumbrances, reservations or exceptions that would adversely affect or interfere in any way with use thereof for such purposes. The costs thereof, including any properties that nay have to be acquired by condemnation are, in the opinion of the undersigned,

within the ability of the Issuer to for the same without jeopardizing the security of or payments on the Bonds.

18. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not make any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best of the knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to used or which is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

19. INSURANCE: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance and builder's risk insurance where applicable, in accordance with the Ordinance. All insurance for the System required by the Ordinance is in full force and effect.

Witness our signatures and the official corporate seal of The City of Bluefield, all as of the 13th day of July 2000.

Paul Cole, Jr.
Mayor

Arema A. Shireman
Clerk

Ronald D. Grahtree
City Manager

Doug Lo M. Campbell
Sanitary Board Attorney

(SEAL)

within the ability of the Issuer to for the same without jeopardizing the security of or payments on the Bonds.

18. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not make any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best of the knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to used or which is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

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Witness our signatures and the official corporate seal of The City of Bluefield, all as of the 13th day of July 2000.

Paul Cole, Jr.
Mayor

Drema A. Shrewsbury
Clerk

Ronald G. Galstree
City Manager

Doyle N. Campbell
Sanitary Board Attorney

(SEAL)

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000 A

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Bank One, National Association
Charleston, West Virginia 25301

Ladies and Gentlemen:

We herewith hand to you Bond No. AR-1, constituting the entire original issue of The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A, dated June 13, 2000, (the "Bonds") executed by the Mayor, the City Manager, and the City Clerk of The City of Bluefield (the "Issuer") and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to an Ordinance passed by the Issuer on June 27, 2000, and effective July 11, 2000, and a Supplemental Resolution adopted by the Issuer on July 11, 2000 (collectively, the "Ordinance").

You are hereby requested and authorized, pursuant to the Ordinance, to authenticate, register and deliver the Bonds to the West Virginia Water Development Authority, as Original Purchaser thereof.

Dated this 13th day of July 2000.

THE CITY OF BLUEFIELD

By Paul Cole, Jr.
Mayor

bsb bluelstc.acc

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

FIRST CENTURY BANK, NATIONAL ASSOCIATION, Bluefield, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Bluefield (the "Issuer") passed by the Issuer on June 27, 2000, effective July 11, 2000, and a Supplemental Resolution adopted by the Issuer on July 11, 2000, (collectively, the "Ordinance"), authorizing issuance of the Issuer's Sewerage Revenue Bonds, Series 2000 A, in the aggregate principal amount of $307,000, dated July 13, 2000, and agrees to serve as Depository Bank, all as set forth in the Ordinance.

WITNESS my signature on this 13th day of July 2000.

FIRST CENTURY BANK, NATIONAL ASSOCIATION

Wm. E. Albert, Sr VP.

Authorized Officer

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor and City Manager of The City of Bluefield in Mercer County, West Virginia (the "Issuer"), being the officials of the Issuer duly charged with the responsibility for the issuance of $307,000 Sewerage System Revenue Bonds, Series 2000 A, of the Issuer, dated July 13, 2000 (the "Bonds"), hereby certify as follows:

1. We are the officers of the Issuer duly charged with the responsibility of issuing the Bonds. We are familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly passed by the Issuer on June 27, 2000, effective July 11, 2000, as supplemented by the Supplemental Resolution duly adopted by the Issuer on July 11, 2000 (collectively, the "Bond Ordinance"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on July 13, 2000, the date on which the Bonds are being physically delivered in exchange for an initial advance of $36,852, being a portion of the principal amount of the Bonds, and to the best of our knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Division of Environmental Protection (the "DEP") or the West Virginia Infrastructure and Jobs Development Council, as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer

hereby covenants to take all actions necessary to comply with such covenant.

5. The Bonds were sold on July 13, 2000, to the Authority, pursuant to a Loan Agreement dated June 6, 2000, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $307,000 (100% of par), at which time, the Issuer received $36,852 from the Authority and the DEP, being the first advance of the principal amount of the Bonds. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of construction of certain betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying certain costs of issuance of the Bonds and related costs.

7. The Issuer has already entered or shall simultaneously with the delivery of the Bonds enter into agreements which require the Issuer to expend in excess of $100,000 on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the Reserve Account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 2001. The acquisition and construction of the Project is expected to be completed by March 2001.

8. The total cost of the Project is estimated at $307,000. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Bonds	$307,000
Total Sources	$307,000

USES

Costs of Project	$275,148
Fund Reserve Account	15, 352
Costs of Issuance	16,500
Total Uses	$307,000

9. Pursuant to Article IV of the Bond Ordinance, the following special funds or accounts have been created (or continued pursuant to the Prior Ordinances):

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Bond Construction Trust Fund;

(4) Series 1992 Bonds Sinking Fund;

(5) Series 1992 Bonds Reserve Account;

(6) Series 1995 Bonds Sinking Fund;

(7) Series 1995 Bonds Reserve Account;

(8) Series 1998 A Bonds Sinking Fund;

(9) Series 1998 A Bonds Reserve Account;

(10) Series 2000 A Bonds Sinking Fund; and

(11) Series 2000 A Bonds Reserve Account.

10. Pursuant to Article V of the Bond Ordinance, the proceeds of the Bonds will be deposited in the Bond Construction Trust Fund as received from time to time and applied solely to funding the Series 2000 A Bonds Reserve Account and payment of costs of the Project, including costs of issuance of the Bonds and related costs.

11. Moneys held in the Series 2000 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2000 A Bonds Sinking Fund and Series 2000 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2000 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the construction of the Project will proceed with due diligence to completion. The construction of the Project is expected to be completed within eight months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2000 A Bonds Sinking Fund for payment of interest, if any, on the Bonds and the amount deposited in the Series 2000 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within eight months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental bonds.

23. The Issuer has either (a) funded the Series 2000 A Bonds Reserve Account at the maximum amount of principal and interest, if any, which will mature and

become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2000 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2000 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2000 A Bonds Reserve Account and the Series 2000 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

25. To the best of our knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of our knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS our signatures on this 13th day of July 2000.

THE CITY OF BLUEFIELD

Paul Cole, Jr.
Mayor

Ronald G. Gaultney
City Manager

become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2000 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2000 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest, if any, which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2000 A Bonds Reserve Account and the Series 2000 A Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

25. To the best of our knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of our knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS our signatures on this 13th day of July 2000.

THE CITY OF BLUEFIELD

Paul Cole, Jr.
Mayor

Ronald G. Grahtree
City Manager

APPALACHIAN ENGINEERING & SURVEYING, INC.
212 College Avenue
Bluefield, West Virginia 24701
Phone: (304) 325-3481 Fax: (304) 325-3482

Wm. H. Looney, Jr., PE, LS
Licensed WV, VA & PA

General Civil Engineering
& Surveying

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A

CERTIFICATE OF CONSULTING ENGINEER

I, WILLIAM H. LOONEY, JR., Registered Professional Engineer, West Virginia License No. 4654, of Appalachian Engineering & Surveying, Inc., Consulting Engineers, Bluefield, West Virginia, hereby certify as follows:

1. My firm is the engineer for the construction of certain betterments and improvements (the "Project") to the existing sewerage system (the "System") of The City of Bluefield (the "Issuer"), to be constructed primarily in Mercer County, West Virginia, which construction is being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance adopted by the Issuer on June 27, 2000, and effective July 11, 2000 (the "Ordinance"), and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "DEP"), dated June 6, 2000 (the "Loan Agreement").

2. The Bonds are being issued for the purpose of (i) paying a portion of the costs of construction of the Project and (ii) paying costs of issuance and related costs.

3. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP, and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at lease 25 years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A attached hereto as Exhibit A, and in reliance upon the legal opinion of Katz, Kantor, Perkins, Campbell & Matney, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State

of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of Sullivan, Ware & Hall, CPAs, of even date herewith, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Estimated Cost of Project; Sources of Funds and Cost of Financing" for the Project.

Witness my signature and seal on this 13th day of July, 2000.

APPALACHIAN ENGINEERING & SURVEYING, INC.

WILLIAM H. LOONEY, JR.
REGISTERED
No. 4654
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

By Wm. H. Looney Jr.
William H. Looney, Jr.
West Virginia License No. 4654

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: Amended Project

ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project

1.	Construction	$ 220,500	
2.	Technical Services	$ 33,822	
3.	Legal and Fiscal	$ 5,000	
4.	Administrative	$	
5.*	Site and Other Lands	$	
6.**	Fac. Plan/Design or Other Loan Repayment (Specify Type: Purchase System)	$	
7.	Interim Financing Costs	$	
8.	Contingency	$ 15,826	
9.	Total of Lines 1 Through 8		$ 275,148

JUL - 6 2000

B. Sources of Funds

10.	Federal Grants:	$	
	(Specify Sources)	$	
11.	State Grants:	$	
	(Specify Sources)	$	
12.	Other Grants:	$	
	(Specify Sources)	$	
13.	Any Other Source	$	
	(Specify)	$	
14.	Total of Lines 10 Through 13		$
15.	Net Proceeds Required from Bond Issue (Line 9 minus 14)		$ 275,148

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$	
17.	Funded Reserve Account	$ 15,352	
18.	Other Costs:	$ 16,500	
19.	Total Cost of Financing (lines 16-18)	$ 31,852	
20.	Size of Bond Issue (line 15 plus line 19)		$ 307,000

* not allowable for State Revolving Fund Assistance
** WDA loans are not allowable

Terry Hooker
Signature of Applicant

Date 6/30/2000

Daniel J Ware, CPA
Signature of C.P.A.

Date 7/5/00

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000 A

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 13th day of July 2000, by and between THE CITY OF BLUEFIELD, a municipal corporation and a political subdivision of the State of West Virginia (the "Issuer"), and BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION, a national banking association, as bond registrar and authenticating agent (the "Registrar").

WHEREAS, the Issuer has contemporaneously with the execution hereof issued and sold the bonds described above (the "Bonds"); and

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance enacted by the Issuer on June 27, 2000, effective July 11, 2000, and a Supplemental Resolution adopted by the Issuer on July 11, 2000, authorizing issuance of the Bonds (collectively herein the "Ordinance"), copies of which are respectively attached as Exhibits A and B hereto and incorporated herein by reference; and

WHEREAS, the Ordinance appoints Bank One to act as Registrar for the Bonds;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Ordinance, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered hereunder provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Ordinance will violate any order, decree or agreement to which it is a party or by which it is bound.

7. The Registrar may resign as Registrar at any time by giving at least 60 days written notice to the Issuer. The Registrar may be removed as Registrar at any time by an instrument filed with the Registrar and signed by the Issuer.

Notices shall be delivered to the parties at the following addresses:

ISSUER:

The City of Bluefield
P. O. Box 998
Bluefield, West Virginia 24701
Attention: Mayor

REGISTRAR:

Bank One, West Virginia, National Association
707 Virginia Street East
Charleston, West Virginia 25301
Attention: Global Corporate Trust Services

8. Unless otherwise so notified, the Registrar shall register all Bonds in the name of the West Virginia Water Development Authority.

9. All notices and communications required or permitted hereunder, except as otherwise expressly agreed in writing, shall be in writing and shall be delivered by hand or sent by mail or sent by telex, telecopier, or telegraph, addressed to the respective party at the appropriate address in Section 7 hereof.

10. The Registrar shall maintain records which indicate the date and volume of services rendered hereunder. Such records shall include, but not be limited to, records of the Bonds or portions thereof paid by the Registrar. Such records and the applicable premises of the Registrar shall be subject to inspection by duly designated agents, designees or officials of the

Issuer for the purpose of reviewing the adequacy of procedures, systems capabilities methods of operation. Any such inspection may be made during normal banking hours after reasonable prior written notice.

11. The Registrar warrants and represents that it is a national banking association, and in good standing under the laws of the United States of America, may lawfully conduct business in the State of West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided in this agreement and to serve in the capacity of Registrar thereunder.

12. There is no litigation pending of threatened in any court, either State or Federal, calling into question the creation, organization or existence of the Registrar or the authority of the Registrar to perform its duties under this agreement or the Ordinance.

13. This Registrar's Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD and BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION have each caused this Registrar's Agreement to be executed in their names and on their behalf, by their duly authorized officers, all as of the date first above written.

THE CITY OF BLUEFIELD

By Paul Cole, Jr.
Mayor

BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION

By Lorne B. Mullins
Senior Trust Officer

Issuer for the purpose of reviewing the adequacy of procedures, systems capabilities methods of operation. Any such inspection may be made during normal banking hours after reasonable prior written notice.

11. The Registrar warrants and represents that it is a national banking association, and in good standing under the laws of the United States of America, may lawfully conduct business in the State of West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided in this agreement and to serve in the capacity of Registrar thereunder.

12. There is no litigation pending of threatened in any court, either State or Federal, calling into question the creation, organization or existence of the Registrar or the authority of the Registrar to perform its duties under this agreement or the Ordinance.

13. This Registrar's Agreement shall be governed by and construed in accordance with the laws of the State of West Virginia.

IN WITNESS WHEREOF, THE CITY OF BLUEFIELD and BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION have each caused this Registrar's Agreement to be executed in their names and on their behalf, by their duly authorized officers, all as of the date first above written.

THE CITY OF BLUEFIELD

By Paul Cole, Jr.
Mayor

BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION

By Lorne B. Mullins
Senior Trust Officer

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000 A

CERTIFICATE OF REGISTRATION OF BONDS

I, Lorene B. Mullins, Senior Trust Officer, of Bank One, West Virginia, National Association of Charleston, West Virginia, as Registrar (the "Registrar") under the Ordinance providing for the issuance of the Bonds described above, hereby certify that on the 13th day of July 2000, the single, fully registered Sewerage System Revenue Bonds, Series 2000 A, in the stated principal amount of $307,000, designated "The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A" numbered AR-1, and dated the date hereof were registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of Bank One, National Association, Charleston, West Virginia, as Registrar.

WITNESS my signature as of this 13th day of July 2000.

BANK ONE, WEST VIRGINIA,
NATIONAL ASSOCIATION

By Lorene B. Mullins
Its: Senior Trust Officer

$307,000
THE CITY OF BLUEFIED
SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2000 A

REGISTRAR'S CERTIFICATE

The undersigned, on behalf of BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION, Charleston, West Virginia, a national banking association (the "Bank"), hereby certifies as follows with respect to the above-captioned Bonds (the "Bonds"):

1. The Bank has full power and authority to enter into and carry out the provisions of the Registrar's Agreement, dated as of July 13, 2000, between The City of Bluefield (the "Issuer") and the Bank (the "Agreement").

2. The person whose title, name and signature is set forth below holds the position by election or appointment by the Board of Directors of the Bank shown opposite her name, and such person has been respectively named and designated as an authorized officer of the Bank to authenticate and register the Bonds, to deliver certificates on behalf of the Bank in connection with the closing of the sale of the Bonds and to take any other actions required by the Agreement.

Senior Trust Officer Lorene B. Mullins

3. The above signed, Lorene B. Mullins, was duly authorized to, and did on or prior to the date hereof, execute and deliver the Agreement to the Issuer on behalf of the Bank.

4. The Bank has received from the Issuer on the date hereof the Bonds, being one certificate, namely No. AR-1, in the principal amount of $307,000 payable as to principal only, and maturing all as set forth therein. At the time of such receipt, the Bond had been executed by the manual signature of the Mayor and City Manager of the Issuer, impressed with the seal of the Issuer, and attested by the manual signature of the City Clerk.

5. The Bank has caused the Series 2000 A Bonds to be duly authenticated by the manual signature of Lorene B. Mullins, by attaching to such Bonds a certificate in the following terms:

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of The City of Bluefied Sewerage System Revenue Bonds, Series 2000 A, described in the within mentioned Bond Legislation and has been duly registered in the name of the Registered Owner set forth above, as of the date set forth below.

Date: July 13, 2000

BANK ONE, WEST VIRGINIA,
NATIONAL ASSOCIATION,
as Registrar

By: Carol H. Mitchell
Its Assistant Vice President

Witness my signature this 13th day of July 2000.

BANK ONE, WEST VIRGINIA,
NATIONAL ASSOCIATION,
as Registrar

By: Lorene B. Mullins
Its Senior Trust Officer

Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

CERTIFICATE OF AUTHENTICATION
AND CURRENCY

The undersigned officer of BANK ONE TRUST COMPANY, NA hereby certifies that this is a true and complete copy of the Certificate of Fiduciary Powers which is in full force and effect as of the ____ day of _____.

By _____
Authorized Signature

CERTIFICATE

I, John D. Hawke, Jr., Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq., as amended, 12 U.S.C. 1, et seq., as amended, has possession, custody and control of all records pertaining to the chartering of all National Banking Associations.

2. "Bank One Trust Company, National Association," Columbus, Ohio, (Charter No. 16235) is a National Banking Association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this Certificate.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and caused my seal of office to be affixed to these presents at the Treasury Department in the City of Washington and District of Columbia, this 24th day of March, 1999.

John D. Hawke, Jr.

Comptroller of the Currency

Article III, Section 3.04 of the By Laws read as follows:

"SECTION 3.04 EXECUTION OF DOCUMENTS. Any member of the Bank's management staff or any employee of the Bank designated as an officer on the Bank's payroll system is hereby authorized for and on behalf of the Bank to sell, assign, lease, mortgage, transfer, deliver and convey any real or personal property, including shares of stock, bonds, notes, certificates of indebtedness (including the assignment and redemption of registered United States obligations) and all other forms of intangible property now or hereafter owned by or standing in the name of the Bank, or its nominee, or held by the Bank as collateral security, or standing in the name of the Bank, or its nominee, in any fiduciary capacity or in the name of any principal for whom this Bank may now or hereafter be acting under a power of attorney or as agent, and to execute and deliver such partial releases from any discharges or assignments of mortgages and assignments or surrender of insurance policies, deeds, contracts, assignments or other papers or documents as may be appropriate in the circumstances now or hereafter held by the Bank in its own name, in a fiduciary capacity, or owned by any principal for whom this Bank may now or hereafter be acting under a power of attorney or as agent; provided, however, that, when necessary, the signature of any such person shall be attested or witnessed in each case by another officer of the Bank.

Any member of the Bank's management staff or any employee of the Bank designated as an officer on the Bank's payroll system is hereby authorized for and on behalf of the Bank to execute any indemnity and fidelity bonds, trust agreements, proxies or other papers or documents of like or different character necessary, desirable or incidental to the appointment of the Bank in any fiduciary capacity, the conduct of its business in any fiduciary capacity, or the conduct of its other banking business; to sign and issue checks, drafts, orders for the payment of money and certificates of deposit; to sign and endorse bills of exchange, to sign and countersign foreign and domestic letters of credit, to receive and receipt for payments of principal, interest, dividends, rents, fees and payments of every kind and description paid to the Bank, to sign receipts for money or other property acquired by or entrusted to the Bank, to guarantee the genuineness of signatures on assignments of stocks, bonds or other securities, to sign certifications of checks, to endorse and deliver checks, drafts, warrants, bills, notes, certificates of deposit and acceptances in all business transactions of the Bank; also to foreclose any mortgage, to execute and deliver receipts for any money or property; also to sign stock certificates for and on behalf of this Bank as transfer agent or registrar, and to authenticate bonds, debentures, land or lease trust certificates or other forms of security issued pursuant to any indenture under which this Bank now or hereafter is acting as trustee or in any other fiduciary capacity; to execute and deliver various forms of documents or agreements necessary to effectuate certain investment strategies for various fiduciary or custody customers of the Bank, including, without limitation, exchange funds, options, both listed and over-the-counter, commodities trading, futures trading, hedge funds, limited partnerships, venture capital funds, swap or collar transactions and other similar investment vehicles for which the Bank now or in the future may deem appropriate for investment of fiduciary customers or in which non-fiduciary customers may direct investment by the Bank.

Without limitation on the foregoing, the Chief Executive Officer, Chairman of the Board, or President of the Bank shall have the authority from time to time to appoint officers of the Bank as Vice President for the sole purpose of executing releases or other documents incidental to the conduct of the Bank's business in any fiduciary capacity where required by state law or the governing document. In addition, other persons in the employment of the Bank or its affiliates may be authorized by the Chief Executive Officer, Chairman of the Board, President, Senior Managing Directors, Managing Directors, or Chief Financial Officer to perform acts and to execute the documents described in the paragraph above, subject, however, to such limitations and conditions as are contained in the authorization given to such person. "

ELECTION OF OFFICERS

Pursuant to authority vested in the Chairman of the Board and Chief Executive Officer of BANK ONE CORPORATION ("Corporation") by resolution adopted by the Board of Directors of the Corporation on October 20, 1998 (effective October 2, 1998) and by resolutions subsequently adopted by the Boards of Directors of its subsidiary banks, which authority was delegated to me as the Head of Human Resources through a delegation of authority executed by the Chairman on November 25, 1998 (effective October 2, 1998), I hereby elect each officer of each subsidiary bank listed on the "Multiple Bank Officership List" maintained by the Corporate Secretary's office (as such List is in effect from time to time), an officer of each of the banks on such List (to the extent not currently an officer), with the requisite authority to discharge any and all responsibilities of his or her position, as such position may be in effect from time to time, and to hold such office for a term effective as of January 1, 1999, and expiring on the date of his or her earlier death, resignation, removal or termination of employment. In the event the banks listed on the Multiple Bank Officership List change after the date hereof, the individuals listed on the Exhibits shall be, on any given day hereafter, officers of each of the banks so listed.

Timothy P. Moen
Head of Human Resources
BANK ONE CORPORATION

Date: 1/28/99

electionall.doc

Multiple Bank Officership List

American National Bank and Trust Company of Chicago
Bank One, Arizona, National Association
Bank One, Colorado, National Association
Bank One, Illinois, National Association
Bank One, Indiana, National Association
Bank One, Kentucky, National Association
Bank One, Louisiana, National Association
Bank One, National Association
Bank One, Oklahoma, National Association
Bank One, Texas, National Association
Bank One, Trust Company, National Association
Bank One, Utah, National Association
Bank One, West Virginia, National Association
Bank One, Wheeling-Steubenville, National Association
Bank One, Wisconsin
The First National Bank of Chicago
NBD Bank (Detroit, Michigan)
NBD Bank (Elkhart, Indiana)
NBD Bank (Venice, Florida)
NBD Bank, National Association (Indianapolis, Indiana)

as of 11/17/98

jzhMultBankO.doc

APPOINTMENT OF ASSISTANT SECRETARIES

Pursuant to the authority vested in the Secretary of the Board of Bank One Trust Company, NA, by Section 3.03 of the Bank's By-Laws as last amended January 1, 1998, to designate certain officers of the Bank as Assistant Secretary to perform the duties of Secretary, I hereby designate the following named persons as Assistant Secretary of Bank One Trust Company, NA, effective as of the date hereafter set forth, with the requisite authority to discharge any and all responsibilities of his or her position, as such position may be in effect from time to time, and to hold such office for a term commencing May 4, 1999, and expiring on the earliest of such person's resignation, removal, or termination of employment:

Kathleen D. Back
J. Michael Banas
Sandra L. Caruba
Stephen L. Geifman
Patricia A. Kenney
Henry Kleschen III
Gregory S. Patrell
John R. Prendiville
Michael L. Tucker
James Van Duerm
Steven M. Wagner

Date: May 4, 1999

Herbert J. Sliger, Jr.
Secretary
Bank One Trust Company, NA

[50756]

CERTIFICATE OF AUTHORITY AND INCUMBENCY

I, Kathleen D. Back, an Assistant Secretary of Bank One Trust Company, NA, Columbus, Ohio, hereby certify that the individuals whose names and specimen signatures appear below are officers of Bank One Trust Company, NA, a national banking association, and that the undersigned have also been elected officers of American National Bank and Trust Company of Chicago, Bank One, Arizona, National Association, Bank One, Colorado, National Association, Bank One, Illinois, National Association, Bank One, Indiana, National Association, Bank One, Kentucky, National Association, Bank One, Louisiana, National Association, Bank One, National Association, Bank One, Oklahoma, National Association, Bank One, Texas, National Association, Bank One, Trust Company, National Association, Bank One, Utah, National Association, Bank One, West Virginia, National Association, Bank One, Wheeling-Steubenville, National Association, Bank One, Wisconsin, National Association, The First National Bank of Chicago, NBD Bank (Detroit, Michigan), NBD Bank (Elkhart, Indiana), NBD Bank (Venice, Florida), NBD Bank, National Association (Indianapolis, Indiana) with the requisite authority to discharge any and all responsibilities of their positions, as such position may be in effect from time to time, including, without limitation, the authority to execute any documents necessary and appropriate in the premises.

Name	Title	Signature
Carol H. Fletcher Authorized Officer	Assistant Vice President	Carol H. Fletcher
Lorene B. Mullins Authorized Officer	Senior Trust Officer	Lorene B. Mullins

BANK ONE TRUST COMPANY, NA

By Kathleen D. Back
Kathleen D. Back
Assistant Secretary

Dated at Indianapolis, Indiana this
24th day of March, 1999

VAUGHAN LAW FIRM
Attorneys and Counsellors at Law

DENNIS R. VAUGHAN, JR.
APRIL ROBERTSON BOUGHTON

SUITE 200 CAPITOL CENTRE
232 CAPITOL STREET
CHARLESTON, WEST VIRGINIA 25301

TELEPHONE (304) 342-3900
TELECOPY (304) 344-2386

July 13, 2000

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

The City of Bluefield
P. O. Box 998
Bluefield, WV 24701

Re: $307,000 The City of Bluefield
Sewerage System Revenue Bonds, Series 2000 A

Ladies and Gentlemen:

We are Bond Counsel to The City of Bluefield (the "City"), a municipal corporation created under the laws of the State of West Virginia in connection with the issuance of its $307,000 Sewerage System Revenue Bonds, Series 2000 A, dated the date hereof (the "Series 2000 A Bonds").

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a loan agreement dated June 6, 2000, including all schedules and exhibits attached thereto (the "Loan Agreement") among the City, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP") and (ii) the issuance of the Series 2000 A Bonds, pursuant to an Ordinance enacted by the City on June 27, 2000, effective on July 11, 2000, as amended and supplemented by a Supplemental Resolution adopted on July 11, 2000 (collectively, the "Ordinance"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance and the Loan Agreement when used herein.

The Series 2000 A Bonds are issued in the aggregate principal amount of $307,000.00, in the form of one bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year,

beginning June 1, 2001, all as set forth in the Series 2000 A Bonds. The Series 2000 A Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Ordinance and the Loan Agreement.

The Series 2000 A Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), for the purposes of (i) paying the costs of the construction of certain improvements and betterments to the existing public sewerage system of the City (the "Project"); (ii) funding a reserve account for the Series 2000 A Bonds; and (iii) paying the costs of issuance thereof.

We have also examined the applicable provisions of the Act and the Ordinance, pursuant to and under which the Series 2000 A Bonds are issued and the Loan Agreement has been entered into.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the City and is a valid and binding special obligation of the City enforceable in accordance with its terms.

2. The Loan Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to adversely affect the rights of the Authority or the DEP or diminish the obligations of the City without the consent of the Authority and the DEP.

3. The City is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to operate and maintain the System, to acquire and construct the Project, to enact the Ordinance and to issue and sell the Series 2000 A Bonds, all under the Ordinance, the Act and other applicable provisions of law.

4. The City has legally and effectively enacted the Ordinance and all other necessary actions and certifications in connection with the issuance and sale of the Series 2000 A Bonds. The Ordinance contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement and constitute a valid and binding obligation of the City enforceable in accordance with its terms.

5. The Series 2000 A Bonds are valid and legally enforceable special obligations of the City, payable from the Net Revenues of the System referred to in the Ordinance and secured by a first lien on and pledge of the Net Revenues of said System, on a parity with respect to liens, pledge and source of and security for payment with the City's Sewerage System Refunding Revenue Bonds, Series 1992, Sewerage System Refunding Revenue Bonds, Series 1995, and the Sewerage System Revenue Bonds, Series 1998 A, all in accordance with the terms of the Series 2000 A Bonds, the Ordinance and the Act and have been duly authorized, issued, executed and delivered to the Authority.

6. The City has reserved the right to issue additional bonds ranking on a parity with the Series 2000 A Bonds, as provided in the Ordinance.

7. The Series 2000 A Bonds and the interest, if any, thereon are, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The rights of the owners of the Series 2000 A Bonds and the enforceability of the Series 2000 A Bonds and the Ordinance may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights heretofore or hereafter enacted to the extent constitutionally applicable, and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Series 2000 A Bond numbered AR-1, and in our opinion, the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

Vaughan Law Firm

VAUGHAN LAW FIRM

FEUCHTENBERGER & BARRINGER LEGAL CORPORATION
ATTORNEYS AT LAW
335 NEW HOPE ROAD
P.O. BOX 5726
PRINCETON, WV 24740
304-425-5060 304-425-5062

J.W. FEUCHTENBERGER
J.W. BARRINGER
KELLI L. HARSHBARGER

FAX 304-487-2350

July 13, 2000

The City of Bluefield
P.O. Box 998
Bluefield, West Virginia 24701

West Virginia Water Development Authority
108 Association Drive
Charleston, West Virginia 25311-1571

West Virginia Division of
Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

Vaughan Law Firm
232 Capitol Street, Suite 200
Charleston, WV 25301-2206

RE: $307,000.00 The City of Bluefield
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

Ladies and Gentlemen:

I am City Attorney for The City of Bluefield, Mercer County, West Virginia (the "City") in connection with the issuance of the City's $307,000.00 in aggregate principal amount Sewer System Revenue Bonds, Series 2000 A, dated the date hereof (the "Bonds").

I have reviewed copies of the approving opinion of the Vaughan Law Firm, as bond counsel, the Loan Agreement, including all schedules and exhibits attached thereto, by and among, the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP") and the City, dated June 6, 2000, (the "Loan Agreement") and the Ordinance duly enacted by the Board of Directors of the City on June 27, 2000, effective July 11, 2000, as amended and supplemented by a Supplemental Resolution duly adopted July 11, 2000, authorizing the Bonds (collectively, the "Ordinance") and other documents relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Ordinance.

I am of the opinion that:

1. The City has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia.

2. The Loan Agreement has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the City enforceable in accordance with its terms.

3. The Mayor, the City Manager, the City Clerk and members of the Board of Directors have been duly and properly elected or appointed as applicable, have taken the requisite oaths, and are thereby authorized to act on behalf of the City in their respective capacities.

4. The Ordinance has been duly adopted and enacted by the Board of Directors, is in full force and effect and no further action of the City is required for its continued validity.

5. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Ordinance, and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute on the City's part, a breach of or default under any ordinance, agreement or other instrument to which the City is a party or any existing law, regulation, court order or consent decree to which the City is subject.

6. The City has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, approval from the West Virginia Infrastructure and Jobs Development Council, and the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, and the enactment of an ordinance prescribing such rates and charges, and the appeal period from orders, if any, has expired.

7. To the best of my knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to my knowledge, threatened against or affecting the City (or, to my knowledge, any basis therefor) wherein an unfavorable decision, ruling or finding would adversely affect the transactions The City

of Bluefield contemplated by the Loan Agreement or the Ordinance, the acquisition and construction of the Project, the operation of the System, or the validity of or security for the Bonds or the collection or pledge of the Net Revenues therefor.

All counsel to this transaction may rely upon the foregoing opinion as if specifically addressed to them.

Very truly yours,

John Feuchtenberger

JWF:yv

KATZ, KANTOR, PERKINS, CAMPBELL, & MATNEY

Attorneys At Law
996 Ben Bolt Avenue
Tazewell, Virginia 24651

Norris Kantor*
Guy Perkins*
Douglas G. Campbell
Gregory S. Matney **

Telephone: 540 / 988-6554
Telecopier: 540 / 988-6555

*Wayne S. Stonestreet
*Wayne L. Evans
Shelia J. Weimer
David B. Kelley

* Admitted in WV only
** Admitted in VA & WV

July 13, 2000

bsb bluekkp2.opn

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

RE: $307,000 The City of Bluefield
Sewerage System Revenue Bonds, Series 2000 A

Ladies and Gentlemen:

We are counsel to the Sanitary Board of The City of Bluefield, West Virginia (the "Sanitary Board"), in connection with the issuance by The City of Bluefield (the "City") of its $307,000 in aggregate principal amount of Sewerage System Revenue Bonds, Series 2000 A, dated the date hereof (the "Bonds").

We have reviewed copies of the Loan Agreement by and among the West Virginia Water Development Authority, the West Virginia Division of Environmental Protection and the City dated June 6, 2000 (the "Loan Agreement"), the Ordinance enacted June 27, 2000, and effective July 11, 2000, as amended and supplemented by a Supplemental Resolution adopted July 11, 2000 (collectively, the "Ordinance"), and such other documents and instruments as we have deemed necessary to render this opinion. All capitalized terms used herein and not other wise defined herein shall have the meanings set forth in the Ordinance.

We are of the opinion that:

1. The Sanitary Board has been duly created by the City

pursuant to an ordinance and is validly existing.

2. The members of the Sanitary Board have been duly and properly appointed, have taken the requisite oaths and are authorized to act on behalf of the Sanitary Board in their respective capacities.

3. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon our review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, we are of the opinion that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Ordinance and the Loan Agreement, and all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

4. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before any court, public board or body, pending or threatened, against or affecting the Sanitary Board, wherein an unfavorable decision, ruling or finding would affect the transactions contemplated by the Loan Agreement or Ordinance, the construction of the Project, the ordinance imposing the rates and charges for the use of the services of the System or the validity of the Bonds. The Sanitary Board, on behalf of the City, has received an opinion from the staff attorney of the Public Service Commission of West Virginia, dated February 8, 2000, stating that it is not necessary to reopen the certificate case in Case No. 97-1471-S-CN for this Project.

Very truly yours,

KATZ, KANTOR, PERKINS, CAMPBELL & MATNEY

KATZ, KANTOR, PERKINS, CAMPBELL, & MATNEY

Attorneys At Law
996 Ben Bolt Avenue
Tazewell, Virginia 24651

Norris Kantor*
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*Wayne S. Stonestreet
*Wayne L. Evans
Shelia J. Weimer
David B. Kelley

* Admitted in WV only
** Admitted in VA & WV

July 13, 2000

bsb blueesm.opn

The City of Bluefield
Post Office Box 998
Bluefield, West Virginia 24701

West Virginia Water Development Authority
180 Associations Drive
Charleston, West Virginia 25311

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, West Virginia 25301-1251

RE: The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A

Ladies and Gentlemen:

This firm represents the Bluefield Sanitary Board (the "Board") with regard to a proposed project to repair sewer lines in the Brush Fork service area of Mercer County (the "Project"), and provides this final title opinion on behalf of the Board to satisfy the requirements of the West Virginia Division of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. We are of the opinion that the Board is a duly created and existing agency of a duly created and existing agency of a duly chartered and existing municipal corporation possessed with all of the powers and authority granted to municipal corporations under

the laws of the State of West Virginia to operated and maintain a sanitary sewer system within and outside the limits of the City, and that the City has full power and authority to construct, operate, and maintain the Project as approved by the DEP.

2. We have confirmed with Appalachian Engineering & Surveying, Inc., (the "Project Engineer") that the Board has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by the Project Engineer.

4. The Project Engineer has established a list of all easements necessary for the construction of the Project based upon the tax maps and tax records on file with the Mercer County Assessor's Office. We hereby certify that we have examined the records on file in the Office of the Clerk of the County Commission of Mercer County, West Virginia, the county in which the Project is to be located; that we have traced the chain of title for each of the properties located on the list of easements for twenty years (20) prior to the date hereof; and, that, in our opinion the City, acting through the Board, has obtained and acquired legal title or such other estate or interest in all the necessary site components for the Project, including all easements and rights-of-way from the owners of the parcels of property over, under and through which the Project will be constructed which will permit the construction, operation and maintenance of the Project.

5. Said deeds and easements necessary for the Project have been recorded in the Office of the Clerk of the County Commission of Mercer County, West Virginia, to protect the legal title to and interest of the City.

Please advise if any further or additional information is necessary.

Very truly yours,

Douglas G. Campbell

Douglas G. Campbell

SULLIVAN, WARE & HALL, P.L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS
COAL EXCHANGE BUILDING - SUITE 601
401 ELEVENTH STREET • P. O. BOX 2745 OR P. O. BOX 819
HUNTINGTON, WEST VIRGINIA 25727-2745
TELEPHONE: (304) 697-0565 OR (304) 525-7202
FACSIMILE: (304) 697-0567 OR (304) 525-7282
e mail: swhcpa@citynet.net

BRUCE I. SULLIVAN, CPA
DANIEL J. WARE, CPA
WILLIAM L. HALL, CPA

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
WV SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

$307,000
THE CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A

The City of Bluefield
Post Office Box 998
Bluefield, West Virginia 24701

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, West Virginia 25301

Ladies and Gentlemen:

We have reviewed the sewer rate ordinance of The City of Bluefield (the "Issuer"), enacted June 2, 1992, and the projected operating expenses and anticipated customer usage as furnished to us by the Issuer for the fiscal years ending June 30, 2000 and 2001. It is our opinion that such rates, together with other revenues of the sewerage system of the Issuer, are adequate (i) to provide for all operating expenses of the sewerage system of the Issuer (the "System"), and (ii) to leave a balance each year equal to at least 120% of the maximum amount required in any year for the payment of principal of and interest on the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992, Sewerage System Refunding Revenue Bonds, Series 1995, and Sewerage System Revenue Bonds, Series 1998 A (collectively, the "Prior Bonds"), and Sewerage System Revenue Bonds, Series 2000 A (the "Series 2000 A Bonds").

It is further our opinion that the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Series 2000 A Bonds were equal to at least 120% of the maximum annual debt service payable on the Prior Bonds then outstanding as well as the Series 2000A Bonds to be issued.

Finally, it is our opinion that all payments required to be deposited into all funds and accounts described in the Ordinance and the Prior Ordinance respectively authorizing the Series 2000A Bonds and the Prior Bonds are and will be met, and that the parity test requirements of the Prior Bonds are met.

Sullivan, Ware & Hall PLLC

Huntington, West Virginia
July 13, 2000

KE
JT

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Dwight Calhoun
Petersburg
William J. Harman
Grafton

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, P.E.
Executive Secretary

March 6, 2000

Mr. Terry Honaker
Bluefield Sanitary Board
P.O. Box 998
Bluefield, WV 24701

Re: Bluefield Sanitary Board
Sewer Interceptor Project 96S-240

Dear Mr. Honaker:

The West Virginia Infrastructure and Jobs Development Council (the "Council") at its March 1, 2000 meeting, reviewed the Bluefield Sanitary Board's (the "Board") resubmitted preliminary application to increase funding for its proposed project to replace the Brush Fork interceptor line.

Upon consideration of the Board's preliminary application, the Council recommends that the Board pursue an additional $307,000 Clean Water State Revolving Fund ("CWSRF") loan to finance the project. Please contact the Division of Environmental Protection ("DEP") at 558-0641 for specific information on the steps the Board needs to follow to apply for this loan. **Please note that this letter does not constitute funding approval from the DEP.**

If you have any questions regarding this matter, please contact Katy Mallory at the above-referenced telephone number.

Sincerely,

James D. Williams

JDW/rr
cc: Mike Johnson, P.E., D.E.P.
Dave Cole, Region 1

State of West Virginia
WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1571
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

July 13, 2000

CITY OF BLUEFIELD
SEWERAGE SYSTEM REVENUE BONDS, SERIES 2000 A
(WEST VIRGINIA CWSRF PROGRAM)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon the certificate of the certified public accountant of the Issuer, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Sewerage System Refunding Revenue Bonds, Series 1995, dated August 29, 1995, in the original principal amount of $7,945,000 and the Sewerage System Revenue Bonds, Series 1998 A, dated May 20, 1999, in the original principal amount of $1,116,645 (collectively, the "Prior Bonds"), both issued by The City of Bluefield (the "Issuer"), hereby consents to the issuance of the Sewerage System Revenue Bonds, Series 2000 A (the "Bonds"), in the original principal amount of $307,000, by the Issuer under the terms of the Ordinance authorizing the Bonds, on a parity, with respect to lien, pledge and source of and security for payment, with the Prior Bonds.

Daniel B. Yankoski
Authorized Representative

STANDARD FORM

JULIUS BLUMBERG, INC. NYC, 10013

UNIFORM COMMERCIAL CODE – FINANCING STATEMENT – FORM UCC-1

INSTRUCTIONS:

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party. Indicate the number of additional sheets attached.
4. If collateral is crops or goods which are or are to become fixtures, describe generally the real estate and give name of record owner.
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
6. At the time of original filing, filing officer should return third copy as an acknowledgement. At a later time, secured party may date and sign Termination Legend and use third copy as a Termination Statement.

This **FINANCING STATEMENT** is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any): 3/01/2021

1. Debtor(s) (Last Name First) and address(es)

City of Bluefield
P.O. Box 998
Bluefield, WV 24701

2. Secured Party(ies) and address(es)

West Virginia Water
Development Authority
180 Association Drive
Charleston, WV 25311

For Filing Officer (Date, Time, Number, and Filing Office)

4. This financing statement covers the following types (or items) of property:

See Schedule 1 attached hereto and made a part hereof.

5. Assignee(s) of Secured Party and Address(es)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check ☒ if so)

☐ already subject to a security interest in another jurisdiction when it was brought into this state.

☐ which is proceeds of the original collateral described above in which a security interest was perfected:

Filed with: Secretary of State

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered. No. of additional Sheets presented:

City of Bluefield

By: Paul Cole, Jr.
Signature(s) of Debtor(s)

Mayor
Title

West Virginia Water Development Authority

By: [illegible]
Signature(s) of Secured Party(ies)

Director
Title

(1) Filing Officer Copy-Alphabetical

STANDARD FORM - FORM UCC-1.

(For Use In Most States)

SCHEDULE I
TO FINANCING STATEMENT

All Net Revenues from the System; the System; all funds in the Revenue Fund

STANDARD FORM

JULIUS BLUMBERG, INC. NYC, 10013

UNIFORM COMMERCIAL CODE – FINANCING STATEMENT – FORM UCC-1

INSTRUCTIONS:

1. PLEASE TYPE this form. Fold only along perforation for mailing.
2. Remove Secured Party and Debtor copies and send other 3 copies with interleaved carbon paper to the filing officer. Enclose filing fee.
3. If the space provided for any item(s) on the form is inadequate the item(s) should be continued on additional sheets, preferably 5" x 8" or 8" x 10". Only one copy of such additional sheets need be presented to the filing officer with a set of three copies of the financing statement. Long schedules of collateral, indentures, etc., may be on any size paper that is convenient for the secured party. Indicate the number of additional sheets attached.
4. If collateral is crops or goods which are or are to become fixtures, describe generally the real estate and give name of record owner.
5. When a copy of the security agreement is used as a financing statement, it is requested that it be accompanied by a completed but unsigned set of these forms, without extra fee.
6. At the time of original filing, filing officer should return third copy as an acknowledgement. At a later time, secured party may date and sign Termination Legend and use third copy as a Termination Statement.

This **FINANCING STATEMENT** is presented to a filing officer for filing pursuant to the Uniform Commercial Code:

3. Maturity date (if any) 3/01/2021

1. Debtor(s) (Last Name First) and address(es)	2. Secured Party(ies) and address(es)	For Filing Officer (Date, Time, Number, and Filing Office)
City of Bluefield P.O. Box 998 Bluefield, WV 24701	West Virginia Water Development Authority 180 Association Drive Charleston, WV 25311	

4. This financing statement covers the following types (or items) of property:

See Schedule 1 attached hereto and made a part hereto.

5. Assignee(s) of Secured Party and Address(es)

This statement is filed without the debtor's signature to perfect a security interest in collateral. (check ☒ if so)

☐ already subject to a security interest in another jurisdiction when it was brought into this state.

☐ which is proceeds of the original collateral described above in which a security interest was perfected:

Filed with: Mercer County Clerk

Check ☒ if covered: ☒ Proceeds of Collateral are also covered. ☒ Products of Collateral are also covered. No. of additional Sheets presented:

City of Bluefield		West Virginia Water Development Authority	
By: Paul Cole, Jr.	Mayor	By: Jaime B. Yankosky	Director
Signature(s) of Debtor(s)	Title	Signature(s) of Secured Party(ies)	Title

(1) Filing Officer Copy-Alphabetical **STANDARD FORM - FORM UCC-1.** (For Use In Most States)

[illegible] principal, provided, that "Operating Expenses

does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such

SCHEDULE I
TO FINANCING STATEMENT

All Net Revenues from the System; the System; all funds in the Revenue Fund, the Renewal and Replacement Fund, the Bond Construction Trust Fund, the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account; and all funds therein deposited from time to time; and all proceeds of the foregoing.

For the purposes of this financing statement, these terms are defined as follows:

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 4.01 of the Bond Ordinance described below.

"Net Revenues" means the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the costs, the SRF Administrative Fee, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such

miscellaneous deductions as are applicable to prior accounting periods.

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established and continued by the Prior Ordinances.

"Revenue Fund" means the Revenue Fund established and continued by the Prior Ordinances.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund established by Section 4.02 of the Bond Ordinance described below.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account established in the Series 2000 A Bonds Sinking Fund pursuant to Section 4.02 of the Bond Ordinance described below.

"System" means the existing sewerage system facilities as expanded by the Project, and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with said sewerage system; and shall include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the System after completion of the Project.

Other defined terms used in this Schedule I and not defined herein shall have the meanings ascribed to them in the Bond Ordinance authorizing The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A, a copy of which is on file and may be inspected at the office of the Secured Party indicated above.

DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

CECIL H. UNDERWOOD
GOVERNOR

MICHAEL P. MIANO
DIRECTOR

July 30, 1998

R. Terry Honaker, Executive Director
City of Bluefield, Sanitary Board
P. O. Box 998
Bluefield, WV 24701

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit No. WV0023141
Modification No. 1

Dear Mr. Honaker:

This correspondence shall serve as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0023141, issued the 3rd day of April 1995.

After review and consideration of the information submitted on, and with, Permit Modification Application No. WV0023141-A, dated the 27th day of April 1998, relative to the activities being permitted herein, the plans and specifications, additional information, dated the 26th day of May 1998, and other relevant information, the subject Permit is hereby modified to incorporate, and effectuate, the following data and changes, respectively.

1. To acquire, construct, install, operate and maintain a wastewater collection system extension to be comprised of approximately 1,900 linear feet of 10 inch diameter gravity sewer line, 12 manholes, one(1) lift station, 1,100 linear feet of six(6) inch diameter force main, 12,000 linear feet of eight(8) inch diameter force main, five(5) air/vacuum relief valves, renovation of one(1) existing lift station, emergency power systems at these lift stations, and all requisite appurtenances.

2. The wastewater collection system extension project shall be constructed, in accordance with the plans and specifications, approvable the 26th day of May 1998, prepared by Thompson & Litton of West Virginia, Inc.; Law and Commerce Building; Rooms 221 & 222; Bluefield, WV 24701, and entitled "Sanitary Board of Bluefield; Bluefield, West Virginia; Brush Fork Sewerage System Improvements; Contract I; Contract II; Contract III; Contract IV; SRF Project No. C-544223."

3. To acquire, operate and maintain a wastewater collection system comprised of approximately 5,600 linear feet of six(6) inch diameter gravity sewer line, 32,500 linear feet of eight(8) inch diameter gravity sewer line, 5, 600 linear feet of 10 inch diameter gravity sewer line, 355 manholes, two(2) lift stations, 1,000 linear feet of four(4) inch diameter force main, 2,700 linear feet of six(6) inch diameter force main, and all requisite appurtenances.

4. These facilities are to serve a population equivalent of approximately 3,600 persons in the Brush Fork area, formerly within the Bluewell Public Service District's service area, and convey wastewater to the City's Westside wastewater treatment plant, which is located in the Commonwealth of Virginia. The additional wastewater flow to be generated is anticipated to be approximately 219,000 gallons per day.

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit shall remain in effect and unchanged.

Sincerely,

OFFICE OF WATER RESOURCES

Barbara S. Taylor

Barbara S. Taylor
Chief

BST/jdm

DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

GASTON CAPERTON
GOVERNOR

DAVID C. CALLAGHAN
DIRECTOR

April 3, 1995

R. Terry Honaker
City of Bluefield
Sanitary Board
P. O. Box 1870
Bluefield, WV 24701

CERTIFIED RETURN RECEIPT REQUESTED

Dear Mr. Honaker:

Enclosed find WV/NPDES Water Pollution Control Permit No. WV0023141, dated the 3rd day of April 1995, for the City of Bluefield, West Virginia.

This Permit prescribes effluent discharge limitations for whole effluent toxicity testing and certain toxic pollutant parameters, which were not previously imposed. These requirements are resultant to the State of West Virginia Toxic Pollutant Control Permitting Strategy, dated October 1990, with revisions to Section IV.A. Should you wish to discuss matters relative to these requirements, please contact this Office to arrange a meeting.

All facilities permitted to discharge pollutants to the waters of the State, under Chapter 22, Article 11 of the West Virginia Code, are required to test their effluent in order to verify permit compliance. This testing is the responsibility of the permittee and these test results are to be submitted to the office on the Discharge Monitoring Reports (DMRs) which are attached to the back of this permit. A DMR is to be completed and received by this office each month no later than 20 days following the end of the reporting period. The address to which DMRs are to be sent is noted in Section E.2, Attention: Municipal Branch. It is suggested that several copies of the enclosed DMR forms be made for your future use, as this office does not supply permittees with DMR forms.

Please note the attachment to this permit which describes the annual permit fee requirement.

Please also note Section G.7 on page 12 prohibiting the acceptance of new nondomestic wastewater discharges without prior Office approval.

If you have any questions, please contact John Morgan of this office at (304) 558-4086 or TDD No. (304) 558-2751.

Very truly yours,

OFFICE OF WATER RESOURCES

PG Sangani

Pravin G. Sangani, P. E.
Municipal Branch Leader

PGS:mll

Enclosure

1A-82
Revised 4/95

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0023141

Issue Date: April 3, 1995

Subject: Sewage Facilities

Effective Date: May 3, 1995

Expiration Date: April 2, 2000

Supersedes: WV/NPDES Permit No. WV0023141; Issue Date March 30, 1990

Location:	Bluefield (City)	Mercer (County)	Kanawha (Drainage Basin)

Outlet Latitude: 37°17'17"N
Outlets: Longitude: 81°09'41"W

To whom it may concern:

This is to certify that City of Bluefield
Sanitary Board
P. O. Box 1870
Bluefield, WV 24701

is hereby granted a NPDES Water Pollution Control Permit to operate and maintain two(2) existing wastewater collection systems and an existing 1.2 MGD activated sludge wastewater treatment plant which are further described as follows.

A wastewater collection system comprised of approximately 132,000 linear feet of six(6) inch diameter gravity sewer line, 79,200 linear feet of eight(8) inch diameter gravity sewer line, 52,800 linear feet of 12 inch diameter gravity sewer line, 10,600 linear feet of 24 inch diameter gravity sewer line, 550 manholes, 1,500 cleanouts, five(5) lift stations, three(3) simplex grinder pump stations, seven(7) duplex grinder pump stations, 500 linear feet of one and one half($1\frac{1}{2}$) inch diameter force main, 29,500 linear feet of four(4) inch diameter force main, 3,200 linear feet of eight(8) inch diameter force main, and all requisite appurtenances.

These facilities provide wastewater collection service to the City of Bluefield and Bluefield. Approximately eighty percent of the flow is directed to the Board's Westside wastewater treatment plant which is located in the Commonwealth of Virginia. Approximately twenty percent of the flow is directed to the Board's Ada wastewater treatment plant which is being permitted herein.

(Continued on Page 2)

A wastewater treatment plant, identified as the Ada plant, comprised of a mechanical screen, a bar screen, a comminutor, grit removal facilities, two(2) primary clarifiers with a volume of 86,900 gallons and a surface area of 970 square feet each, four(4) aeration chambers with a volume of 76,400 gallons each, two(2) secondary clarifiers with a volume of 52,900 gallons and a surface area of 590 square feet each, ultraviolet disinfection facilities, a post aeration chamber with a volume of 8,300 gallons, a gravity sludge thickener with a volume of 21,900 gallons, sludge conditioning equipment, two(2) sludge dewatering vacuum filters, a sludge holding tank with a volume of 24,700, an emergency spill facility consisting of two(2) holding tanks with a volume of 52,900 gallons each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 12,000 persons in the City of Bluefield, and environs, within the Ada facilities service area, and discharge treated wastewater to the East River, approximately 18.6 miles from its mouth, of the New River of the Kanawha River.

This permit is subject to the following terms and conditions:

The information submitted on and with Permit Application No. WV0023141, dated the 19th day of September 1994, is all hereby made terms and conditions of this Permit with like effect as if all such Permit application information was set forth herein, and with other conditions set forth in Sections A, B, C, D, E, F, and G.

The validity of this Permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

A. DIS... E LIMITATIONS AND MONITORING REQUIRE N

During the period beginning May 3, 1995 and lasting through midnight, April 2, 2000 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the sewage treatment plant.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow			1.2 MGD		Continuous	Measured
Biochemical Oxygen Demand, (5 Day)	300.2	600.5	30.0 mg/l	60.0 mg/l	Once/Week	8 Hr. Compos
Total Suspended Solids	300.2	600.5	30.0 mg/l	60.0 mg/l	Once/Week	8 Hr. Compos
Total Kjeldahl Nitrogen	180.1	360.3	18.0 mg/l	36.0 mg/l	Once/Week	8 Hr. Compos
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	Once/Week	Grab
Dissolved Oxygen	Not less than 5.0 mg/l at any given time				Once/Week	Grab
Cadmium, Total Recoverable*			0.001 mg/l	0.002 mg/l	Once/Month	8 Hr. Compos
Chromium, Hexavalent			0.009 mg/l	0.013 mg/l	Once/Month	8 Hr. Compos
Copper, Total Recoverable*			0.022 mg/l	0.032 mg/l	Once/Month	8 Hr. Compos
Lead, Total Recoverable*			0.007 mg/l	0.010 mg/l	Once/Month	8 Hr. Compos
Nickel, Total Recoverable*			0.061 mg/l	0.091 mg/l	Once/Month	8 Hr. Compos

*Refer to Section G.14 on page 19 of 21

(Continued on Page 4 of 21)

(Continued from page 3 of 21)

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning May 3, 1995 and lasting through midnight, April 2, 2000 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the sewage treatment plant.

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Max. Daily	Other Units (Specify) Avg. Monthly	Max. Daily	Monitoring Requirements Measurement Frequency	Sample Type
Zinc, Total Recoverable*			0.057 mg/l	0.086 mg/l	Once/Month	8 Hr. Compo
Mercury, Total			0.0002 mg/l	0.0004 mg/l	Once/Month	8 Hr. Compo
Silver, Total Recoverable*			0.015 mg/l	0.022 mg/l	Once/Month	8 Hr. Compo

*Refer to Section G.14 on page 19 of 21

The pH shall not be less than 6.0 standard units and not greater than 9.0 standard units and shall be monitored daily by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at or as near as possible to the point discharge. Effluent BOD$_5$ samples shall be properly reseeded, in accordance with the approved procedures, prior to analysis.

This discharge shall not cause violation of Title 46, Series 1, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 22, Article 11.

A. DI[illegible]RGE LIMITATIONS AND MONITORING REQUIF[illegible]ME[illegible]

During the period beginning May 3, 1995 and lasting through midnight, April 2, 1996 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from sewage treatment plant

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Max. Daily	Other Units (Specify) Avg. Monthly	Max. Daily	Monitoring Requirements Measurement Frequency	Sample Type
Acute Toxicity, *Pimephales Promelas*, 48 Hour Static				1.0 TU$_A$	1/Quarter	8 Hour Composite
Acute Toxicity, *Daphnia Magna* or *Pulex*, 48 Hour Static				1.0 TU$_A$	1/Quarter	8 Hour Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent acute toxicity samples shall be collected at or as near as possibl to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 22, Article 11.

A. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning April 3, 1996 and lasting through midnight, April 2, 2000 the permittee is authorized to discharge from outlet number(s) 001 - Discharge from sewage treatment plant

Such discharges shall be limited and monitored by the permittee as specified below:

	Discharge Limitations				Monitoring Requirements	
Effluent	(Quantity) lbs/day		Other Units (Specify)		Measurement	Sample
Characteristic	Avg. Monthly	Max. Daily	Avg. Monthly	Max. Daily	Frequency	Type
Chronic Toxicity, *Pimephales Promelas*, 7 Day Larval Growth and Survival				2.1 TU_c	Semiannual	8 Hour Composite
Chronic Toxicity, *Ceriodaphnia*, Survival and Reproduction				2.1 TU_c	Semiannual	8 Hour Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent chronic toxicity samples shall be collected at or as near as possi to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3 of the West Virginia Legislative Rules issued pursuant to Chapter 22, Article 11.

B. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the provisions for waste treatment and the discharge limitations specified in this permit in accordance with the following schedule:

   Effective date of permit.

2. Reports of compliance or noncompliance with, and progress reports on the interim and final requirements contained in the above compliance schedule, shall be submitted no later than 14 days following each schedule date.

C. MANAGEMENT CONDITIONS

1. Duty to Comply

(a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.

(b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

2. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit conditions.

5. Property Rights

This permit does not convey any property rights of any sort or any exclusive privilege.

6. Signatory Requirements

All applications, reports, or information submitted to the Chief shall be signed and certified as required in Title 47, Series 10, Section 4.6 of the West Virginia Legislative Rules.

7. Transfers

This permit is not transferable to any person, except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

8. Duty to Provide Information

The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.

9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.

10. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;
b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;
c) Inspect at reasonable times any facilities, equipment(including monitoring and control equipment), practices, or operations regulated or required under this permit; and
d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any locations.

11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-5A-12 of the Code of West Virginia.

12. Water Quality

The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the State Environmental Quality Board.

13. Outlet Markers

A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

14. Liabilities

a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed $10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than 1 year, or both.
b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.
d) Nothing in (a),(b),(c) and (e) shall be construed to limit or prohibit any other authority the Chief may have under the State Water Pollution Control Act, Chapter 22, Article 11.

D. OPERATION AND MAINTENANCE

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Regulations authorized under Chapter 16, Article 1, Public Health Laws, Code of West Virginia, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass

a) Definitions

(1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and

(2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of D.3.c) and D.3.d) of this permit.

c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;

(2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in F.2.a) of this permit.

d) Prohibition of bypass

(1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for bypass, unless:

(A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

(B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and

(C) The permittee submitted notices as required under D.3.c) of this permit.

(2) The Chief may approve an anticipated bypass, after considering its adverse effects, if the Chief determines that it will meet the three conditions listed in D.3.d)(1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology based permit effluent limitations if the requirements of D.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An upset occurred and that the permittee can identify the cause(s) of the upset;

(2) The permitted facility was at the time being properly operated;

(3) The permittee submitted notice of the upset as required in F.2.b) of this permit.

(4) The permittee complied with any remedial measures required under C.1. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the state, shall be disposed of only in a manner and at a site subject to the approval by the Chief. If such substances are intended for disposal outside the state of origin, e.g., as material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal, if so, as appropriate.

.. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

a) Permittee shall submit each month, according to the enclosed format, a Discharge Monitoring Report(DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s).

b) The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief	Regional Administrator
Office of Water Resources	U. S. Environmental Protection Agency
1201 Greenbrier Street	Region III
Charleston, WV 25311-1088	841 Chestnut Building
Attention: Municipal Branch	Philadelphia, PA 19107

c) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.

d) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E"(i.e., number exceeding).

e) Specify frequency of analysis for each parameter as no. analyses/specified period (e.g., 3/month" is equivalent to 3 analyses performed every calendar month.) if continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

a) The date, exact place, and time of sampling or measurement;
b) The date(s) analyses were performed;
c) The individual(s) who performed the sampling or measurement;
d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
e) The analytical techniques or methods used, and
f) The results of such analyses.

Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in E.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated.
Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three(3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. Definitions

a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.

b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.

c) "Maximum daily discharge limitation" means the highest allowable daily discharge.

d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval(for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.

e) "Grab Sample" is an individual sample collected in less than 15 minutes.

f) "Grab" Immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.

g) The "Daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.

h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two(2) consecutive hours during a 24-hour day, or during the operating day if flows are of shorter duration.

i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.

j) "Measured flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.

k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.

l) "Noncontact cooling water" means the water that is contained in a leak-free system, i.e. no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

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STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0023141

Subject: Sewage Facilities

Issue Date: April 3, 1995

Effective Date: May 3, 1995

Expiration Date: April 2, 2000

Supersedes: WV/NPDES Permit No. WV0023141; Issue Date March 30, 1990

Location:	Bluefield (City)	Mercer (County)	Kanawha (Drainage Basin)

clet Latitude: 37°17'17"N
Sites: Longitude: 81°09'41"W

To whom it may concern:

This is to certify that City of Bluefield
Sanitary Board
P. O. Box 1870
Bluefield, WV 24701

is hereby granted a NPDES Water Pollution Control Permit to operate and maintain two(2) existing wastewater collection systems and an existing 1.2 MGD activated sludge wastewater treatment plant which are further described as follows.

A wastewater collection system comprised of approximately 132,000 linear feet of six(6) inch diameter gravity sewer line, 79,200 linear feet of eight(8) inch diameter gravity sewer line, 52,800 linear feet of 12 inch diameter gravity sewer line, 10,600 linear feet of 24 inch diameter gravity sewer line, 550 manholes, 1,500 cleanouts, five(5) lift stations, three(3) simplex grinder pump stations, seven(7) duplex grinder pump stations, 500 linear feet of one and one half(1½) inch diameter force main, 29,500 linear feet of four(4) inch diameter force main, 3,200 linear feet of eight(8) inch diameter force main, and all requisite appurtenances.

These facilities provide wastewater collection service to the City of Bluefield and 'irons. Approximately eighty percent of the flow is directed to the Board's Westside 'stewater treatment plant which is located in the Commonwealth of Virginia. 'pproximately twenty percent of the flow is directed to the Board's Ada wastewater 'reatment plant which is being permitted herein.

(Continued on Page 2)

astewater treatment plant, identified as the Ada plant, comprised of a mechanical r screen, a bar screen, a comminutor, grit removal facilities, two(2) primary clarifiers with a volume of 86,900 gallons and a surface area of 970 square feet each, our(4) aeration chambers with a volume of 76,400 gallons each, two(2) secondary clarifiers with a volume of 52,900 gallons and a surface area of 590 square feet each, ultraviolet disinfection facilities, a post aeration chamber with a volume of 8,300 gallons, a gravity sludge thickener with a volume of 21,900 gallons, sludge conditioning equipment, two(2) sludge dewatering vacuum filters, a sludge holding tank with a volume of 24,700, an emergency spill facility consisting of two(2) holding tanks with a volume of 52,900 gallons each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 12,000 persons in the City of Bluefield, and environs, within the Ada facilities service area, and discharge treated wastewater to the East River, approximately 18.6 miles from its mouth, of the New River of the Kanawha River.

This permit is subject to the following terms and conditions:

The information submitted on and with Permit Application No. WV0023141, dated the 19th day of September 1994, is all hereby made terms and conditions of this Permit with like effect as if all such Permit application information was set forth herein, and with er conditions set forth in Sections A, B, C, D, E, F, and G.

he validity of this Permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

. SCHEDULE OF COMPLIANCE

1. The permittee shall achieve compliance with the provisions for waste treatment and the discharge limitations specified in this permit in accordance with the following schedule:

   Effective date of permit.

2. Reports of compliance or noncompliance with, and progress reports on the interim and final requirements contained in the above compliance schedule, shall be submitted no later than 14 days following each schedule date.

OTHER REQUIREMENTS (Continued)

11. The permittee shall submit an application to incorporate the State statutory requirements relative to their sludge management program on or before July 3, 1995. Whereupon, the review is concluded and approval is granted by the Chief, the permittee shall have fulfilled the requirements of Section D.5, Removed Substances, on page 9 of 21 of this Permit, with respect to the sludge generated by the wastewater treatment facilities permitted herein. Said approval shall be afforded in accordance with the provisions of Title 47, Series 38D of the West Virginia Legislative Rules, accordingly.

12. The permittee shall perform whole effluent toxicity testing in accordance with the following.

    a) The whole effluent toxicity testing prescribed herein shall begin with the performance of quarterly (4/year) 48 hour static acute toxicity tests for a period of one(1) year. Thereafter, the permittee shall perform semiannual (2/year) chronic toxicity testing.

    b) The acute toxicity testing required herein shall be conducted in accordance with the procedures set out in the latest revision of Environmental Protection Agency Publication No. 600/4-90-027F, "Methods for Measuring the Acute Toxicity of Effluents to Freshwater and Marine Organisms."

        (1) The 48 hour static acute toxicity testing shall be performed on a quarterly (4/year) basis during the period beginning on the effective date of the Permit and ending on one(1) year from the issuance date of the the Permit.

        (2) An eight(8) hour composite sample of the effluent shall be utilized for testing.

        (3) The tests shall be conducted using <u>Pimephales promelas</u>, fathead minnow, and <u>Daphnia magna</u> or <u>Daphnia pulex</u> as the test species.

        (4) Test results shall be reported on the attached Discharge Monitoring Reports and copies of all test results provided as an attachment thereto.

        (5) The acute toxicity units, TU_A, required to be reported are calculated by dividing 100 by the LC_{50}.

    c) The chronic toxicity testing required herein shall be conducted in accordance with the procedures set out in the latest revision of Environmental Protection Agency Publication No. 600/4-89-001, "Short-Term Methods for Estimating the Chronic Toxicity of Effluents and Receiving Waters to Freshwater Organisms."

        (1) The chronic toxicity testing shall be performed on a seminannual (2/year) basis during the period beginning one(1) year from the issuance date of the Permit and ending on the expiration date of the Permit.

7. OTHER REQUIREMENTS (Continued)

12.c)(2) The tests shall be a seven(7) day Pimephales promelas, fathead minnow, larval survival and growth test and a three(3) brood Ceriodaphnia survival and reproduction test.

(3) Sampling

(A) Three(3) eight(8) hour composite samples of the effluent shall be utilized for testing.

(B) Samples shall be preserved at four(4) degrees Celsius during collection and transportation.

(C) The total lapsed time between sample collection and the initial use of the sample should not exceed 24 hours, and in no case shall the holding time exceed 36 hours.

(D) The sample collection and test renewal schedule shall be as presented below:

Day	Task
0	Collect the first composite sample.
1	Start the test with the first composite sample.
2	Collect the second composite sample. Renew with the first composite sample.
3	Renew with the second composite sample.
4	Collect the third composite sample. Renew with the second composite sample.
5	Renew with the third composite sample.
6	Renew with the third composite sample.

(4) Dilution water

(A) Dilution water shall be either reconstituted deionized water or diluted mineral water prepared in accordance with the procedures outlined in the Environmental Protection Agency manual. Prepared dilution water shall have a hardness of 80 to 100 milligrams per liter as $CaCO_3$.

(B) If receiving stream water is utilized as dilution water, then an additional control shall be ran, utilizing the receiving stream water, in order to determine any chronic effects which could be caused by the receiving stream water. It shall be necessary to filter the receiving stream water through a 60 micron filter prior to using it for any test procedures.

OTHER REQUIREMENTS (Continued)

12.c)(5) A summary of the chronic whole effluent toxicity test conditions and test acceptability criteria are presented as follows.

(A) Renewal of test solutions	Daily, as described in Section 12.c)(3)(D). Renewals must be performed at the same time of day as the test initiation. A tolerance of plus or minus two(2) hours within the test initiation time is acceptable.
(B) Effluent concentrations	Five(5) concentrations plus a control. A sodium thiosulfate control must be included if the sample is dechlorinated prior to testing.
(C) Dilution factor	0.5
(D) Replication	Pimephales promelas, fathead minnow: Minimum of four(4) replicates of 10 fish, total of 40, per concentration. Ceriodaphnia: Minimum of 10 replicates of one(1) organism, total of 10, per concentration.
(E) Test duration	Pimephales promelas, fathead minnow: Seven(7) days. Ceriodaphnia: When 60 percent of the controls have produced their third brood, not to exceed seven(7) days.
(F) Ambient Conditions	Temperature: 24 to 26 degrees Celsius. Photoperiod: 16 hours light. Eight(8) hours dark.
(G) Feeding	Pimephales promelas, fathead minnow: Feed 0.15 milliliters of newly hatched brine shrimp that are less than 24 hours old, twice a day at six(6) hour intervals, at the beginning of the work day prior to renewal and at the end of the work day following renewal. Fry are not to be fed during the final 12 hours of the test.

3. OTHER REQUIREMENTS (Continued)

12.c)(5)(G) Feeding

Ceriodaphnia: Feed 0.1 milliliters of prepared YCT and 0.1 milliliters of Selenastrum capricornutum concentrate daily, after renewal.

(H) Test acceptability

Both species: 80 percent survival in the controls.

Pimephales promelas, fathead minnow: Average dry weight of the surviving control animals shall be greater than or equal to 0.25 milligrams.

Ceriodaphnia: Average brood size per surviving animal is greater than or equal to 15. At least 60 percent of the control organisms have produced their third brood by day seven(7).

(6) Test results shall be reported on the attached Discharge Monitoring Reports and copies of all test results provided as an attachment thereto.

(A) The following is an enumeration of the minimum data requirements to be provided in the test results report.

(1) A description of the sample collection procedures and of the sample location.

(2) General test methodology to include dilution water source, origin of the test organisms, temperature and lighting, size and volume of the test chamber, daily renewal procedures, feeding, drying time and temperature for the Pimephales promelas, fathead minnow, test, and QA/QC data for the results of the reference toxicant tests including a control chart for no observed effect concentration for each species.

(3) Specific test information

(A) The exact age of the test organisms at the initiation of the test. Values of less than or equal to 24 hours are acceptable for Pimephales promelas, fathead minnow. The age of the Ceriodaphnia must be reported as a range in hours. Values reported as less than 24 hours and from an eight(8) hour window are not acceptable.

(B) Data relative to any dechlorination procedures.

G. OTHER REQUIREMENTS (Continued)

12.c)(6)(A)(3)(C) Raw data showing the weights of each Pimephales promelas, fathead minnow, replicate and the daily Ceriodaphnia brood production.

(4) Copies of all chemical and physical data generated. Legible bench sheets are acceptable. Dates and times of data collection and initials of analyst(s) must be provided. In addition to the individual temperature measurements, the temperature must be summarized as a range and a mean temperature.

(5) Comparison of the control to test acceptability criteria presented in Section 12.c)(5)(H).

(6) Data analysis shall indicate the formulae and/or programs used to analyze the data. Reported values shall include the 48 hour LC_{50}, the no observed effect concentration, the lowest observed effect concentration, chronic value and chronic toxicity units.

(B) The chronic toxicity units, TU_c, required to be reported are calculated by dividing 100 by the no observed effect concentration. The permittee shall utilize the no observed effect concentration data results for growth, for the Pimephales promelas, fathead minnow, and for reproduction, for the Ceriodaphnia, when calculating the chronic toxicity units to be reported.

d) If whole effluent toxicity testing shows noncompliance with the specified limitations prescribed in Section A, the permittee shall immediately resample and test the effluent. This shall be performed within 30 days of the initial demonstration of noncompliance with the whole effluent toxicity discharge limitations prescribed herein. Copies of the retesting results shall be provided to this Office immediately upon completion of the test.

e) If the second test shows compliance, whole effluent toxicity testing shall continue in accordance with the requirements as prescribed herein. However, if the second test shows noncompliance, this Office shall impose further requirements, as may be necessary, in order to obtain compliance with the whole effluent toxicity discharge limitations.

f) This Office shall impose further requirements should the whole effluent toxicity testing results demonstrate an irregular pattern of noncompliance.

OTHER REQUIREMENTS (Continued)

12.g) The permittee will be afforded an opportunity to request the following reductions in the chronic whole effluent toxicity testing program. However, consideration shall only be given to such requests after four(4) consecutive tests have demonstrated compliance with the whole effluent toxicity discharge limitations.

(1) Reduction in the monitoring frequency of the testing.

(2) Limiting the testing to the more sensitive test species, if such a sensitivity determination can be made.

13. The permittee may accept pretreated nondomestic wastewater from Smith Services Inc. at the Cumberland Industrial Park for treatment and disposal at the permittee's Ada wastewater treatment plant. Approval of this acceptance is subject to and contingent upon compliance with the following terms and conditions:

a) The subject nondomestic wastewater consists of water used to steam clean electrical and mechanical equipment.

b) The maximum daily volume of the subject wastewater accepted shall not exceed 800 gallons. The volume discharged shall be estimated and recorded daily. Estimates may be made using daily readings of the potable water service meter and subtracting an estimate of the volume used for domestic purposes.

c) The following limitations and self-monitoring requirements apply to the nondomestic discharge:

Parameter	Maximum Daily Limitation	Units	Monitoring Frequency	Sample Type
Oil and Grease	20	mg/l	Once/Month	Grab[1]
Total Suspended Solids (TSS)	240	mg/l	Once/Month	Grab[1]
pH	*		Once/Month	Grab[2]

* pH shall be maintained in the range ≥ 5.0 and ≤ 10.0 standard units at all times.

[1]Grab samples shall be obtained at a time approximately midway through the daily discharge period.

[2]A grab sample for pH shall be taken at a time approximately midway through the daily discharge period and analyzed immediately for pH.

OTHER REQUIREMENTS (Continued)

13.d) Samples shall be obtained at a point downstream from the pretreatment system and before the wastewater has mixed with domestic sewage or other wastewaters.

e) Sampling and analyses required herein shall be conducted in accordance with sample collection, preservation and analytical procedures specified in 40 CFR Part 136.

f) Monitoring reports on the subject discharge shall be submitted to the Chief as an attachment to the permittee's Discharge Monitoring Report and shall be due on the 20th day of the month following the reporting period. The reports shall include the results of all monitoring required by Section G.13.c) above and shall include the average volume and the maximum daily volume accepted during the month. If the permittee or Smith Services, Inc. monitors any parameter more frequently than required by Section G.13.c), using the procedures authorized by Section G.13.e), then the results of the additional monitoring must be submitted.

g) Records shall be maintained of the following:

(1) The date, exact place, method and time of sampling, sample preservation techniques used, and the name(s) of the person(s) taking the samples;

(2) The date(s) analyses were performed;

(3) The name(s) of the person(s) performing analyses;

(4) The analytical results.

h) Approval extends only to the acceptance of the wastestreams described in Section G.13.a) above. The acceptance of any other type of nondomestic wastewater is expressly prohibited.

i) The Chief reserves the right to disallow the continued acceptance of the subject nondomestic wastewater, or to require installation of additional pretreatment facilities, should the wastewater violate specified limitations, cause interference with Publicly Owned Treatment Works (POTW) operations, pass-through the POTW and result in effluent limitation violations or receiving stream degradation, or adversely impact POTW sludge disposal. Approval in no way relieves the permittee of the obligation to comply with all terms and conditions of this Permit, and shall not constitute an affirmative defense in any enforcement action brought against the permittee.

14. The analytical test procedures, set forth in 40 CFR Part 136, prescribes colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.

OTHER REQUIREMENTS (Continued)

15. The permittee shall perform the analyses of the effluent discharge limitations, as prescribed in Section A, for cadmium, hexavalent chromium, copper, lead, nickel, zinc, mercury, and silver, for a period of six(6) consecutive months. Thereupon, if compliance with the prescribed effluent discharge limitations for these parameters has been demonstrated, the permittee shall be afforded an opportunity to request a reduction in the measurement frequency for said parameters.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit; with the plans and specifications submitted with Permit Application No. **WV0023141**, dated the **19th** day of **September**, 1994; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the director of the Division of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. **WV0023141**, dated the **19th** day of **September**, 1994, and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Article 11, Chapter 22 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Article 11, Chapter 22 of the Code of West Virginia and is transferable under the terms of Section 11 of said article.

By: Maria A. Acosta
Chief

MAS/jdm

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Bluefield, City of; Sanitary Board
LOCATION OF FACILITY Bluefield, Mercer County
PERMIT NUMBER WV0023141 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORY ADDRESS _____
INDIVIDUAL PERFORMING ANALYSES _____

Parameter		Quantity					Other Units					Measurement	Samp
		Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Frequency	Typ
Flow, in Conduit or thru trmt. plant 50050	Reported	*****	*********	*******	***	**	*****		*******	MGD			
		*****	*********	*******	***	**	*****		*******				
	Permit Limitation	*****	*********	*******	***	**	N/A	1.2	N/A		**	Continuous	Meas
		*****	*********	*******	***	**					**		
BOD, 5 day (20 Deg. C) 00310	Reported	*****			lbs		*****			mg/l			
		*****			day		*****						
	Permit Limitation	N/A	300.2	600.5		**	N/A	30.0	60.0		**	Once/Week	8 Ho
						**					**		Compo
Solids, Total Suspended 00530	Reported	*****			lbs		*****			mg/l			
		*****			day		*****						
	Permit Limitation	N/A	300.2	600.5		**	N/A	30.0	60.0		**	Once/Week	8 Ho
						**					**		Compo
Nitrogen, Total Kjeldahl 00625	Reported	*****			lbs		*****			mg/l			
		*****			day		*****						
	Permit Limitation	N/A	180.1	360.3		**	N/A	18.0	36.0		**	Once/Week	8 Ho
						**					**		Compo
pH 00400	Reported	*****	*********	*******	***	**		*********		Std. Units			
		*****	*********	*******	***	**		*********					
	Permit Limitation	*****	*********	*******	***	**	6.0	N/A	9.0		**	Daily	Gra
		*****	*********	*******	***	**					**		
Coliform, Fecal General 74055	Reported	MF	- - - -	MPN	***	**	*****			Count per 100ml			
			- - - -		***	**	*****						
	Permit Limitation	Circle	Method	Used	***	**	N/A	200	400		**	Once/Week	Gra
					***	**					**		
Oxygen, Dissolved 00300	Reported	*****	*********	*******	***	**		*********	*******	mg/l			
		*****	*********	*******	***	**		*********	*******				
	Permit Limitation	*****	*********	*******	***	**	5.0	N/A	N/A		**	Once/Week	Gra
		*****	*********	*******	***	**					**		

Name of Principal Executive Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my directions or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Executive Officer or Authorized Agent

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MC RING REPORT

FACILITY NAME Bluefield, City of; Sanitary Board
LOCATION OF FACILITY Bluefield, Mercer County
PERMIT NUMBER WV0023141 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORY ADDRESS _____
INDIVIDUAL PERFORMING ANALYSES _____

Parameter		Quantity					Other Units					Measurement	Sam Ty
		Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Frequency	
Cadmium, Total Recoverable 01113	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.001	0.002		** **	Once/Month	8 Hc Compc
Chromium, Hexavalent 01032	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.009	0.013		** **	Once/Month	8 Hc Compc
Lead, Total Recoverable 01114	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.007	0.010		** **	Once/Month	8 Hc Compc
Mercury, Total 71900	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.0002	0.0004		** **	Once/Month	8 Hc Compc
Zinc, Total Recoverable 01094	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.057	0.086		** **	Once/Month	8 Hc Compc
Copper, Total Recoverable 01119	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.022	0.032		** **	Once/Month	8 Ho Compo
Nickel, Total Recoverable 01074	Reported	***** *****	********* *********	******* *******	*** ***	** **	***** *****			mg/l			
	Permit Limitation	N/A	N/A	N/A	*** ***	** **	N/A	0.061	0.091		** **	Once/Month	8 Hc Compo

Name of Principal Executive Officer

Title of Officer

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Date Completed

Signature of Principal Executive Officer or Authorized Agent

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE M ORING REPORT

FACILITY NAME Bluefield, City of; Sanitary Board
LOCATION OF FACILITY Bluefield, Mercer County
PERMIT NUMBER WV0023141 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME
COMMERCIAL LABORATORY ADDRESS
INDIVIDUAL PERFORMING ANALYSES

Parameter		Quantity					Other Units					Measurement	Sam
		Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Frequency	Ty
Silver, Total Recoverable 01079	Reported	*****	*********	*******	***	**	*****			mg/l			
		*****	*********	*******	***	**	*****						
	Permit Limitation	*****	*********	*******	***	**	N/A	0.015	0.022		**	Once/Month	8 H
		*****	*********	*******	***	**					**		Comp

Name of Principal Executive Officer

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STATE OF WEST VIRGINIA

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

DISCHARGE MONITORING REPORT

FACILITY NAME Bluefield, City of; Sanitary Board

LOCATION OF FACILITY Bluefield, Mercer County

PERMIT NUMBER WV0023141 OUTLET NO. 001

WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME _____

COMMERCIAL LABORATORY ADDRESS _____

INDIVIDUAL PERFORMING ANALYSES _____

Parameter		Quantity					Other Units					Measurement Frequency	Samp Typ
		Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Minimum	Avg.Monthly	Max.Daily	Units	N.E.		
Toxicity, Acute, Pimephales Promelas, 48 Hour Static, 61427, 2F	Reported	*****	*********	*******	***	**	*****	*********		TU$_A$			
		*****	*********	*******	***	**	*****	*********					
	Permit Limitation	*****	*********	*******	***	**	N/A	N/A	1.0		**	Once/ Quarter	8 Hc Compc
		*****	*********	*******	***	**					**		
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Toxicity, Acute, Daphnia Magna or Pulex, 48 Hour Static 61425, 2F	Reported	*****	*********	*******	***	**	*****	*********		TU$_A$			
		*****	*********	*******	***	**	*****	*********					
	Permit Limitation	*****	*********	*******	***	**	N/A	N/A	1.0		**	Once/ Quarter	8 Hc Compc
		*****	*********	*******	***	**					**		
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STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DIS ARGE ELIMINATION SYSTEM
DISCHARGE MO. ORING REPORT

FACILITY NAME Bluefield, City of; Sanitary Board
LOCATION OF FACILITY Bluefield, Mercer County
PERMIT NUMBER WV0023141 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME
COMMERCIAL LABORATORY ADDRESS
INDIVIDUAL PERFORMING ANALYSES

Parameter		Quantity					Other Units					Measurement	Sam
		Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Frequency	Typ
Toxicity, Chronic, Pimephales Promelas, 7 Day Larval Growth and Survival 61428, 2G	Reported	*****	*********	*******	***	**	*****	*********		TUc			
		*****	*********	*******	***	**	*****	*********					
	Permit Limitation	*****	*********	*******	***	**	N/A	N/A	2.1		**	Semiannual	8 Ho Compo
		*****	*********	*******	***	**					**		
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Toxicity, Chronic, Cerio-Daphnia Survival and Repro-duction, 61426, 2G	Reported	*****	*********	*******	***	**	*****	*********		TUc			
		*****	*********	*******	***	**	*****	*********					
	Permit Limitation	*****	*********	*******	***	**	N/A	N/A	2.1		**	Semiannual	8 H Compo
		*****	*********	*******	***	**					**		
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Signature of Principal Executive Officer or Authorized Agent

EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DIVISION OF NATURAL RESOURCES

RE TREMENTS:

West Virginia Legislative Rules Series 3, Section 2, State Water Resources Board, ective July 1, 1987.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Wate Resources' Emergency Notification Number, 1-800-642-3074. Such notification shall set fort insofar as possible and as soon thereafter as practical the time and place of such spill o discharge, type or types and quantity or quantities of the material or materials therein action or actions taken to stop such spill or discharge and to minimize the polluting effec thereof, the measure or measures taken or to be taken in order to prevent a recurrence of an such spill or discharge and such additional information as may be requested by Water Resources This also applies to spills to the waters of the State resulting from accidents to comm carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream to have available the following information pertaining to those substance that are employed or handled in its operation in sufficiently large amounts as to constitute hazard in case of an accidental spill or discharge into a public stream:

1) Potential toxicity in water to man, animals and aquatic life;
2) Details on analytical procedures for the quantitative estimation of such substances in in water; and
   Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 9, Article 5A, Chapter 20, Code of West Virginia shall be punishable under Section 19,Article 5A, Chapter 20, Code of Wes Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediatel take any and all measures necessary to contain such spill or discharge. It shall further b the responsibility of such person to take any and all measures necessary to clean-up, remov and otherwise render such spill or discharge harmless to the waters of the State.

When the Chief determines it necessary for the effective containment and abatement o spills and accidental discharges, the Chief may require the person or persons responsible f such spill or discharge to monitor affected waters in a manner prescribed by the Chief unt the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may no be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and oth interested person should make the report.

WHO TO CONTACT: Notify the following number: 1-800-642-3074.

I MATION NEEDED:
- Source of spill or discharge
- Location of incident
- Time of incident
- Material spilled or discharged
- Amount spilled or discharged
- Toxicity of material spilled or discharged
- Personnel at the scene
- Actions initiated
- Shipper/Manufacturer identification
- Railcar/Truck identification number
- Container type

GASTON CAPERTON
GOVERNOR

DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

DAVID C. CALLAGHAN
DIRECTOR

NOTICE TO PERMITTEES

The 1989 regular session of the West Virginia legislature revised the Water Pollution Control Act, Chapter 20, Article 5A of the West Virginia Code by adding Section 6a, now Chapter 22, Article 11, Section 10. This section of the Code requires all holders of a State water pollution control permit or a national pollutant discharge elimination system permit to be assessed an annual permit fee, based upon regulations promulgated by the Director of the Division of Natural Resources. The Director promulgated regulations to this effect and the current regulations have an effective date of July 1, 1993. The regulations establish an annual permit fee based upon the relative potential to degrade the waters of the State which, in most instances, relate to volume of discharge. However, for sewage facilities, the annual permit fee is based upon the number of customers served by the facility. You may contact the Secretary of State's Office, State Capitol Building, Charleston, West Virginia 25305, to obtain a copy of the regulations. The reference is Title 47, Legislative Rules of Department of Natural Resources, Series 26 Water Pollution Control Permit Fee Schedule.

Based upon the volume of discharge for which your facility is currently permitted or operating at, the number of customers served by your facility or for the category you fall within, pursuant to Section 7 of Title 47, Series 26, your annual permit fee is **$500**. This fee is due no later than the anniversary date of permit issuance in each year of the term of the permit or in the case of coverage under a general permit, the fee is due no later than the anniversary date of your coverage under the general permit. You will be invoiced by this agency at the appropriate time for the fee. Failure to submit the annual fee within one hundred and eighty(180) days of the due date will render your permit void.

MANAGEMENT CONDITIONS

1. Duty to Comply

(a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.

(b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

2. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit conditions.

5. Property Rights

This permit does not convey any property rights of any sort or any exclusive privilege.

6. Signatory Requirements

All applications, reports, or information submitted to the Chief shall be signed and certified as required in Title 47, Series 10, Section 4.6 of the West Virginia Legislative Rules.

7. Transfers

This permit is not transferable to any person, except after notice to the Chief. The Chief may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

8. Duty to Provide Information

The permittee shall furnish to the Chief, within a reasonable specified time, any information which the Chief may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Chief, upon request, copies of records required to be kept by this permit.

9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Chief, it shall promptly submit such facts or information.

10. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;

b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;

c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and

d) Samples or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any locations.

11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22 5A-12 of the Code of West Virginia.

12. Water Quality

The effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water quality standards adopted by the State Environmental Quality Board.

13. Outlet Markers

A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

14. Liabilities

a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed $10,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, or 308 of the Clean Water Act is subject to a fine of not less than $2,500 nor more than $25,000 per day of violation, or by imprisonment for not more than 1 year, or both.

b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.

c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.

d) Nothing in (a),(b) and (c) shall be construed to limit or prohibit any other authority the State may have under the State Water Pollution Control Act, Chapter 22, Article 11.

D. OPERATION AND MAINTENANCE

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of the permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Regulations authorized under Chapter 16, Article 1, Public Health Laws, Code of West Virginia, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Chief may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass

a) Definitions

(1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and

(2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provisions of D.3.c) and D.3.d) of this permit.

c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;

(2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in F.2.b) of this permit.

d) Prohibition of bypass

(1) Bypass is permitted only under the following conditions, and the Chief may take enforcement action against a permittee for bypass, unless;

(A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

(B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and

(C) The permittee submitted notices as required under D.3.c) of this permit.

(2) The Chief may approve an anticipated bypass, after considering its adverse effects, if the Chief determines that it will meet the three conditions listed in D.3.d)(1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology based permit effluent limitations if the requirements of D.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An upset occurred and that the permittee can identify the cause(s) of the upset;

(2) The permitted facility was at the time being properly operated;

(3) The permittee submitted notice of the upset as required in F.2.b) of this permit.

(4) The permittee complied with any remedial measures required under C.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Chief, any solids, sludges, filter backwash or other pollutants removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and a site subject to the approval by the Chief. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Chief in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

E. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

a) Permittee shall submit each month, according to the enclosed format, a Discharge Monitoring Report(DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s).

b) The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief	Regional Administrator
Office of Water Resources	U. S. Environmental Protection Agency
1201 Greenbrier Street	Region III
Charleston, WV 25311-1088	841 Chestnut Building
Attention: Municipal Branch	Philadelphia, PA 19107

c) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.

d) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E"(i.e., number exceeding).

e) Specify frequency of analysis for each parameter as no. analyses/specified period (e.g., 3/month" is equivalent to 3 analyses performed every calendar month.) if continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

a) The date, exact place, and time of sampling or measurement;
b) The date(s) analyses were performed;
c) The individual(s) who performed the sampling or measurement;
d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;
e) The analytical techniques or methods used, and
f) The results of such analyses.

Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in E.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated.
Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three(3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Chief at any time.

7. Definitions

a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.

b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.

c) "Maximum daily discharge limitation" means the highest allowable daily discharge.

d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval(for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.

e) "Grab Sample" is an individual sample collected in less than 15 minutes.

f) "Grab" Immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.

g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.

h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two(2) consecutive hours during a 24-hour day, or during the operating day if flows are of shorter duration.

i) The "daily average fecal coliform" bacteria is the geometric average of all samples collected during the month.

j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or for which a relationship to absolute volume has been obtained.

k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.

l) "Noncontact cooling water" means the water that is contained in a leak-free system, i.e. no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net roundage addition of any pollutant over intake water levels, exclusive of approved anti fouling agents.

OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee for any responsibilities, liabilities, or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11.

Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five(5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

b) The following shall also be reported immediately:
   (1) Any unanticipated bypass which exceeds any effluent limitation in the permit;
   (2) Any upset which exceeds any effluent limitation in the permit; and
   (3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Chief in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.

c) The Chief may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.

d) Compliance with the requirements of F.2. of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

a) Planned changes. The permittee shall give notice to the Chief of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:
   (1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Series 10, Title 47; or
   (2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. The notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under F.2. of this section.

b) Anticipated noncompliance. The permittee shall give advance notice to the Chief of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Chief in writing as soon as they know or have reason to believe:
   (1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, of any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels".
      (A) One hundred micrograms per liter (100 ug/l);
      (B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4 dinitro phenol; and for 2-methyl 4,6-dinitrophenol; and one milligram per liter (1 mg/l) for antimony;
      (C) Five(5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Series 10, Title 47;
      (D) The level established by the Chief in accordance with Section 6.3.u. of Series 10, Title 47;
   (2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels".
      (A) Five hundred micrograms per liter (500 ug/l);
      (B) One milligram per liter (1 mg/l) for antimony;
      (C) Ten(10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7. of Series 10, Title 47;
      (D) The level established by the Chief in accordance with Section 6.3.q. of Series 10, Title 47;
   (3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.
   (4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in F.2.a.

5. Additional Noncompliance Reporting Requirement

For any noncompliance reports required to be submitted in writing by this Office, a copy shall also be forwarded to the U. S. Environmental Protection Agency at the location specified in F.1.a.

I. OTHER REQUIREMENTS

1. The herein described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected 100 year flood level and operability be maintained during the 25 year flood level.

2. The entire sewage treatment facility shall be adequately protected by fencing.

3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by or supervised by a certified operator possessing at least a class IV certificate for Waste Water Treatment Works Operators, issued by the State of West Virginia.

4. An instantaneous flow from the sewage disposal system shall not exceed the peak design flow at any given time.

5. The arithmetic mean of values for effluent samples collected in a period of seven(7) consecutive days shall not exceed 45.0 mg/l for five(5) day Biochemical Oxygen Demand and Total Suspended Solids and 27.0 mg/l for Total Kjeldahl Nitrogen.

6. The arithmetic mean of the effluent values of the five(5) day Biochemical Oxygen Demand and Total Suspended Solids discharged during a period of 30 consecutive days shall not exceed 15 percent of the respective arithmetic mean of the influent values for these parameters during the same time period except as specifically authorized by the permitting authority.

7. The permittee shall not accept any new nondomestic discharges, to the Ada wastewater collection and treatment facilities, without first obtaining approval from the Chief of the Office of Water Resources as provided in Title 46, Series 2, Section 14, of the Legislative Rules.

8. If any existing nondomestic discharge, to the Ada wastewater collection and treatment facilities, causes, or is suspected of causing, interference or pass through, as defined by 40 CFR Part 403.3, or otherwise violates any provision of 40 CFR Part 403, the permittee shall notify the Chief of such violation or suspected violation.

9. If any existing nondomestic discharge, to the Ada wastewater collection and treatment facilities, is identified as being subject to a Categorical Pretreatment Standard under 40 CFR Chapter 1, Subchapter N, and the discharge is not regulated by this Permit, the permittee shall notify the Chief of such identification.

10. Any proposed or existing nondomestic discharge, on the portion of the wastewater collection system which is served by the Westside wastewater treatment plant, shall be regulated in accordance with the provisions of Permit No. VA0025054, issued by the Commonwealth of Virginia, and the terms and conditions, thereunder.

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July 13, 2000

The City of Bluefield
P. O. Box 988
Bluefield, WV 24701

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, WV 25301-1251

RE: $307,000 The City of Bluefield Sewerage System Revenue Bonds, Series 2000 A

Ladies and Gentlemen:

We have acted as counsel for Bank One, West Virginia, National Association, Charleston, West Virginia, in connection with such bank's serving as registrar (the "Registrar") under the Registrar's Agreement dated as of July 13, 2000, (the "Agreement"), between The City of Bluefield (the "Issuer") and the Registrar, relating to the issuance of the above-captioned bonds (the "Bonds").

In that connection, we have examined originals or copies, certified or otherwise identified to our satisfaction, of: (i) the Agreement, (ii) the Articles of Association and By-Laws of the Registrar, and (iii) such other documents and matters of law as we have deemed necessary in connection with the following opinions.

Based upon the foregoing, we are of the opinion that:

(i) the Registrar is a national banking association with trust powers, duly organized and validly existing under the laws of the United States of America and authorized to do business in the State of West Virginia;

(ii) the Registrar has duly authorized the execution and delivery of the Agreement, and the Agreement, assuming the due authorization, execution and delivery thereof by the other parties thereto, constitutes the valid, legal and binding obligation of the Registrar, enforceable in accordance with its terms;

(iii) the Registrar has all necessary trust powers required to carry out the obligations and the trust created under the Agreement;

(iv) the acceptance by the Registrar of the duties and obligations under the Agreement, and compliance with the provisions thereof will not conflict with or constitute a breach of or default under any law, administrative regulation, consent decree or any agreement or other instrument to which the Registrar is subject;

(v) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the performance by the Registrar of its duties and obligations under the Agreement have been obtained and are in full force and effect; and

(vi) no litigation is pending or, to the best of our knowledge, threatened, in any way contesting or affecting the existence or powers (including trust powers) of the Registrar or the Registrar's ability to fulfill its duties and obligations under the Agreement.

Very truly yours,

Vaughan Law Firm

VAUGHAN LAW FIRM