The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Date of Closing: December 4, 2002

JACKSON KELLY
ATTORNEYS AT LAW PLLC

THE CITY OF CHARLESTON (WEST VIRGINIA)
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SERIES 2002 A AND SERIES 2002 B

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State of West Virginia

Certificate

I, Joe Manchin, III, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF CHAPTER 16, ARTICLE 13, 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

November 19, 2002

By: _____ *Secretary of State*

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. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

ARTICLE 13.

SEWAGE WORKS AND STORMWATER WORKS.

Sec.
16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
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16-13-24. Article to be construed liberally.

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. 1956), 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. 1956), 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. 1956), 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).

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

(a) 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:

(1) 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 system pursuant to section one-b [§ 8-20-1b], article twenty, chapter eight of this code; and

(2) A stormwater collection system and control system, including all lines, pumping stations and all other facilities and appurtenances necessary or useful and convenient for the collection and control of stormwater, and an associated stormwater management program.

(b) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered 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.

(c) Any municipality may serve and supply the facilities of such sewerage system and a stormwater system and associated stormwater management program within the corporate limits of the municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, however, That the municipality may not serve or supply the facilities of such sewerage system or stormwater system within the corporate limits of any other municipality without the consent of the governing body thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

(d) No obligations shall be incurred by any municipality and/or sanitary district in construction or acquisition except such as is payable solely from the funds provided under the authority of this article.

(e) No municipal corporation or sanitary district may acquire, construct, establish, extend, repair or equip or thereafter repair, maintain and operate a combined waterworks, sewerage or stormwater system, which includes highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132; 1986, c. 118; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, added subsection designations, substituted "the" for "such" throughout; in (a)(1), deleted "waterworks and sewerage" preceding "system", deleted "shall have authority" from the end; added (a)(2); in (b), added "Any municipality... empowered", deleted "and any such" from the end; in (c), added "Any", inserted "and a stormwater system and associated stormwater management program", substituted "may not serve" for "shall not serve", inserted "or stormwater system", added the proviso; in (d), deleted "such" preceding "municipality" and "construction"; and added (e).

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.

(a) The construction, acquisition, improvement, equipment, custody, operation and maintenance of any works for the collection, treatment or disposal of sewage and, in addition, for the collection and control of stormwater 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.

(b) As used in this article, the following terms shall have the following meanings unless the text clearly indicates otherwise.

(1) "Board" means the sanitary board as set up in section eighteen [§ 16-13-18] of this article.

(2) "Governing body" means the mayor and council or other legally constituted governing body of any municipality.

(3) "Municipality" means any municipal corporation, incorporated city, town, village or sanitary district in the state of West Virginia.

(4) "Sewage works" means a works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof.

(5) "Stormwater system" or "stormwater works" means a stormwater system in its entirety or any integral part thereof used to collect and dispose of stormwater and an associated stormwater management program. It includes all facilities, structures and natural water courses used for collecting and conducting stormwater to, through and from drainage areas to the points of final outlet, including, but not limited to, any and all of the following: Inlets, conduits, corals, outlets, channels, ponds, drainage easements, water quality facilities, catch basins, ditches, streams, gulches, flumes, culverts, syphons, retention or detention basins, dams, floodwalls, levies, pipes, flood control systems and pumping stations, and associated stormwater management program. The term "stormwater system" and "stormwater works" shall not include highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

(6) "Stormwater management program" means those activities associated with the management, operation, maintenance and control of stormwater and stormwater works, including, but not limited to, public education, stormwater and surface runoff water quality improvement, mapping, planning, flood control, inspection, enforcement and any other activities required by state and federal law: Provided, That, as used in this article, "stormwater management program" shall not include those activities associated with the management, operation, maintenance and control of highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways.

(7) "Works" means sewage works and stormwater works either separately or collectively. (1933, Ex. Sess., c. 25, § 2; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, added subsection designations; in present (a), deleted "such" preceding "works", inserted "and, in addition, for the collection and control of stormwater", deleted "The term 'works'" from the end; and rewrote (b) to include the definitions of "sewerage works", "stormwater system" or "stormwater works", "stormwater management program", and "works".

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

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).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956); 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 works, or any trust indenture as provided for, shall be approved by the governing body of the municipality before the same shall be effective.

The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and 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 the work as the board shall direct. All 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 ten 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 consider 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, stormwater conduits, 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, including, but not limited to, those activities necessary to comply with all federal and state requirements, including stormwater and surface runoff water quality improvement activities.

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 the 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; 2001, cc. 143, 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, deleted "such" throughout the section; in the third undesignated paragraph, substituted "the sum of ten thousand dollars" for "the sum of five thousand dollars"; in the fourth undesignated paragraph, substituted "may consider expedient" for "may deem expedient", inserted "stormwater conduits" and added "including... improvement activities" at the end; and made other, minor changes.

Editor's notes. — Acts 2001, c. 143, effective July 10, 2001, also proposed to amend this section; however, the amendments therein have been deemed superceded by those found in Acts 2001, c. 212, which are set out above. The superceded amendment, set out below, would have substituted "the sum of ten thousand dollars" for "the sum of five thousand dollars".

Chapter 143 read:

"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 ten 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."

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 Vir-

ginia 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. 1956), 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. 1956), 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. 1956), 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. 1956).

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. 1956), 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. 1956), 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 any of the works referred to in this article, 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 the payment, and the bonds may not, in any respect, be a corporate indebtedness of the municipality, within the meaning of any statutory or constitutional limitations thereon. All the details of the bonds shall be determined by ordinance or ordinances of the municipality. (1933, Ex. Sess., c. 25, § 9; 1949, c. 93; 2001, c. 212.)

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

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "any of the works referred to in this article" for "the works", and substituted "the bonds may not" for "the bonds shall not".

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. 1956), 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. 1956).

§ 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 det (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, fees or charges for the use of and the service rendered by:

(a) Sewerage 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

(b) Stormwater works, to be paid by the owner of each and every lot, parcel of real estate, or building that in any way uses or is served by such stormwater works or whose property is improved or protected by the stormwater works or any user of such stormwater works.

The governing body may change and readjust such rates, fees or charges from time to time. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways.

Such rates, fees 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 considered the revenues of the works.

No such rates, fees 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, fees or charges.

After introduction of the ordinance fixing such rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates, fees or charges, shall be given by publication as a Class II-O 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, fees 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, fees 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, fees 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, fees or charges may be made in the same manner as such rates, fees 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 shall be required. The aggregate of the rates, fees or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments.

All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees 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 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, 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, fees or charges for services or facilities furnished shall remain unpaid for a period of thirty 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 rates, fees and charges are fully paid.

The board collecting such rates, fees or 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 rates, fees or 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; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, inserted "fees" preceding "charges" throughout; in the first paragraph, deleted "such" from the end; inserted (b); in the second paragraph of (b), added "The governing body" and the last sentence; in the third paragraph of (b), substituted "shall be considered" for "shall be deemed"; in the seventh paragraph of (b), deleted "however" following "Provided"; and made other, minor changes.

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, 516 U.S. 974, 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. Government units subject to established rates.

The municipality and any county government, state government and federal government served by the services of the works shall be subject to the same fees, charges and rates established as provided in this article, or to fees, charges and rates established in harmony therewith, for service rendered the municipality, county, state or federal government and shall pay such rates, fees or charges when due from corporate funds and the same shall be considered to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of the revenues. However, no rates, fees or charges for stormwater services may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1933, Ex. Sess., c. 25, § 17; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "Government units" for "Municipality" in the section heading; inserted "fees" preceding "charges" throughout; inserted "and any county... works", substituted "as provided in this article" for "as hereinbefore provided", inserted "county, state or federal government", substituted "shall be considered" for "shall be deemed", substituted "the revenues" for "such revenues"; and added the last sentence.

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 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 or her public office. The appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each 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. The 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 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; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, made the section gender neutral; in the second paragraph, deleted "sewage" preceding "works", in the third paragraph, substituted "The appointees" for "Said appointees", deleted "such" pre-

ceding "term", substituted "The mayor" for "Such mayor"; and in the last paragraph, deleted "such" preceding "compensation".

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. 1956).

§ 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. — For construction of the justice of the peace as 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 or stormwater works 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 contracts with the 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, That no 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, fees 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, fees and charges for the service rendered in the municipality where the works are owned and operated, and such rates, fees or charges shall be collectible and shall be a lien as herein provided for rates, fees 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 contract shall, if so provided in said ordinance or trust indenture, be considered 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 the revenues. (1933, Ex. Sess., c. 25, § 19; 1981, 1st Ex. Sess., c. 2; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "or stormwater works", substituted "state" for "State", deleted "such" preceding "contracts", deleted "such" following "Provided", deleted "such" preceding "contract" in the proviso; in the last paragraph, deleted "such" preceding "contract", and substituted "considered" for "deemed" in the last sentence.

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, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any officer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any bonds and interest outstanding and to apply the revenues in conformity with this article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, 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 any power existing in any municipality under any statutory or charter

provisions which it may now have or hereafter adopt. For all purposes of this article, all municipal corporations shall have jurisdiction for twenty miles outside the corporate limits thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1933, Ex. Sess., c. 25, § 22; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, in the first paragraph, substituted "twenty miles outside" for "ten miles outside", added the proviso; and added the last paragraph.

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

Any municipality is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto, and for the other purposes herein authorized, from any authorized 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, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds 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. 1956).

§ 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 the works, and all the moneys, revenues and other income of such municipality derived from such works shall be exempt from all taxation by the state of West Virginia or any county, municipality, political subdivision or agency thereof. (1955, c. 132; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "works" for "sewerage system" twice, and substituted "state" for "State".

§ 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 the 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 the sewerage system or stormwater system, may be applied and the securing, use and disposition thereof, including, if considered 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 or stormwater system, 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 considered 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 or stormwater 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 or stormwater system, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage system or stormwater 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 or stormwater 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 or stormwater system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenue of such sewerage system or stormwater system, and the rank or priority, as to lien and source and security for payment from the revenues of the sewerage system or stormwater system, between bonds payable from the 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 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 or stormwater 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 stormwater 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 considered necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to the 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; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, inserted "or stormwater system" following "sewerage system" throughout, substituted "considered" for "deemed" throughout; in the first paragraph, substituted "the bonds" for "said bonds"; in (f), deleted "such" preceding "defaults"; in (j), deleted "such" preceding "other covenants", and made other, minor changes.

§ 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, fees or charges for the use of the services and facilities of the existing sewer system and/or stormwater 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 stormwater system, or that in any way uses or is served thereby, and may change and readjust such rates, fees or charges from time to time.

Such rates, fees 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 or stormwater, and the repair, alteration and extension of existing sewer facilities or stormwater 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.

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 the construction, to be remitted to and administered by the municipal bond commission by expending and paying the costs and expenses of construction and operation in the manner as provided by said ordinance.

After the completion of the construction such rates, fees 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 or entire stormwater works.

No such rates, fees 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 rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of rates, fees or charges, shall be given by publication of notice as a Class II-O 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, fees or charges, either as originally introduced or as modified and amended, may be passed and put into effect. A copy of the schedule of the rates, fees 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, fees 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 rates, fees or charges may be made in the same manner as rates, fees 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 is required.

If any rate, fees 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 the 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, fees 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 the article provides for or requires the issuance of revenue bonds or the imposition of rates, fees and charges in connection with the bonds: Provided, 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 the municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article: Provided, That the

jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1955, c. 135; 1967, c. 105; 1994, c. 61; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "the" for "said" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "and/or stormwater system" following "existing sewer system", inserted "or stormwater system" following "such sewer system"; in the second paragraph, inserted "or stormwater" following "sewage", inserted "or stormwater facilities" following "sewer facilities"; in the fourth paragraph, added "or entire stormwater works" to the end; in the sixth paragraph, deleted "such" following "fixing" and "publication of"; in the eighth paragraph, deleted "such" preceding "rates" twice; and in the last paragraph, added the proviso.

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.

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of The Charleston City Charter, enacted by the City Council of the City of Charleston on ~~XX~~ most current copy as of 12-3-02

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 3rd day of December, 2002.

City Clerk

Seal

PART I.

THE CHARTER.

Editor's note.--According to the West Virginia Blue Book, 1973, page 820, the community which is now Charleston was "originally chartered in 1794, as Charles Town-----, [so] named by George Clendenin, one of the earliest settlers, for his father, Charles Clendenin." It became "Charleston" by Acts of Assembly 1817-18, ch. CXV, p. 160 et seq., passed January 19, 1818, which provided, in pertinent part, that "the town of Charles Town in the county of Kanawha, as the same has been heretofore laid off under the several acts of Assembly for that purpose--- shall be, and the same is hereby erected into a town corporate, to be known and distinguished by the name of 'Charleston'-----." These Acts were, of course, those of the general assembly of the Commonwealth of Virginia. The first Act of the West Virginia legislature amending the town Charter was that of 1867, ch. 127, p. 155; and Charleston became a city by Acts 1875, ch. 39, p. 47, which provided, inter alia, for a common council consisting of a mayor, recorder and nine councilmen, a body politic by name "The City of Charleston."

The present charter, herein set out, is a legislative charter, Acts 1929 (Munl. Ch.), ch. 4 as amended; the historical citations following each section indicating the derivation thereof and amendments, if any. The 1929 charter act was approved by the governor on March 6, 1929, and became effective upon passage. Many section catchlines have been changed by the editors to more clearly and more fully indicate the contents of the sections, and are not to be regarded as official; years have been changed from words to numerals; a uniform system of capitalization has been adopted; in some sections italicized words are printed in Roman; and words and figures in brackets have been supplied by the editors for the purpose of clarity.

For a list of home rule ordinances amendatory of the Charter, see table 3, in part III of this Code. The legislature, in its 1969 revision and con-

solidation of chapters 8 and 8A of the Code of West Virginia into a new chapter 8, recognized, in section 8-1-6, "that when the provisions of existing special legislative charters are compared with and are considered in the light of the provisions of this chapter, [i.e., the new chapter 8], there are five basic possibilities as to the relationship between such charter provisions and the provisions of this chapter, namely: (1) As to any particular charter provisions, such charter provisions may be inconsistent or in conflict with the pertinent provisions of this chapter; (2) although relating to the same subject matter and although not inconsistent or in conflict with any provisions of this chapter, certain charter provisions may be sufficiently different from pertinent provisions of this chapter as to indicate, as a matter of practical construction, that either the charter provisions or the provisions of this chapter, but not both, should be applicable; (3) although varying in certain respects, certain charter provisions may be similar to and in essential harmony with corresponding provisions of this chapter; (4) as to any particular charter provisions, there may be no counterpart of such provisions in this chapter; and (5) as to any provisions of this chapter, there may be no counterpart charter provisions."

Section 8-1-6, therefore, sets forth certain rules to be applied, in addition to the usual and ordinary rules of statutory construction, with respect to construction and applicability of legislative charters, and it is suggested that users of this city Code refer to W. Va. Code, § 8-1-6, in determining the present construction and applicability of any portion of the Charleston Charter to any given situation. For state law as to revising or amending a city Charter, see W. Va. Code, §§ 8-4-7, 8-4-8.

Bill 4497 passed 8-17-98 Creating a Stormwater Management Operation

§ 1. Charleston made a city corporate and body politic.
§ 2. Corporate limits.
§ 3. Twenty wards established.
§ 4. Municipal authorities; elective officers and qualifications for holding office.
§ 5. Officers in addition to elective officers; salaries.

§ 6. Corporate power vested in council.
§ 7. Enumeration of numerous miscellaneous powers of council; jurisdiction beyond corporate limits.
§ 7-a. Authority of council, municipal judge, circuit and common pleas courts and judges relating to city licenses.
§ 7-b. Regulation of operation of motor vehicles.
§ 8. Persons entitled to vote.
§ 9. Boundaries of voting precincts; registration books; registering voters; transfer from one precinct to another; duties of county court.
§ 9-a. Special registrars; compensation of county court and clerk; delivery of registration books to city clerk; return to clerk of county court.
§ 10. Nomination of candidates.
§ 11. When county and city voting precincts to be the same; how elections to be held.
§ 12. Law governing preparation of ballot and method of voting.
§ 13. The council--Title; how constituted.
§ 14. Same--Qualifications; vacancies.
§ 15. Same--Mayor; clerk; president pro tempore.
§ 16. Same--Representation of new ward.
§ 17. Same--Exercise of legislative functions; information, etc., from officers and employees.
§ 18. Audit of books and accounts.
§ 19. Removal of officers by council or by circuit court of Kanawha County or by officers having appointment authority.
§ 20. Rules and regulations for government of council; record of meetings.
§ 21. Regular meetings of council.
§ 22. Special meetings of council.
§ 23. Council procedure for contested elections, and right of appeal to circuit court.
§ 24. Oath of officers; how and within what time officers must qualify; failure to qualify vacates office.
§ 25. Bonds of officers and employees; record of bonds.
§ 26. Quorum of council; compelling attendance of absent members.
§ 27. Voting in council and recording of votes.
§ 28. City clerk is ex officio clerk of the council; council minutes and admissibility thereof in evidence.
§ 29. Holding two offices. (Within the City)
§ 30. Failure of mayor or other officer to make appointments.
§ 31. Vacancy in office of mayor or treasurer; vacancy in office of appointive officer; officers hold office until successors qualified, unless previously removed.
§ 32. Corruption in office.
§ 33. Power of council to compel attendance of witnesses and production of records, administer oaths and punish for contempt.
§ 34. Absence or inability of certain officers to perform duties.

§ 35. Election and term of office of elective officers; salary of mayor; appointments by mayor; appointment of city clerk; appointments by manager; term of appointive officers; duties of mayor and city solicitor; salary of solicitor; fees.

§ 36. Appointment, compensation, powers and duties of the manager.

§ 37. Franchises--Granting; requirements and limitations governing; vote of council required.

§ 38. Same--Advertisement of application; submission to voters.

§ 39. Committees of council; adjournment of council meetings; postponement of announcement of vote.

§ 40. Style of ordinances.

§ 41. Passage of ordinances; revision, reenactment or amendment; effective date; publication of caption or title; resolutions and orders.

§ 42. Ordinances to be spread on records of council; "ordinance record"; code of ordinances.

§ 43. Officers conservators of the peace.

§ 44. Powers and duties of municipal judge; maximum imprisonment for violation of ordinance; appeal; expense of maintaining persons committed to county jail.

§ 45. Qualifications of municipal judge; not to appear as counsel in criminal cases; absence or inability to perform duties; bond.

§ 46. Bail.

§ 47. Authority of council, manager and police officers relating to nuisances; duties and responsibilities of owners and occupants of property; enforcement.

§ 48. Connection with sewer system.

§ 49. Construction of sidewalks, curbs and gutters; duty of county clerk to record assessments.

§ 50. Annual estimate for tax levy.

§ 51. Authority to levy and collect taxes; limit of taxation.

§ 52. Collection of taxes.

§ 53. Powers of collector.

§ 54. Distress for collection of taxes.

§ 55. Lien on real estate for taxes--Established; enforcement by suit in court of record; priority of lien.

§ 56. Same--Enforcement by tax sale.

§ 57. Limitation on authority of county to tax persons and property within city for streets, education or poor outside city limits; control of streets and schools within city; joint ownership of bridges.

§ 58. Depositories.

§ 59. Bonds--Authority to issue; purposes; interest; limit; taxation to pay interest and principal.

§ 59-a. Same--For improvement of streets.

§ 60. Same--In anticipation of special assessments for street improvements or sewer construction; limitation on indebtedness.

§ 61. Contracts for improvement of streets; assessment of cost.

§ 62. Sewerage assessments against owners of abutting property; requiring connection with sewer; including cost of drains in cost of street improvement.

§ 62-a. Construction of sewer systems or common, lateral, branch, trunk or combined sewers.
§ 63. Resolution declaring necessity for street improvement--Required; procedure for adoption.
§ 64. Same--Service on property owners of notice of passage.
§ 65. City executive committees of political parties.
§ 66. Bonds to pay city's cost of improvement of streets, etc.
§ 67. Hearing of property owners affected by improvements; ordinance concerning improvement.
§ 68. Special assessments when several kinds of materials have been named in ordinance providing for improvement.
§ 69. Vote of council required for public improvement; petition by property owners.
§ 70. Assessment when public improvement passes through or by public property or property of institution.
§ 71. What cost of improvement shall include.
§ 72. Filing statement as prerequisite to action for damages arising out of improvement.
§ 73. Liberal construction of proceedings with respect to improvements.
§ 74. Election and three-fifths vote required for issuance of bonds; regulations governing.
§ 75. Authority of council to lay special levies in years 1929 and 1930 for special purposes.
§ 76. Power of council as to public buildings, hospitals, libraries, etc.
§§ 77, 78 and 79. Fire department civil service.
§ 80. Political activities by members of fire or police departments.
§ 81. Service of notice, summons, warrant, etc.
§ 82. Contested elections for council.
§ 83. Duties of city clerk as to municipal elections.
§ 84. Valid ordinances and regulations passed on or before May 1, 1915, not inconsistent with this Charter, to remain in effect until repealed.
§ 85. Powers and duties of policemen.
§ 86. Compensation of members of council; absence from meetings.
§ 87. Reports by manager to council; reports by officers and employees under supervision of manager.
§ 88. Additional method for paving streets; assessment certificates.
§ 88-a. Void, irregular or omitted assessments.
§ 88-b. Assessment certificates to pay for cost of construction of sewers and sewer systems.
§ 88-c. Subdividing abutting land for purpose of making assessments.
§ 89. Initiation of ordinances by voters.
§ 90. Reconsideration of ordinance protested by petition; submission of ordinances to voters.
§ 91. Recall of officers.
§ 92. Signatures and affidavits to petitions filed under three preceding sections; form of submission of ordinance; all city elections to conform to state law.
§ 93. Additional method for construction of sidewalks; assessment certificates.

§ 93-a. Transcript of property to be furnished by county assessor.
§ 94. Authority to issue warrants; vacancy in office of municipal judge.
§ 95. Statement of claim before action against city for damages for personal injury.
§ 96. Health commissioner.
§ 97. Police matron.
§ 98. Codification of ordinances.
§ 99. Cemeteries and burials.
§ 100. Building inspector.
§ 101. Power to buy, sell or exchange real estate.
§ 102. Zoning--Power of city.
§ 102-a. Same--Division of city into zoning districts.
§ 102-b. Same--Design of zoning regulations; considerations in making.
§ 102-c. Same--Establishment, enforcement and change of zoning regulations and boundaries of zoning districts; hearing.
§ 102-d. Same--Change or repeal of zoning regulations and boundaries; protests.
§ 102-e.¶1. Same--Zoning commission.
§ 102-e.¶2. Repeal of inconsistent laws.

Sec. 1. Charleston made a city corporate and body politic.

The inhabitants of all that part of the County of Kanawha included and centered within the limits hereafter prescribed in section two are hereby made a city corporate and body politic by the name of "The City of Charleston," and as such city it shall have perpetual succession and a common seal, and by that name it may sue and be sued, plead and be impleaded, and may purchase, hold, lease or sell real estate and personal property necessary to the discharge of its corporate duties, or needful or convenient for the good order, government and welfare of said corporation. (Acts 1929 (Munl. ch.), ch. 4, § 1.)

Sec. 2. Corporate limits.

The corporate territorial limits of the City of Charleston shall comprise all that part of the magisterial district of Charleston and all that part of the territory of the magisterial district of Loudon in the County of Kanawha and State of West Virginia, which is bounded and described as follows, to-wit:

Editor's note.--The remainder of this section, which describes by metes and bounds the city boundary as it existed on March 6, 1929, is omitted as obsolete due to annexation of territory and minor boundary adjustments since that date. For complete text of this section, see Acts 1929 (Munl. ch.), ch. 4, § 2. For current city boundary, see the official map of the city which, when completed and approved by the city council, will be placed on file in the office of the city clerk.

For state law as to change of municipal boun-

daries by annexation of territory, see W. Va. Code, §§ 8-6-1 through 8-6-5. As to decrease of corporate limits of municipalities, see W. Va. Code, §§ 8-7-1 through 8-7-4.

Sec. 3. Twenty wards established.

Editor's note.--This section, as initially enacted by the legislature by Acts 1929, (Munl. ch.), ch. 4, § 3, divided the city into seventeen wards. By Ordinance No. 308, amendatory of this section, enacted Nov. 10, 1958, and ratified at a special election held Dec. 13, 1958, the city was redivided into nineteen wards. Due to subsequent changes in population and the resulting necessity for more proportionate representation in the city council, the council on Sept. 19, 1966, by affirmative vote of more than two-thirds of the members, enacted Ord. No. 870, amendatory of this section, by redividing the city into eighteen wards, described by metes and bounds, subject to a referendum as provided in W. Va. Code, § 8-4-7; and at a special election on Nov. 8, 1966, held pursuant to prior notice duly published, a majority of the legal votes cast were in favor of the amendment, which thereupon became effective with the declaration by the council of the results of that election, all in conformity with the provisions of W. Va. Code, § 8-4-7. The text of this section, as so amended, is omitted as obsolete in some respects due to subsequent addition of territory, but it has been saved from repeal and is on file in the office of the city clerk. Another reason for omission of the text of this section was that Ordinance No. 1570, 7-1-74, directed the mayor to appoint two special committees, one to take a census of the city and the other, upon completion of such census, to prepare and submit to the council a report, with recommendations for the division of the city into wards and the number and boundaries thereof, the number of councilmen to represent each ward, and the number of councilmen at large, together with a proposed ordinance to effect such recommendations. Ordinance No. 3040, adopted on

Dec. 20, 1982, redivided the city into twenty wards, described by metes and bounds. For current division of the city into wards and the boundaries thereof, see the official map of the city which, when completed and approved by the city council, will be placed on file in the office of the city clerk.

Sec. 4. Municipal authorities; elective officers and qualifications for holding office.

The municipal authorities of the City of Charleston shall consist of a mayor, city treasurer, municipal judge, and a member of the city council from each ward of the city, and six councilmen at large, who shall be elected by the qualified voters of such city, ~~and such officers shall for the assessment year preceeding their respective elections as hereinafter provided, has been assessed with and paid taxes in the City of Charleston upon a valuation of at least one hundred dollars worth of real estate or personal property therein, and any person elected to any one of such offices who has not been assessed with and paid taxes on such amount of property shall not qualify or enter upon the performance of the duties thereof, but such office shall thereby become vacant and shall be filled by a qualified person as provided herein for other vacancies.~~ (Acts 1929 (Muni. ch.), ch. 4, § 4; Ord. No. 870, § 2; 9-19-66; Ord. No. 1620, § 2; Ord. No. 3040, § 2.)

Editor's note.--The ordinance amendatory of this section of the Charter was enacted Sept. 19, 1966, by affirmative vote of more than two-thirds of the members of the city council; and it was ratified by a majority of the legal votes cast at a special election on Nov. 8, 1966, which was held pursuant to prior notice duly published, all in conformity with the provisions of W. Va. Code, § 8-4-7.

Sec. 5. Officers in addition to elective officers; salaries.

In addition to the municipal authorities mentioned in section four of this act [this Charter], the city shall have a manager, city clerk, municipal court clerk, city auditor, collector, chief of police, city solicitor, assistant city solicitor, chief of fire department, engineer, health commissioner, building inspector, lockup keeper, humane officer or officers and such member of policemen as council by ordinance may direct. All the officers named in this and the

preceding sections shall be paid proper salaries which shall be fixed by the council, except as herein otherwise provided, and such salaries shall be within the limits provided for by this act. (Acts 1929 (Munl. ch.), ch. 4, § 5.)

For state law providing that, "notwithstanding any Charter provision to the contrary," the governing body of every municipality shall by ordinance fix the compensation of every munici-

pal officer and employee; provided, that the salary of an officer shall not be increased or diminished during his term of office, see W. Va. Code, § 8-5-12.

Sec. 6. Corporate power vested in council.

All the corporate power of said city shall be vested in and exercised by council or under its authority, except as otherwise provided in this act [this Charter]. (Acts 1929 (Munl. ch.), ch. 5, § 6.)

Sec. 7. Enumeration of numerous miscellaneous powers of council; jurisdiction beyond corporate limits.

The council of said city shall have, and is hereby granted power to have said city surveyed, to lay out, open, vacate, straighten, broaden, change grad of, grade, regrade, curb, widen, narrow, repair, pave and re-pave streets, alleys, roads, squares, plots, sidewalks and gutters for public use, and to alter, improve, embellish and ornament and light the same, and to construct and maintain public sewers and laterals, and shall, in all cases, have power and authority to assess upon and collect from the property benefited thereby, such part of the expense thereof as shall be fixed by ordinance, except as hereinafter provided, to have control of all streets, avenues, roads, alleys and grounds for public use in said city, and to regulate the use thereof and driving thereon, and to have the same kept free from obstruction, pollution or litter on or over them; to have the right to control all bridges within said city, and the traffic thereover; to change the name of any street, avenue or road within said city, and regulate and cause the numbering and re-numbering of houses on any street, avenue or road therein; to regulate the naming of streets, avenues and public places; to regulate and determine the width of streets, sidewalks, roads and alleys; to order and direct the curbing, re-curbing, paving, re-paving, and repairing of sidewalks and footways for public use in said city to be done and kept clean and in good order by the owners of adjacent property; to enter into a contract with the County of Kanawha, or any internal improvement company for the joint ownership of any bridge by the city and such county or company, upon such terms as may be prescribed in the contract, but any such bridge shall be a public highway and the interest of the company, county and city shall be only such proportionate part thereof as it may pay for or that may be named in the contract; to prohibit and punish the abuse of animals; to restrain and punish vagrants, mendicants, beggars, tramps, prostitutes, fortunetellers, palmists, drunken or disorderly persons within the city, and to provide for their arrest and manner of punishment; to prohibit and punish by fine the bringing into the city by steamboats, railroads or other carriers of persons known to be paupers, dangerous or objectionable characters or afflicted with contagious diseases; to control and suppress disorderly houses of prostitution or ill-fame, houses of assignation and gaming houses or any part thereof; to punish those guilty of possessing, transporting or selling intoxicating liquors and to confiscate all automobiles, cars, wagons, boats, water and aircraft,

beasts of burden and vehicles of any kind in connection with which intoxicating liquors are had, kept or possessed for the purpose of transportation or carrying in any way within the city; to punish those engaged in gaming and to suppress all gaming or gambling houses, and all places where gambling or betting is in any way carried on or permitted, and to punish all persons in any way connected therewith; to prohibit within the city or within two miles thereof, slaughter houses, soap or glue factories and houses and places of like kind, and any other thing or business dangerous, unwholesome, unhealthy, offensive, indecent or dangerous to life, health, peace or property; to provide for the entry into and the examination of all dwellings, lots, yards, enclosures, buildings and structures, cars, boats and vehicles of every description, and to ascertain their condition for health, cleanliness or safety; to regulate the building and maintenance of party walls, partition fences or lines, fire-walls, fire places, chimneys, boilers, smoke stacks and stove pipes; to provide for and regulate the safe construction, inspection and repairs of all public and private buildings, bridges, basements, culverts, sewers, or other buildings or structures of any description; to take down and remove, or make safe and secure, any and all buildings, walls, structures or superstructures at the expense of the owners thereof, that are or may become dangerous, or to require the owners or their agents to take down and remove them or put them in a safe and sound condition at their own expense; to regulate, restrain or prohibit the erection of wooden or other buildings within the city; to regulate the height, construction and inspection of all new buildings hereafter erected, and the alteration and repair of any buildings already erected or hereafter erected in said city, and to require permits to be obtained for such buildings and structures, and plans and specifications thereof to be submitted to the building inspector; to regulate the limit within which it shall be lawful to erect any steps, porticos, bay windows, bow windows, show windows, awnings, signs, columns, piers or other projection or structural ornaments of any kind for the houses or buildings fronting on any street of said city; to establish fire limits and to provide the kind of buildings and structures that may be erected therein, and to enforce all needful rules and regulations to guard against fire and danger therefrom; to require, regulate and control the construction of fire escapes for any building or other structures in said city, to control the opening and construction of ditches, drains, sewers, cesspools and gutters, and to deepen, widen and clear the same of stagnant water or filth, and to prevent obstruction therein, and to fill, close or abolish the same and to determine at whose expense the same shall be done; and to build and maintain fire station houses, crematories, jails, lockups, and other buildings, police stations and police courts, and to regulate the management thereof; to acquire, establish, lay off, appropriate, regulate, maintain and control public grounds, squares and parks, hospitals, market houses, city buildings, airports, libraries and other educational or charitable institutions, either within or without the city limits, and when the council determines that any real estate rights, or materials in or out of the city is necessary to be acquired by said city for any such city purpose, or for any public purpose, or is necessary in the exercise of its powers herein granted, the power of eminent domain is hereby conferred upon said city, and it shall have the right to institute condemnation proceedings against the owner thereof,

whether said property be in or out of said city, in the same manner, to the same extent, and upon the same conditions as such power is conferred upon public service corporations by chapter forty-two of the Code of West Virginia of the edition of 1923, and is now or may be hereafter amended [see W.Va. Code, 1931 ch. 54, as amended]; to purchase, sell, lease or contract for and take care of all public buildings and structures and real estate deemed proper for the use of such city; and for the protection of the public to cause the removal of unsafe walls, structures or buildings, and the filling of excavations; to acquire or assist in acquiring land to be donated, dedicated or conveyed to, or otherwise vested in, the State of West Virginia as a site for a state capital or other public buildings, and to donate, dedicate and convey the same to said state or otherwise procure the title to the same to be vested in said state; to prevent injury or annoyance to the business of individuals from anything dangerous, offensive or unwholesome; to abate or cause to be abated all nuisances and to that end and thereabout to summon witnesses and hear testimony; to regulate or prohibit the keeping of gunpowder and other combustible or dangerous articles, and to regulate the transportation of same through the streets, alleys and public places to regulate, restrain or prohibit the use of fire-crackers or other explosives or fireworks, and all noises or performances which may be dangerous, indecent or annoying to persons or tend to frighten horses or other animals; to provide and maintain proper places for the burial of the dead, in or out of the city, and to regulate interments therein upon such terms and conditions as to price and otherwise as may be determined; to provide for shade and ornamental trees, shrubbery, grass, flowers and other ornamentation, and the protection of the same; to provide for the poor of the city; to make suitable and proper regulations in regard to the use of the streets, public places, sidewalks and alleys by street cars, foot passengers, animals, vehicles, motors, automobiles, traction engines, railroad engines and cars, and to regulate the running and operation of the same so as to prevent obstruction thereon, encroachment thereto, injury, inconvenience or annoyance to the public; and to regulate fares and operation of motor vehicles operating on a fixed route used in the public transportation of passengers or property; to purchase or otherwise secure life, health or accident policies on the group or other convenient plan upon the members of the city police force and fire department, and as an element of compensation of such members may appropriate the money necessary to defray the cost thereof; whenever in its opinion the safety of the public so requires to authorize or require by ordinance any railroad company operating railroad tracks upon or across any public street or streets of the city, to construct and maintain overhead or undergrade crossings wherever the tracks of said company are laid upon or across the public streets of such city, and to apportion according to general law between any such railroad company and city the cost of such construction and maintenance and the cost of the acquisition of the necessary property and rights of way and the damages to abutting properties between any such railroad company and city; to prohibit prize fighting and cock and dog fighting; to license, tax, regulate or prohibit theaters, moving pictures, circuses, and exhibition of showmen and shows of any kind, and the exhibtion of natural or artificial curiosities, carnivals, menageries and music exhibitions and performances, and other things or business on which the state does or may exact a

license tax; to organize and maintain fire companies and departments, and to provide necessary apparatus, engines and implements for the same and to regulate all matters pertaining to the prevention and extinguishing of fires; to make proper regulations for guarding against danger and damage from fires, water or other elements; to regulate and control the kind and manner of plumbing and electric wiring, the operation and height of flying of aeroplanes, airships and balloons; to regulate wireless stations, radio stations and other appliances for the protection of the health and safety of said city; to levy taxes on property, property and licenses, to license and tax dogs and other animals and regulate, restrain and prohibit them and all other animals and fowls running at large; to provide revenue for the city and appropriate the same to its expenses; to adopt rules for the transaction of business of its own regulation and government; to promote the general welfare of the city, and to protect the persons and property of citizens therein; to regulate and provide for the weighing of produce and other articles sold in said city and to regulate the transportation thereof and other things, through the streets, alleys and public places; to have the right to grant, refuse or revoke any and all licenses for the carrying on of any business within said city on which the state exacts a license tax; to establish and regulate markets and to prescribe the time for holding the same, and what shall be sold in such market, and to let stalls or apartments and regulate the same; to acquire and hold property for market purposes; to regulate the placing of signs, billboards, posters and advertising on or over the streets, alleys, sidewalks and public grounds of said city; to preserve and protect the peace, order and safety and health of the city and its inhabitants, including the right to regulate the sale and use of cocaine, morphine, opium and poisonous or dangerous drugs; to appoint and fix the place of holding city elections; to erect, own, lease, authorize or prohibit the erection of gas works, electric light works or water works, ferry boats, in or near the city, and to operate the same, and to sell the product of services therefrom and to do any and all things necessary and incidental to the conduct of such business; to build, hold, purchase, own and operate toll bridges; to enter into an agreement with the County of Kanawha, whereby the council and the county court of Kanawha County shall have the power and authority to provide for a full time health officer in charge of all the general health and sanitation activities and of the enforcement of all laws and regulations relating to public health, in the City of Charleston, the County of Kanawha, and to provide for necessary assistants, nurses, clerks and other employees, and the expenses of the administration thereof, and to provide for a proper division of all such expenses between the city and county, and make all needful rules and regulations to fully carry into effect the said joint undertaking between the City of Charleston and the County of Kanawha; to provide for the purity of water, milk, meats and provisions offered for sale in said city, and to that end provide for a system of inspecting the same and making and enforcing rules for the regulation of their sale; and to prohibit the sale of any unwholesome or tainted milk, meats, fish, fruit, vegetables, or the sale of milk, containing water or other things not constituting a part of pure milk; to provide for inspecting dairies and slaughter houses, whether in or outside of the city, where the milk and meat therefrom are offered for sale within said city, and to prohibit the sale of any articles deemed unwholesome, and to condemn

the same or destroy or abate it as a nuisance; to provide for the regulation of public processions so as to prevent interference with public traffic, and to promote the good order of the city; to prescribe and enforce ordinances and rules for the purpose of protecting the health, property, lives, decency, morality, cleanliness and good order of the city and its inhabitants and to protect places of divine worship in and about the premises where held, and to punish violations of all ordinances, although the offense under and against the same shall also constitute an offense under the laws of the State of West Virginia or the common law; to provide for the employment and safe keeping of persons who may be committed in default of payment of fines, penalties or costs under this act [this Charter], who are otherwise unable to discharge the same, by putting them to work for the benefit of the city upon the streets or other places in or out of the city provided by said city, and to use such means to prevent their escape while at work as the council may deem expedient; and the council may fix a reasonable rate per day as wages to be allowed such persons until the fine and costs against him [them] are thereby discharged; to compel the attendance at public meetings of the members of the council; to have and exercise such additional rights, privileges and powers as are granted to municipalities by chapter forty-seven [now chapter 8, the Municipal Code of West Virginia] of the Code of West Virginia as amended.

For all such purposes, except that of taxation and for purposes otherwise limited by this act [this Charter], the council shall have jurisdiction for one mile beyond the corporate limits.

And the council shall have the right to establish, construct and maintain public markets, landing ferries, wharves, parking places and docks on any ground which does or shall belong to said city, or which it shall acquire, by purchase or otherwise, and to sell, release, repair, alter or remove any public markets, landings, ferries, wharves, dikes, buildings or docks which have been or shall be so constructed, and to levy and collect reasonable duty on vessels and other craft coming to or using said landings, ferries, wharves, dikes, docks, parking places and buildings, and to preserve and protect the peace and good order at the same, and regulate the manner in which they shall be used; and to have the sole right, under state laws and in the same manner as now control county courts, to establish, construct, maintain, regulate and control all such wharves, docks, ferries and landings within the corporate limits of said city.

To carry into effect these enumerated powers and all other powers conferred upon said city expressly or by implication in this and other acts of the legislature, the council of said city shall have the power in the manner herein prescribed, to adopt and enforce all needful orders, rules and ordinances not contrary to the laws and constitution of this state; and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment in the city lock-up, jail or stationhouse, and to work prisoners found guilty, as the coun-

cil may prescribe, and market the products of such labor, and with the consent of the county court of Kanawha County, entered of record, shall have the right to use the jail of said county for any purpose necessary to the administration of its affairs. (Acts 1929 (Muni. ch.), ch. 4, § 7.)

For constitutional provisions as to taking of private property for public use, see Const. W. Va., art. III, § 9. As to municipal home rule, see Const. W. Va., art. VI, § 39. For state law relating to municipalities, being the Municipal Code of West Virginia, see W.Va. Code, ch. 8. As to general powers of municipalities and their governing bodies, see W. Va. Code, §§ 8-11-1 et seq., and 8-12-5.

For a case citing this section and holding that where a statute confers power upon a municipal corporation to be exercised for the public good, the exercise of the power is not merely discretionary, but imperative, and the words "the council shall have power to" mean duty and obligation, see Broun v. Charleston, 116 W. Va. 51, 178 S.E. 597 (1935), approving Cavender v. City of Charleston, 62 W.Va. 654, 59 S.E. 732.

*For a case holding that the words of this section "***to provide for and regulate the safe construction, inspection and repairs of all public and private buildings, *** to regulate the height, construction and inspection of all new buildings hereafter erected, and the alteration and repair of any buildings already erected or hereafter erected in said city, and to require permits to be obtained for such buildings and structures, and plans and specifications thereof to be first submitted to the building inspector;" did not confer authority upon the city to enact a building code or a zoning ordinance which could be applicable to a building constructed by the state office building commission, created by chapter 43, Acts of the legislature, 1939, on property purchased under the general appropriation act, contained in chapter 9, Acts of the legislature, 1949, see Charleston v. Southeastern Con. Co., 134 W. Va. 666, 64 S.E. 2d 743 (1950).*

For a case holding that where the city council had enacted an ordinance vacating certain streets in a subdivision, pursuant to authority set out in W. Va. Code, § 8-12-5, subsec. (1), and the words of Char., § 7, "....to lay off, vacate,

close....for the use of the public....", to entitle a property owner to certiorari to review the action of the city council in vacating and closing a street, the petitioner must allege that his property abuts on that part of the street vacated, or that he will suffer special or peculiar damage or inconvenience not common to all, see Barker v. City of Charleston, 134 W. Va. 754, 61 S.E. 2d 743 (1950).

For a case holding that the provisions: "The council of said city shall have, and is hereby granted power*** to establish fire limits and to provide the kind of buildings and structures that may be erected therein, and to enforce all needful rules and regulations to guard against fire and danger therefrom; *** to prevent injury or annoyance to the business of individuals from anything dangerous, offensive or unwholesome; to abate or cause to be abated all nuisances; *** to regulate or prohibit the keeping of gunpowder and other combustible or dangerous articles; *** to organize and maintain fire companies and departments and to provide necessary apparatus, engines and implements for the same, and to regulate all matters pertaining to the prevention and extinguishment of fires; to make proper regulations for guarding against danger and damage from fires, water or other elements; *** to promote the general welfare of the city, and to protect the persons and property of citizens therein; ***," and other provisions similar to provisions of this section, but contained in a prior city charter, were sufficient authority for the city council to enact an ordinance regulating the keeping, storage or transportation of gasoline or other explosives, including dangerous oils, see State ex rel Oil Service Co. v. Stark, 96 W. Va. 176, 122 S.E. 533 (1924).

For a case holding that certain language of section 7 of prior city Charter, i. e.: "The council of said city shall have, and is hereby granted power ....to punish violations of all ordinances, if the offenses under and against the same shall also constitute offenses under the laws of the State of West Virginia or the common law; ....to carry into effect these enumerated powers and all other powers conferred upon said city expressly or by implication in this and other acts of the

Legislature, the council of said city shall have the power, in the manner herein prescribed, to adopt and enforce all needful orders, rules and ordinances not contrary to the laws and Constitution of this state; and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment in the city lock-up, jail or station house," [compare with section 7 of present city Charter] granted authority to the city council to enact an ordinance which prescribed penalties in excess of those prescribed by state law for a similar offense, see State v. Wertz, 91 W. Va. 622, 117 S.E. 242, 29 A.L.R. 391 (1922).

For a case construing certain language of section 7 of prior city Charter [identical to language contained in section 7 of present city Charter]: "The council of said city shall have, and is hereby granted power....to pass ordinances to protect and preserve the health, property, lives, decency, morality, cleanliness, and good order of the city...." to include within its terms authority to pass an ordinance prohibiting work or labor on the Sabbath Day, see State v. Wertz, supra, cited with approval in McGowan v. State of Maryland, 366 U.S. 420 (at page 497), 66 L. Ed. 393, 81 S.Ct. 1153(1961).

For a case construing a section of a prior city Charter which, in language differing from that contained in this section, also granted authority to the city council to establish building lines, and holding that an ordinance establishing a building line on a certain street and inhibiting owners of abutting land from encroaching thereon, based on merely aesthetic considerations, is not within the police power and is unenforceable as a police regulation, see Fruth v. Board of Affairs, 75 W. Va. 456, 84 S.E. 105 (1915).

Sec. 7-a. Authority of council, municipal judge, circuit and common pleas courts and judges relating to city licenses.

The council of the City of Charleston shall have full discretion in the matter of granting, refusing and revoking licenses for keeping hotels, eating houses and restaurants, garages, taxi-cab stands, bowling alleys, pool and billiard tables and like tables, and for selling soft drinks, as in the case of other licenses, and shall supervise, regulate and control all places licensed for said purposes, and the municipal judge shall have jurisdiction when such city license and regu-

lation is sought to be evaded and may prevent such evasion, provided, that no such license, regulation or control shall apply to any fraternal beneficiary society permitted under the state laws. The council shall make no provision for the licensing of automobiles or other motor vehicles, except that in the case of motor vehicles used in the transportation of passengers or property for hire the council may require from the owner or operator of any such vehicle a bond, with sureties, and in such penalty, and with such conditions as it may deem proper. The council shall have power to enact and enforce proper ordinances for the purpose of carrying into effect the powers hereby granted.

If any person fails or refuses to secure a license or to pay any license tax due the city, or fails to obtain a permit to do anything for which a permit is required by ordinance, in addition to all other penalties and remedies provided by the ordinances of the city, the circuit court of Kanawha County and the court of common pleas of Kanawha County, or the respective judge thereof, in vacation, upon application in the name of the city or of any officer of the city, shall grant an injunction, inhibiting such person from continuing the business until the full amount of the license tax and penalty prescribed by the ordinance and due the city is paid, or until the person has obtained the license or permit as required by any ordinance. (Acts 1929 (Munl. ch.), ch. 4, § 7-a.)

For state law as to authority of city to require a city license for anything for which a state license is required, unless prohibited by general law, and to impose a reasonable tax thereon not in excess of state tax, see W.Va. Code, § 8-13-4, as modified by W. Va. Code, § 11-12-4.

Sec. 7-b. Regulation of operation of motor vehicles.

The council of the City of Charleston is hereby granted power, in addition to the powers heretofore granted it, to regulate by ordinance the operation of motor vehicles and other vehicles in said city, and the speed at which the same may be driven, and to provide for the punishment of violations of such ordinances; and said council is given specific authority to punish the violation of ordinances relating to the speed of such vehicles, or the operation thereof, by impounding or taking possession of such vehicles and retaining the same for such time as may be prescribed by ordinance not to exceed thirty days. (Acts 1929 (Munl. ch.), ch. 4, § 7-b.)

For state law as to powers of local authorities, see W.Va. Code, § 17C-2-8.

Sec. 8. Persons entitled to vote.

Every person qualified by law to vote for members of the legislature of this state (and who shall have been a resident of said city for ~~sixty days~~ 30 preceding the day of election, of the ward in which he offers to vote at least ten

days preceding such day and a bona fide resident of the election precinct in which he offer to vote) shall be entitled to vote at all elections held in said city by or under the authority and control thereof. (Acts 1929 (Munl. ch.), ch. 4, § 8.)

Editor's note.--Acts 1972, Ex. Sess., ch. 1, amended W.Va. Code, § 3-1-3, as to persons entitled to vote at state elections, by deleting the requirement for sixty days residence in the county or municipality in which he offers to vote; and such requirement is no longer applicable to city elections under this section of the Charter.

Sec. 9. Boundaries of voting precincts; registration books; registering voters; transfer from one precinct to another; duties of county court.

Voting precincts in the several wards for the city election shall be the same as to boundaries as those fixed by the county court for all state and county elections. The county clerk of Kanawha County shall carefully preserve in his office, registration books of each general state and county election for all of the precincts of the City of Charleston, and the original of said books shall be used as the registration for all regular and special city elections, with such corrections as are herein provided for. Said registration books shall never be out of the possession and control of the county court of Kanawha County, or the clerk thereof, except as hereinafter provided:

The county court of Kanawha County shall sit on the three last Saturdays and the last Monday next preceding any regular election or primary in said City of Charleston for the purpose of registering voters who have not been already registered in the various precincts, and for transferring voters from one precinct to another which shall be done, upon a proper showing, by striking the name of the voter from the registration book in which it appears, and placing the same upon the registration book of the precinct in which the voter is entitled to vote, and no other way, and for striking off the name of any voter from the registration books when it shall be shown to the satisfaction of said court that such person is no longer a voter in said city, and said court shall also strike from such registration books the name of any person known or proved to them to be dead. It shall be the duty of the clerk of said city to give notice of the time and place of the sitting of said court by publication in two newspapers of opposite politics printed and circulated in said city, once a week for four successive weeks before any such municipal election or primary. The clerk of the county court of Kanawha County shall transfer on the registration books the names of such voters as present themselves to him, in person, during such days preceding any municipal election after the first Saturday on which the county court sits, as above provided. The two major political parties, through the chairman of their respective municipal executive committees, may appoint challengers to

be present at the office of the clerk of said county court on the days when the said clerk is herein authorized to make transfers, but said clerk's decision in the matter shall control. (Acts 1929 (Munl. ch.), ch. 4, § 9; 1933, Reg. Sess., ch. 117.)

For state law as to integration of municipal elections with system of permanent registration, see W. Va. Code, § 8-5-13. As to arrangement and filing in county clerk's office of registration records to be used in municipal elections, see W. Va. Code, § 3-2-15.

Sec. 9-a. Special registrars; compensation of county court and clerk; delivery of registration books to city clerk; return to clerk of county court.

No special registrars shall be appointed for any municipal election or primary and the county court of Kanawha County and the clerk thereof shall receive nothing for their services as required by this and the last preceding section.

On the day prior to any municipal election or primary the clerk of said county court shall deliver to the city clerk of said City of Charleston all original registration books used in the last general county and state election, as corrected by the county court of said county, and the clerk of said city shall send the same to the various precincts of said city, as provided by law. After said registration books are delivered to said clerk of said city, no person shall add to the same any name, nor erase therefrom any name, and any person found guilty of either adding or erasing one or more names shall be guilty of a felony and confined in the penitentiary not less than one, nor more than five years. As soon as may be possible after the holding of any such municipal election or primary said original registration books shall be returned by the clerk of said city to the clerk of the county court of Kanawha County, West Virginia, who shall carefully preserve all of said registration books for such use as is required by law. (Acts 1929 (Munl. ch.), ch. 4, § 9-a; 1933, Reg. Sess., ch. 117.)

For state law as to integration of municipal elections with system of permanent registration, see W. Va. Code, § 8-5-13. As to arrangement and filing in county clerk's office of registration records to be used in municipal elections, see W. Va. Code, § 3-2-15.

Sec. 10. Nomination of candidates.

Candidates to be voted for at municipal elections may be nominated by convention, or primary election, as may be decided by the executive committees of any of the parties recognized by law in said city, and candidates may be nominated by petition in the manner provided by chapter three of the Code of

West Virginia. Each of the political parties having the right to make a nomination under the election laws of West Virginia shall give notice of the manner of such nomination by publication thereof in some daily newspaper printed in the City of Charleston for ten days prior to the date of such convention or primary election. (Acts 1929 (Munl. ch.), ch. 4, § 10.)

For state law as to municipal political party executive committees and municipal primary elections, see W. Va. Code, § 8-5-14.

For a case holding that a political committee within the purview of this section had the power and authority to rescind, abrogate or alter, at a subsequent meeting, what it did at a previous one, before "consumption" [consummation?], in the absence of a statutory provision inhibiting such action; and that where relator announced his candidacy for the nomination for mayor in reliance upon the executive committee of his party having by resolution set a primary election date and the city council had then enacted an ordinance providing for a primary election to be held on that date and had thereupon appointed election officials for such primary, he did not attain a vested interest in such primary, and that a subsequent resolution of the party executive committee annulling its prior resolution and provided instead for a convention to be held, relator's petition for mandamus to compel the holding of a primary election would be denied, see Reynolds v. Fielder, 110 W. Va. 240, 157 S.E. 597 (1931).

Sec. 11. When county and city voting precincts to be the same; how elections to be held.

Whenever the county court of Kanawha County shall arrange the voting precincts in the City of Charleston for state and county elections, according to the lines of the city wards, then such precincts with the same boundaries and the same voting places as provided for such state and county elections shall be the precincts for all city elections. Except as may be otherwise provided, by this act [this Charter], all city elections shall be held by the council and the officers therefor appointed in the way and manner prescribed in chapter 3 of the Code of West Virginia, but no double election boards shall be appointed for any city election. (Acts 1929 (Munl. ch.), ch. 4, § 11.)

Elections Chapter 3 WV Code

Sec. 12. Law governing preparation of ballot and method of voting.

The preparation of the ballot and the method of voting and all other requirements of chapter 3 of the Code of West Virginia, except as changed or modified

by this act [this Charter], shall govern all city elections held under the provisions hereof. (Acts 1929 (Munl. ch.), ch. 4, § 12.)

Sec. 13. The council--Title; how constituted.

The City of Charleston shall have a council, which shall be known and styled as the "Council of the City of Charleston" and shall consist of one resident of each of the wards of the city, and ~~five~~ six councilmen to be voted for by all the voters of said city, all of whom shall be nominated, voted for and elected in the manner herein provided. (Acts 1929 (Munl. ch.), ch. 4, § 13.)

Editor's note.--Since enactment of this section by the legislature in 1929, section 4 of the Charter was amended in 1966 so as to provide for one councilman from each ward and six councilmen at large.

For state law as to election of mayor and councilmen, see W. Va. Code, § 8-5-7.

Sec. 14. Same--Qualifications; vacancies.

Only citizens entitled to vote and residents and voters of their respective wards and having the proper qualifications hereinbefore provided shall be eligible to be elected to the office of councilmen [councilman] from their respective wards and at large, and each councilman so elected from a ward shall continue to be a resident of the ward from which he is elected during his entire term of office.

3rd Tuesday in May 1999
Bill 6050 12-4-94 ~~Changed date~~

At the election to be held on the third ~~Monday in April, 1931~~, there shall be elected one member of the council from each ward and five members of the council from the city at large. If any person elected to council fails to qualify within twenty days after he is declared elected, or resigns as a member of the council, or ceases to be a resident of the ward from which he is elected, then his office shall thereby be vacated and the council shall fill such vacancy by the election of some qualified person for such unexpired term. No person shall be declared elected by the council unless he receives the votes of at least a majority of the members elected thereto and the minutes of such meeting shall show that fact. (Acts 1929 (Munl. ch.), ch. 4, § 14.) (Ord. 6050 12-4-94)

Editor's note.--There are now six councilmen elected at large instead of five, see Char., § 4. As to election and term of elective officers after the year 1931, see Char., § 35.

Sec. 15. Same--Mayor; clerk; president pro tempore.

The mayor shall be the presiding officer of the council and be a member thereof, with the right to vote on all questions the same as any other member of

said council, and the city clerk shall be ex officio clerk of the council, and the mayor and city clerk shall each perform such other duties as the council may require of them. The council shall, at its first meeting after each election, select one of its body as president pro tempore, who shall in the absence of the mayor, preside as chairman of the meeting of the council, and in the absence of both the mayor and president pro tempore at any meeting of the council, some member of the council shall be elected to preside over such meeting. (Acts 1929 (Munl. ch.), ch. 4, § 15.)

For state law as to presiding officer of municipal council, see W. Va. Code, §§ 8-9-1, 8-9-2.

Sec. 16. Same--Representation of new ward.

Whenever by the extension of the corporate boundaries of the city a new ward is created as part of the city, such new ward shall have representation in the city council and within thirty days after the act creating such new ward takes effect, the council shall proceed to elect one qualified resident thereof, as a member of said council, to hold office until the next general city election. (Acts 1929 (Munl. ch.), ch. 4, § 16.)

For state law as to annexation of territory by municipalities, see W. Va. Code, § 8-6-1 et seq.

Sec. 17. Same--Exercise of legislative functions; information, etc., from officers and employees.

The council shall exercise all of the legislative functions of the city government and shall have the right to demand of any city official, or employee, information, explanations, facts, details, correspondence, or other papers affecting the city's interest; and it shall be malfeasance and neglect of duty for any such official or employee to fail or refuse to comply with such demands. (Acts 1929 (Munl. ch.), ch. 4, § 17.)

For state law as to powers of municipal governing bodies generally, see W. Va. Code, §§ 8-11-1 et seq., and 8-12-5.

Sec. 18. Audit of books and accounts.

The council shall by proper ordinance provide for the auditing of all the books and accounts of the city at least once in each year, and shall employ a reputable certified public accountant for such purpose, and such audit shall show the complete financial condition of the city at the time thereof and the receipts and disbursements of all moneys during such year. The council may also provide by ordinance for the publication of the report of the accountant on the financial condition of the city at least once in each year, and such report of

the accountant shall be spread upon the records of the council and be a public record for all purposes. (Acts 1929 (Munl. ch.), ch. 4, § 18.)

Sec. 19. Removal of officers by council or by circuit court of Kanawha County, or by officers having appointment authority.

Any member of the council, and any city official, either elected or appointed, may be removed from his office by the council for any of the following causes: Official misconduct, incompetence, habitual drunkenness, neglect of duty, or gross immorality. The charges against any such officer shall be reduced to writing and entered of record by the council, and a summons shall thereupon be issued by the city clerk containing a copy of the charges and requiring the officer named therein to appear and answer the same on a day to be named therein, which summons may be served in the same manner as a summons commencing an action may be served, and the service must be made at least five days before the return day thereof, and it shall require the affirmative vote of two-thirds of all the members elected to council to remove any such official. The circuit court of Kanawha County shall have concurrent jurisdiction with the council to try, hear and determine any proceedings for the removal of any city official for any of the causes herein mentioned.

The mayor, or any other city official having the power of appointment, shall have the absolute right in his discretion to remove any of his appointees and appoint another qualified person in his place, but such removal shall be in writing and served upon said official so removed, and all the rights and powers of such official shall cease and end from the time of such service. (Acts 1929 (Munl. ch.), ch. 4, § 19.)

Sec. 20. Rules and regulations for government of council; record of meetings.

The council shall make proper rules and regulations for its own government and the conduct of its business, which rules shall not be contrary to, or inconsistent with, any of the provisions of this act [this Charter], and such rules shall be duly entered of record and shall be published by the council in any municipal code or other publication made by the council of this act and the ordinances of said city. The council shall cause a record of its meetings to be kept and recorded by the city clerk in a well bound book provided by the council for that purpose, which book shall remain in the custody and at the office of the city clerk, and all the books containing the proceedings of former councils or other governing bodies of the City of Charleston, shall likewise remain in the custody and be kept at the office of the city clerk, and all such books and all city records shall at reasonable hours and in a reasonable manner be open to the inspection of the public. (Acts 1929 (Munl. ch.), ch. 4, § 20.)

For state law as to proceedings of municipal governing bodies, see W. Va. Code, § 8-9-1 et seq. As to powers and duties of recorders, see W. Va. Code, § 8-10-3. As to authority of municipal

governing bodies to adopt rules for the transaction of business, etc., and to conduct investigations, see W. Va. Code, § 8-12-5, subsecs. (45) and (48).

Sec. 21. Regular meetings of council.

The council shall hold regular meetings on the first and third Mondays of each month, and the hour and place of such meetings shall be fixed by the council in the rules adopted by it. (Acts 1929 (Munl. ch.), ch. 4, § 21.)

Sec. 22. Special meetings of council.

Special meetings of the council shall be held when called by the mayor or ten members thereof. In either case, the call therefor shall be in writing and signed by the mayor or members issuing it, and shall state the time, place and business to be considered thereat, and a copy thereof shall be served upon each member of the council then in the city, and also be published on two successive days in two daily newspapers printed and circulated therein. No business, other than that stated in such call, shall be considered at such meeting. (Acts 1929 (Munl. ch.), ch. 4, § 22.)

Sec. 23. Council procedure for contested elections, and right of appeal to circuit court.

All contested elections shall be heard and determined by the council and such contests shall be made and conducted in the same manner as provided for in the case of contests for county and district officers; and the council shall conduct its proceedings in such cases as nearly as practicable in conformity with the proceedings of the county court in such cases, and there shall be the same right of appeal, in the same way, to the circuit court of Kanawha County. (Acts 1929 (Munl. ch.), ch. 4, § 23.)

For state law as to contested municipal county and district elections, see W. Va. Code, §§ 3-7-6 through 3-7-9; and, see also, as to contested municipal elections, W. Va. Code, § 8-5-17.

Sec. 24. Oath of officers; how and within what time officers must qualify; failure to qualify vacates office.

All officers elected and appointed shall take an oath, before some one authorized to administer oaths, that they will support the Constitution of the United States, the Constitution of this state, and will faithfully and impartially discharge the duties of their respective offices to the best of their skill and judgment; that they are not and will not during their term of office, in any way or manner become pecuniarily interested directly or indirectly in any contract with the city, in any franchise granted by it, or in the purchase of supplies

therefor. When the officer shall have made such oath in writing and filed the same with the city clerk and shall have given the bond required of him, he shall be considered as having qualified for the office to which he was elected or appointed; provided, that if any person so elected or appointed shall not qualify for said office as herein prescribed, within twenty days after he shall have been officially declared elected or appointed thereto, said office shall ipso facto become vacant, and said vacancy shall be filled in the same manner as other vacancies therein are provided for in this act [this Charter]. (Acts 1929 (Munl. ch.), ch. 4, § 24.)

For state law as to oath of municipal officers, see W. Va. Code, § 8-5-8.

Sec. 25. Bonds of officers and employees; record of bonds.

The mayor, manager, city clerk, municipal court clerk, treasurer, city solicitor, city collector, municipal judge, health commissioner, chief of police and chief of fire department, each shall, before entering upon the discharge of their respective duties, give an official bond, conditioned for the faithful performance of such duties as are prescribed in this act [this Charter] or any ordinance now or hereafter passed, in amounts as follows: The mayor, one thousand dollars; manager, ten thousand dollars; city collector, ten thousand dollars; the treasurer, sixty thousand dollars; the city clerk, municipal court clerk, municipal judge and city solicitor, three thousand dollars, respectively; health commissioner, chief of police and chief of the fire department, one thousand dollars, respectively.

The council may require additional bond from any of said appointive officers, and may likewise require bond, in whatever sum they may fix, of any other appointive officer or employee. All bonds of officers or employees shall, before their acceptance, be approved by the council. The minutes of the meeting of council shall show all matters touching the consideration or approval of all bonds, and when said bonds are approved and accepted, they shall be recorded by the city clerk in a well bound book kept by him at his office for that purpose, which book shall be open to public inspection; and the recordation of such bonds as aforesaid shall be prima facie proof of their correctness, and they, as so recorded, as well as copies thereof duly attested by the city clerk under the seal of the city, shall be admitted as evidence in all courts of this state. The city clerk shall be the custodian of all bonds, except that given by him, and as to it, the city treasurer shall be custodian. All bonds, obligations or other writings taken in pursuance of any provisions of this act [this Charter], shall be made payable to "the City of Charleston," and the respective persons, and their heirs, executors, administrators and assigns bound thereby shall be subject to the same proceedings on said bonds, obligations and other writings, for the purpose of enforcing the conditions of the terms thereof, by motion or otherwise, before any court of record held in and for the County of Kanawha, that collectors of county levies and their sureties are or shall be subject to on their bonds for enforcing the payment of the county levies. (Acts 1929 (Munl. ch.), ch. 4, § 25.)

Sec. 26. Quorum of council; compelling attendance of absent members.

A majority of the whole number of members elected to the council shall be necessary for the transaction of business, but a smaller number may adjourn from time to time and may compel the attendance of absent members, in such manner and under such penalties as it may by rules provide. (Acts 1929 (Munl. ch.), ch. 4, § 26.)

For state law as to quorum of a municipal governing body, see W. Va. Code, § 8-9-1.

Sec. 27. Voting in council and recording of votes.

Unless otherwise herein provided, the vote upon any question or motion before the council may be viva voce when unanimous; but if the question or motion does not receive the unanimous vote of the members present, the vote shall be taken by roll call of the members and made a part of the minutes of the meeting, and when the vote is unanimous the minutes shall so state. (Acts 1929 (Munl. ch.), ch. 4, § 27.)

For state law as to voting in council and minutes of proceedings, see W. Va. Code, § 8-9-3.

Sec. 28. City clerk is ex officio clerk of the council; council minutes and admissibility thereof in evidence.

The city clerk shall be ex officio clerk of the council and shall keep detailed minutes of its meetings and proceedings in a well bound book for that purpose, which shall remain in the custody of the city clerk at his office and open to public inspection. The minutes of every meeting after being corrected, shall be signed by the mayor and city clerk, and, if thus recorded and signed, they shall be admitted as evidence in any court of record in this state. (Acts 1929 (Munl. ch.), ch. 4, § 28.)

For state law as to council records and minutes of proceedings, see W. Va. Code, § 8-9-3. As to duty of municipal recorders to keep the journal of proceedings of governing body, see W. Va. Code, § 8-10-3.

Sec. 29. Holding two offices.

No officer of the city shall hold two offices with the city at the same time, or be employed by the city in any other capacity, without first having the consent of the council. (Acts 1929 (Munl. ch.), ch. 4, § 29.)

Sec. 30. Failure of mayor or other officer to make appointments.

Whenever the mayor or other officer shall fail to make any and all appointments under him, or required to be made by him, for a period of thirty days from the time such appointment should have been made, his office may be declared vacant by the council, and his successor appointed, in the manner herein provided. (Acts 1929 (Munl. ch.), ch. 4, § 30.)

Sec. 31. Vacancy in office of mayor or treasurer; vacancy in office of appointive officer; officers hold office until successors qualified, unless previously removed

Whenever a vacancy for any cause whatever shall occur in the office of mayor or treasurer, the council shall elect some qualified person to fill said vacancy until the next city election, and until his successor shall have been elected and qualified; and when such vacancy shall occur in the office of any appointive officer, his successor shall be appointed by the person making the original appointment, or his successor in office, as hereinbefore provided, and all elective and appointive officers of said city shall hold their respective offices until their successors are elected, or appointed, and qualified, unless sooner removed. (Acts 1929 (Munl. ch.), ch. 4, § 31.)

As to filling vacancy in office of municipal judge, see Char., § 94.
For state law as to filling vacancies in elective municipal offices, see W. Va. Code, § 8-5-10.
As to holding office until successor elected or appointed and has qualified, see W. Va. Code, § 8-5-9.

Sec. 32. Corruption in office.

Any member of council or any officer of, or connected with, the city government pursuant to any law of this state or ordinance of the city now or hereafter passed, who shall, in his official capacity or under color of his office, knowingly or willfully, or corruptly vote for, assent to or report in favor of, or allow, or certify for allowance, any claim or demand against the city, which claim or demand shall be on account or under color of any contract or agreement not authorized by or in pursuance of the provisions of this act [this Charter], or the ordinances of the city, or any claim or demand against the city and which claim or demand or any part thereof shall be for work not performed for and by authority of said city, or for supplies or materials not actually furnished thereto pursuant to law or ordinance, and every such member or officer as aforesaid who shall knowingly vote for, assent to, assist or otherwise permit, or aid in the disbursement or disposition of any money or property belonging to the city to any other than the specific use or purpose for which such money or property shall be or shall have been received or appropriated or collected or authorized by law to be received, appropriated or collected, shall, upon conviction

thereof, be punished by imprisonment in the county jail for a period of not less than sixty days nor more than one year or by fine of not less than five hundred dollars, nor more than two thousand dollars, or by both. But the council shall pay any just obligations made by the city and keep and perform all contracts, agreements and obligations made under the law as it was the day before this act goes into effect [this Charter became effective on 6 March, 1929], and for which and on which the city is liable or obligated. (Acts 1929 (Munl. ch.), ch. 4, § 32.)

Sec. 33. Power of council to compel attendance of witnesses and production of records, administer oaths and punish for contempt.

The council in the exercise of its powers and the performance of its duties, as prescribed by this act [this Charter], and by the laws of the state, shall have the power to enforce the attendance of witnesses, the production of books and papers, and the power to administer oaths in the same manner and with like effect, and under the same penalties, as notaries public, justices of the peace, and other officers of the state authorized to administer oaths under state laws; and said council shall have the power to punish for contempt as is conferred on county courts by section 13 of chapter 39 of the Code. [The provisions of Barnes' W. Va. Code Annotated, 1923, ch. 39, § 13, are now contained in W. Va. Code, § 7-1-6.] All process necessary to enforce the powers conferred by this act on the council shall be signed by the mayor (or acting mayor), and may be executed by any member of the police force. (Acts 1929 (Munl. ch.), ch. 4, § 33.)

Sec. 34. Absence or inability of certain officers to perform duties.

Whenever for any reason the mayor shall be absent from the city, or unable to attend to the duties of his office temporarily, the president pro tempore of the council shall perform them during such absence or inability, and in the absence or inability of the manager to attend to the duties of his office temporarily, the mayor shall designate someone to perform such duties, provided, that such temporary absence or inability shall not exceed thirty days, but if such absence or inability shall exceed thirty days, then such appointment or designation shall be submitted to the council, for confirmation or rejection. In the absence or inability of any other appointive city official to perform the duties of his office, the person or body making the original appointment, or his successor in office, shall designate someone to fill such office temporarily, or if such absence or inability extends over a period of sixty days, he may appoint someone to fill such office permanently. (Acts 1929 (Munl. ch.), ch. 4, § 34.)

Sec. 35. Election and term of office of elective officers; salary of mayor; appointments by mayor; appointment of city clerk; appointments by manager; term of appointive officers; duties of mayor and city solicitor; salary of solicitor; fees.

The Mayor, members of council, municipal judge and treasurer elected on the third Monday in April 1995, shall begin their term on the 1st Monday in May after their election and shall hold office until the third Monday in June, 1999, and their successors shall be elected on the third Tuesday in May, 1999, and at intervals of four years thereafter and their term shall begin on the third Monday of June after their election. The mayor's salary shall not be less than three thousand nor more than five thousand dollars per annum.

Sec 35 (Cont.)

The mayor shall appoint the city solicitor, an assistant city solicitor, the chief of police, human officer or officers, building inspector, collector, city auditor, engineer, health commissioner, lockup keeper, municipal court clerk, and the chief of the fire department, and these appointments shall not require any confirmation by the council but shall be made at the discretion of the mayor, who shall, with like discretion, have the full and complete power of removal thereof. The mayor shall appoint the manager, by and with the advice and consent of the council. The council shall, either at a regular or special meeting called for that purpose, pass upon such nomination and either confirm or reject the same, and if such nomination is rejected, then the mayor shall submit to the council a further nomination of some other person or persons until the nomination is confirmed by council, for said office of manager, but it shall be the duty of the council to pass upon all nominations without unreasonable delay; and in any event within two weeks after the submission of the same, and the failure of members of the council to pass thereon within such time shall be cause for the removal from office of such members of the council as shall have refused to act thereon.

The council shall appoint a city clerk. The manager shall appoint or employ such persons as the ordinances of the city may require or the council may authorize by proper resolution. All such officers shall be appointed for the term of four years and until their successors are appointed and qualified, unless they are removed in the way and manner in this act (this Charter) provided.

It shall be the duty of the mayor to attend all meetings of the council and preside over that body.

It shall be the duty of the mayor to see that all of the laws and ordinances of the city are enforced and he shall have a general oversight over the peace, health and good order of the city.

The duties of the city solicitor or assistant city solicitor shall be to attend the sessions of council (and) to prosecute all suits in behalf of the city and defend all suits against the city, to advise the council and all of the departments of the city and in general to look after the interests of the city when it shall need legal services. The salary of the solicitor shall be not less than three thousand nor more than five thousand dollars per annum.

All fees of every kind collected by any officer or employee, including the municipal judge when acting as a justice, shall be paid to the city treasurer. (Acts 1929(Munl.ch.), ch. 4 35).

This ordinance shall become effective January 2, 1995.

SEC. 36 Appointment, Compensation, powers and duties of the Manager.

The manager shall be appointed in the way and manner hereinbefore provided and shall receive such salary as council may by ordinance prescribe, provided such amount shall not be less than three thousand nor more than five thousand dollars per annum, and he shall have the right to employ one clerk at such salary as council may fix, and such other help as he may require and as council may from time to time allow.

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The manager shall devote his entire time and attention to the duties of his office, and shall have supervision and control of the executive work and management of the heads of all departments under his control as directed by the mayor. He shall make all contracts for labor and supplies, and generally perform all of the administrative work of the city, and such other duties as council may require of him, and shall possess such other powers and perform such other duties as council shall prescribe. (Acts 1929 (Munl. ch.), ch. 4, § 36.)

For state law providing that, "notwithstanding any charter provision to the contrary," the governing body of every municipality shall by ordinance fix the compensation of every municipal officer and employee; provided, that the salary of an officer shall not be increased or diminished during his term of office, see W. Va. Code, § 8-5-12.

Sec. 37. Franchises--Granting; requirements and limitations governing; vote of council required.

Franchises or permits granting the right of occupancy of any portion of the streets or alleys for works of public utility or other use, or granting any right or privilege, which the city has the power to grant to individuals, firms or corporations, in order that the latter may serve the public, may be made only upon the following restrictions and conditions: Such franchises, rights and privileges shall be granted only by ordinance duly passed by the council.

No grant of any such franchise shall be made without, at the time of making it, providing that the grantee shall indemnify the city against all damages caused by construction, maintenance or operation of such works. Additional provisions and conditions shall be made for the protection of the public against damage or inconvenience by reason of the construction, maintenance or operation thereof.

No grant of a franchise for the extension of or an addition to any line or work of public service through, over or under any additional street or territory of the city, shall be made for a period extending beyond the time limit for the expiration of franchise of the principal work of which it is an extension and if the franchise of the principal work is one granted before this act [this Charter] goes into effect and not limited as to time, any franchise granted for an extension or addition thereto shall nevertheless be made subject to the conditions thereof, including a time limit for a period not exceeding twenty-five years. All franchises hereafter granted shall embody therein a plainly expressed condition, where the franchise is for work to be useful chiefly to the citizens of the city, that at the expiration of such franchise or certain periods therein mentioned, the grantee shall, if required by the governing body of the city, sell to the city the plant at its actual value, exclusive of any value for the franchise granted by the city or its earning capacity or productive worth, and no exclusive franchise shall be granted.

If the city and the owner of the plant cannot agree upon its worth, then the value shall be ascertained by an impartial arbitration, one arbitrator to be selected by the city, one by such owner of the plant, these two to select a third and the decision of any two to be binding upon both parties, and if they shall fail for a period of thirty days to select such third arbitrator, then either party may apply to the judge of the circuit court of Kanawha County who shall then appoint such third arbitrator.

No franchise shall be granted without the affirmative vote of two-thirds of all the members elected to said council. (Acts 1929 (Munl. ch.), ch. 4, § 37.)

For state law relating to the granting of franchises by municipalities, see W. Va. Code, §§ 8-31-1, 8-31-2. As to requirement that granting of franchise be by ordinance, see W. Va. Code, § 8-11-3.

Sec. 38. Same--Advertisement of application; submission to voters.

When any franchise, permit or license granting the right to use the streets, alleys, or public grounds, shall be applied for, the application or petition shall be advertised in two newspapers, published in said city, thirty days before the same shall be heard and determined by the council; and any ordinance granting such rights and franchises shall, on the petition of ten per cent of the votes cast

for all candidates for the office of mayor at the last preceding election, be submitted to the voters at a special election, for adoption or rejection, which shall be by a majority of the votes cast; said election to be held and conducted as other municipal elections are held; except that all of the expenses of said election shall be borne by the party or corporation desiring said rights and franchise.

All such ordinances shall protect the interests of the city, as provided in section thirty-seven, as well as such additional conditions, compensations or limitations as council may prescribe. (Acts 1929 (Munl. ch.), ch. 4, § 38.)

Sec. 39. Committees of council; adjournment of council meetings; postponement of announcement of vote.

Council shall have the right to appoint such committees of its own body as it may deem proper, and may give such committees power and authority to perform any duties and make any reports to council concerning the duties of council, and council may adjourn its meetings from time to time, pending the consideration of any matter, franchise or ordinance, and may postpone the announcement of any vote to an adjourned meeting or to a future meeting. (Acts 1929 (Munl. ch.), ch. 4, § 39.)

Sec. 40. Style of ordinances.

The style of all ordinances enacted by the council shall be "Be it Ordained by the Council of the City of Charleston." (Acts 1929 (Munl. ch.), ch. 4, § 40.)

Sec. 41. Passage of ordinances; revision, reenactment or amendment; effective date; publication of caption or title; resolutions and orders.

No ordinance shall be passed, except by bill, and no bill shall be so amended in its passage as to change its original purpose. All bills must be in writing and read in full when presented at a regular or special meeting of council, and except in case of emergency and when so authorized by a vote of four-fifths of the members elected, taken by yeas and nays, no bill shall be considered for final passage at the meeting at which it is introduced; but at any subsequent regular or special meeting bills may be taken up for consideration and final action. No bill except in case of emergency evidenced by a vote of four-fifths of the members of council elected shall be considered for final passage unless the same has been referred to a committee for report. All amendments made by a committee to a bill shall be reported to council and incorporated in said bill, and before final action on said bill, the bill with any amendments shall be fully and distinctly read, after which reading, whether at the meeting at which the bill is reported or a subsequent meeting, the bill may be considered for final action. No bill shall become an ordinance unless on its final passage the vote be taken, the names of the members voting for and against the same be entered of record in the minutes of council, and a majority of all members elec-

ted recorded thereon as voting in its favor. Bills referred to a committee may be withdrawn therefrom at any subsequent meeting for present consideration by an affirmative vote of a majority of the members of council present. No bill except general appropriation bills, which may embrace the various subjects and accounts for and on account of which moneys are appropriated, and bills fixing the annual salaries of officers and employees of the city, and bills, providing for the paving or improving of streets, or construction of sewers, shall contain more than one object and that shall be expressed in the title, but if any object shall be embraced in an ordinance which is not so expressed the ordinance shall be void only as to so much thereof as shall not be so expressed. No ordinance shall be revised or re-enacted by mere reference to the title thereof, but the same shall be set forth at length as if it were an original ordinance, nor shall any ordinance be amended by providing that, designated words thereof be stricken out and others inserted in lieu thereof, but the ordinance or sections amended shall be set forth in full as amended. All ordinances in force at the time [March 6, 1929] this act [this Charter] goes into effect, not inconsistent herewith, shall remain in full force until altered or repealed as herein provided, and all rights, actions, prescriptions and contracts of the city not inconsistent therewith shall continue to be valid as if this act had not been passed.

For state law as to powers and duties of municipal governing bodies with respect to ordinances and ordinance procedures, see W. Va. Code, § 8-11-1 et seq.

Any ordinance heretofore passed which may be void on account of failure of council properly to observe any provisions of the Charter of the City of Charleston or ordinances in force at the time said ordinance was passed shall so far as it may affect the validity of any paving or sewer assessments heretofore laid, be in full force and effect until repealed or amended, the same as if legally passed. No ordinance of the council shall take effect until the expiration of five days after its final passage, unless the council shall by a vote of three-fifths of its members elected, taken by yeas and nays, otherwise direct. It shall be the duty of the city clerk to make publication of the caption or title of every ordinance in a newspaper of general circulation in the City of Charleston within five days after its passage, but failure so to do shall not affect the validity of any such ordinance.

For state law providing that, "notwithstanding any charter provision to the contrary," it shall not be necessary, except as provided in the W. Va. Code, to publish a proposed or enacted ordinance in a newspaper, see W. Va. Code, § 8-11-4, subsec. (a).

Resolutions and orders of council other than ordinances may be considered for final passage at the meeting at which they are proposed, and shall, unless otherwise provided therein, be in force and effect from and after their passage. (Acts 1929 (Munl. ch.), ch. 4, § 41.)

Sec. 42. Ordinances to be spread on records of council; "ordinance record"; code of ordinances.

All ordinances passed, shall be spread in extenso upon the records of the council when adopted. The council shall also provide a well-bound book designated as "Ordinance Record," in which shall be copied by the city clerk all ordinances, in the order in which they are passed, which ordinances, when so copied, shall be compared with the originals by the mayor and shall be signed by him when found correct. Such books shall be indexed so as to show in brief form the substance of the ordinance, and shall be received by all courts and justices in this state as evidence, but the council may adopt by ordinance properly designating and describing it, a code of laws and ordinances, which when adopted shall be printed in book form, or said council may designate any committee, or attorney, or the city solicitor to prepare a code of ordinances for the government of the City of Charleston, and said council may by ordinance adopt the code so prepared as a whole, and when said ordinance adopting said code shall have been passed by the council, the said code shall be and become the law and ordinances of said city, and may be printed by order of the council, and the same shall be so received as evidence of what is printed therein, until errors or omissions be affirmatively shown therein. (Acts 1929 (Munl. ch.), ch. 4, § 42.)

For state law requirement that ordinances adopting technical codes by reference be certified by mayor and made a permanent record in office of the recorder (city clerk), see W. Va. Code, § 8-11-4, subsec. (b).

Sec. 43. Officers conservators of the peace.

All persons elected or appointed to the offices named in this act [this Charter] shall be conservators of the peace within said city, and they, and any other officer provided for under this act, may be given authority of police officers by the council. (Acts 1929 (Munl. ch.), ch. 4, § 43.)

Sec. 44. Powers and duties of municipal judge; maximum imprisonment for violation of ordinance; appeal; expense of maintaining persons committed to county jail.

The municipal judge shall be ex officio a justice and a conservator of the peace, and with authority to issue processes for all offenses committed within the police jurisdiction of the City of Charleston, of which a justice of the peace has jurisdiction under state statutes, and for all violations of any city ordinances, and shall have charge of and preside over the municipal court of such city; and may commit persons charged with felony or misdemeanor to jail or take bond for their appearance before the grand jury of the circuit, intermediate or other courts of Kanawha County; he shall keep an accurate record of all his judicial proceedings in said court, showing the style of each case, which

record shall be indexed and numbered. It shall be his duty to hold daily sessions of his said court, Sunday excepted. Before trying any person charged with any violation of any state law or ordinance a warrant specifying the offense or violation charged shall be issued as herein provided and the municipal judge shall render judgment in any case as the law of the state or the ordinance of the city applying thereto may require; he shall also have the power to issue executions for all fines, penalties and costs imposed by him and he may require immediate payment thereof, and in default of such payment, may commit the party so in default to the jail of the City of Charleston or of the County of Kanawha, or other place of imprisonment in said city, until the fine and penalty and costs shall be paid or satisfied, to be employed during the term of imprisonment as hereafter provided, but for violation of any city ordinance the term of imprisonment in any such case shall not exceed thirty days, and in all cases where a person is sentenced to imprisonment or to the payment of a fine of ten dollars or more, such person shall be allowed an appeal from such decision to the intermediate court of said Kanawha County upon the execution of an appeal bond, with surety deemed approved by the said municipal judge or municipal court clerk in a penalty double the amount of the fine and costs imposed by said judge, conditioned that the person proposing to appeal will appear before the intermediate court of Kanawha County on the first day of the next term thereof to answer for the offense wherewith he is charged and not depart thence without leave of the court and to satisfy all costs and fines imposed against him; and in no case shall judgment for a fine of less than ten dollars be given by the municipal judge if the defendant, his agent or attorney object thereto. When the judgment on appeal is against the appellant for any sum of money, judgment shall be rendered by the intermediate court against the appellant and those who signed the appeal bond as surety thereon. Before said municipal judge or clerk shall accept any natural person as surety upon any bond or recognizance under the provisions of this section, such surety shall furnish a certified statement of the clerk of the county court of any county in this state in which such surety owns real estate, and shall also file an affidavit, the form of which may be prescribed by the municipal judge, showing the bonds and recognizances upon which he is then surety and the amount of each bond or recognizance. If the amount of such bond or recognizance, together with other bonds and recognizances as shown by the affidavit aforesaid, exceeds in amount the assessed value of the surety's property as shown by the certificate of the clerk of the county court, of if any such bond or recognizance theretofore given, by such surety be forfeited and unsatisfied, then such surety shall be disqualified; and if any bond or recognizance be accepted and it subsequently appears that the surety thereon is disqualified then such bond shall be declared void by the municipal judge and the person whose appearance in the intermediate court of Kanawha County and whose payment of fine and costs are thereby secured may be forthwith apprehended and held in the city jail until a proper bond or recognizance is given; provided, however, that whenever any surety is offered less than one hour before the county clerk's office is closed or after it is closed, surety shall make an affidavit that he owns real estate in Kanawha County to an assessed value above encumbrances thereon, of at least double the amount of bond required. Any person making or procuring to be made a false statement in any such affidavit, with intent to deceive said municipal judge, shall be guilty of perjury. If such appeal be taken, the warrant of arrest, the transcript of the judgment, the appeal bond and other papers of the case shall be forthwith delivered by

the said judge to the clerk of the intermediate court and the court shall proceed to try the case as upon indictment or presentment and render such judgment, including that of costs, as the law and the evidence may require.

On appeals from said municipal court the intermediate court of Kanawha County shall be governed by the same principles with respect to the forfeiture of bonds and recognizances, and the issuance and execution of capiases and writs of fieri facias as prevail in cases in which the state is a party.

The expense of maintaining persons committed to the jail of the county by such municipal judge shall be paid by the city. The municipal judge shall account for and pay over the amount of all fines collected by him weekly to the treasurer of the city and shall make monthly reports thereof, and of all other matters, pertaining to his office to the council of said city. (Acts 1929 (Munl. ch.), ch. 4, § 44.)

For state law as to justices of the peace, see W. Va. Code, ch. 50. As to criminal procedure, see W. Va. Code, ch. 62.

Sec. 45. Qualifications of municipal judge; not to appear as counsel in criminal cases; absence or inability to perform duties; bond.

The municipal judge shall be an attorney-at-law and shall have attained the age of twenty-eight years at the date of the beginning of his term of service and shall have been a resident of this state for the period of five years and of the City of Charleston previous to the beginning of his term of service for the period of five years. He shall not appear as counsel in any criminal case in any court during his term of service. In the absence of, or in case of the inability of the municipal judge to perform his duties, the municipal court clerk shall act as municipal judge in his stead, and in the event that neither the municipal judge nor the municipal court clerk can for any cause perform such duties, then the mayor shall act as municipal judge. The official bond of a justice of the peace shall not be required of the municipal judge. (Acts 1929 (Munl. ch.), ch. 4, § 45.)

Sec. 46. Bail.

In all cases of arrest by the police of the city, except in cases of murder and rape, the person arrested shall have the absolute right to give a reasonable and proper bond for his appearance at police court [municipal court] for a trial of his case, and the municipal judge, city clerk, municipal court clerk, mayor, chief of police and the desk sergeant or person in charge of police headquarters shall have the power, and it shall be their duty, to accept such bond from such person so arrested, and upon the giving of such bond he shall be released, and it shall be their further duty to permit such person arrested to communicate in any reasonable way with any person or persons with whom he may desire to

have communication in reference to his giving bail in order to obtain his release, and each of said officers and all policemen shall render reasonable aid in assisting such person arrested to communicate with any person that he may desire for the purpose of securing such bail. In case one so arrested fail to give bond as aforesaid, the municipal judge, or if said judge be not then sitting, either of the officers named above may order such person committed to the city jail for safe keeping until the trial of his case. (Acts 1929 (Munl. ch.), ch. 4, § 46.)

For constitutional provision as to excessive bail, see W. Va. Const., art. III, § 5.

Sec. 47. Authority of council, manager and police officers relating to nuisances; duties and responsibilities of owners, agents, tenants and occupants of property; enforcement.

The manager of said city shall have authority to abate and remove all nuisances in said city. He may compel the owners, agents, assignees, occupants or tenants of any lot, premises, property, building or structure, upon or in which any nuisance may be, to abate and remove the same by orders therefor, and the council shall by ordinance provide a penalty for the violation of such orders. Council may by ordinance regulate the location, construction, repair, use, emptying and cleaning of all water closets, privies, cesspools, sinks, plumbing drains, yards, lots, areaways, pens, stables and other places, where offensive, unsightly, unwholesome, objectionable or dangerous substances or liquids are, or may accumulate, and provide suitable penalties for the violation of such regulations, which may be enforced against the owner, agent, assignee, occupant or tenant of any premises, or structure where such violation may occur. It shall be the duty of all police officers to report to the manager the facts as to the existence of any nuisance known to them.

If the owner, agent, tenant, assignee or occupant of any such premises, lot, property, building or structure, as is mentioned herein, shall fail or refuse to abate or remove any such nuisance, as mentioned herein, or to comply with the provisions of any such ordinance and the regulations herein contained, the manager may have said nuisance abated or the provisions of said ordinances carried out, after reasonable notice to said owner, occupant, tenant, agent or assignee of his intention so to do, and collect the expenses thereof, with one per centum per month interest added from the date of said notice, from the said owner, occupant, tenant, agent or assignee, by distress or sale, in the same manner in which taxes levied upon real estate for the benefit of said city are herein authorized to be collected, and the expense shall remain a lien upon said lot, or part of lot, the same as taxes levied upon real estate in said city; which lien may be enforced by a suit in equity before any court having jurisdiction, as other liens against real estate are enforced. In case of non-resident owners of real estate such notice may be served upon any tenant, occupant, assignee or rental agent, or by publication thereof onee a week for not less than two consecutive weeks in two newspapers of opposite politics, published in said city.

And in all cases where any tenant, occupant or agent is required to abate and remove any nuisance under the provisions of this section, or comply with

the provisions of any such ordinance as is mentioned herein, the expense thereof may be deducted out of the accruing or accrued rent of said property or amount due said owner from said agent, and such tenant, occupant or agent may recover the amount so paid from the owner, unless otherwise especially agreed upon.

Any expense incurred by the manager as herein provided, in the manner aforesaid, may be collected in the manner herein provided, notwithstanding the imposition of any other penalty or penalties upon any of the persons named herein, under any of the provisions of this act [this Charter]. The abatement or removal of any such nuisance by the city at the expense of said city, as herein provided, shall be prima facie proof that the said notice to the owner, occupant, agent or assignee was given as herein prescribed. (Acts 1929 (Munl. ch.), ch. 4, § 47.)

Sec. 48. Connection with sewer system.

The manager may require all owners, tenants or occupants of improved property which may be located upon or near any street or alley along which may be extended any sewer or system of sewerage, which the said city may construct, own or control, to connect with such sewer, or system of sewerage, all privies, ponds, water closets, cesspools, drains or sinks, located upon their respective properties or premises, so that their contents may be made to empty into such sewer or system of sewerage. (Acts 1929 (Munl. ch.), ch. 4, § 48.)

For state law as to authority of municipalities to require sewer connections, see W. Va. Code, § 8-18-22.

Sec. 49. Construction of sidewalks, curbs and gutters; duty of county clerk to record assessments.

The council shall have the right and authority to establish the width of any sidewalk on any street, alley or public square, or any portion thereof in said city, to cause to be put down a suitable curb of brick, stone or other material alone for the footways and sidewalks of the streets, alleys or public squares or portion thereof, and to order the construction, relaying and repair of sidewalks and gutters of such material and width, and in such manner, as the council may reasonably prescribe by the owners or occupiers of the lots or parts of lots facing upon said streets, alleys and public squares; and in case of a failure or refusal of any such owners or occupiers of the lots or parts of lots to construct, re-lay or repair such sidewalks and gutters, when required, it shall be lawful for the council to have such sidewalks and gutters constructed, re-laid or repaired, and levy and collect the expense thereof, with one per centum per month interest added after a demand of thirty days has been made by the treasurer of the city from the said owner, owners, occupier, occupiers or any of them; and in all cases of such assessment, whether for the construction, re-laying or repairing of sidewalks or gutters, payment thereof shall be made to the treasurer

within thirty days after the completion of the work and demand made, and if not so paid the city is hereby authorized to collect or cause to be collected the expense thereof, with one per centum per month interest added after work has been completed and a demand of thirty days, and they shall have the power to collect, or cause to be collected, the same from said owner, owners, occupier or occupiers or any of them, by distress and sale, in same manner in which taxes levied upon real estate for the benefit of the said city are herein authorized to be collected, and in addition there shall be a lien upon the real estate against which such assessment has been levied for the construction, re-laying and repairing of sidewalks and gutters as herein provided, which lien may be enforced by a suit in equity before any court having jurisdiction, as other liens against real estate are enforced, and it shall be the duty of the city clerk to cause to be certified to the clerk of the county court of Kanawha County the order laying an assessment authorized by this section. The clerk of the county court of Kanawha County is hereby required to record and index such assessments in the proper trust deed book in the name of persons against whose property assessments appear therein; provided, however, that a reasonable notice shall first be given to said owner or occupier or their agent, that they are required to construct, re-lay or repair such sidewalks or gutters. In case of non-residents who have no known agent in said city, such notice may be given by publication for a period not less than once a week for two consecutive weeks in any newspaper printed in said city; and in all cases where a tenant shall be required to construct, re-lay or repair sidewalks or gutters in front of the property of his or her occupancy, the expense of such construction or re-laying or repairing may be deducted out of the accruing rent of said property, and he may recover the amounts paid from the owner; unless otherwise especially agreed upon. The laying or construction of any such sidewalks by said city shall be prima facie proof that the said notice to the owner (resident or non-resident) or occupier, or their agent, was given as herein required. (Acts 1929 (Munl. ch.), ch. 4, § 49.)

Sec. 50. Annual estimate for tax levy.

Levy

The council shall ascertain the total expense of the city to be provided for by levy for the fiscal year in which said levy is made, and it shall make a detailed itemized estimate of the sum of money necessary to pay interest accruing on the bonded indebtedness of said city, the amount required for the several sinking funds for the reduction of the principal thereof, the amounts necessary for the support of the various departments of the city and for the improvements of its streets, alleys, avenues and public grounds, real and personal property, contingent expenses and other expenses, together with an itemized statement of the estimated receipts other than that to be derived by the annual levy, and after receiving such estimates, and before making the levy, it shall apportion the rate thereof, including the estimated receipts from licenses and all other sources among the several funds so ascertained and provided for, which apportionment shall be spread upon the records of this city, and in making said estimate, providing for the revenue for the fiscal years, etc., it shall be the duty of the council strictly to observe all the provisions of chapter 9 of the Acts

of the Legislature, 1908, entitled, "An act to regulate the rate and manner of laying levies for taxation in counties, magisterial and school and independent school districts, and municipal corporations, and to provide penalties for the illegal expenditure of public moneys, incurring of illegal obligations and the laying of illegal levies by any tax levying body, and for the distribution of a portion of the school fund," [now codified as art. 8, ch. 11 of the Code of West Virginia] and all amendments thereto, except where said last named act shall be inconsistent with this act [this Charter] as to limit of taxation. (Acts 1929 (Munl. ch.), ch. 4, § 50.)

For state law as to municipal general property and benefit taxes, see W. Va. Code, § 8-13-1. As to levy estimates by municipalities, see W. Va. Code, § 11-8-14.

Sec. 51. Authority to levy and collect taxes; limit of taxation.

The council 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 on all dogs kept within the city and to impose a tax upon all other subjects of taxation under the several laws of the state, which 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, on which the state imposes a tax; provided, that with the exception of the special levies authorized by law, no greater levy shall be laid by said council on the taxable property of said city than fifty cents upon each hundred dollars of the assessed valuation of the property of the municipality; and, provided, further, that the council shall, in making such levy, be subject to all provisions of chapter 9 of the Acts of the Legislature of 1908 [now codified as art. 8, ch. 11 of the Code of West Virginia] and any and all amendments thereto, except as herein provided. There shall be a tax of two dollars annually assessed on each and every male 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 city at the time of collecting other levies and taxes. (Acts 1929 (Munl. ch.), ch. 4, § 51.)

Editor's note.--Sec. 2 of art. 10 of the W. Va. Const., and sec. 8-13-3 of the W. Va. Code, relating to capitation taxes, have been repealed; the city no longer imposes a capitation tax. For additional limitations on taxation of property, see W. Va. Const., art. 10, § 1.

Sec. 52. Collection of taxes.

The city taxes annually levied by the council shall be collected as follows: Immediately after the annual levy for city taxes is laid the council shall direct

the proper officer of the city to extend the same on the property books made out by him, including therein the proper capitation tax; he shall make out therefrom proper tax tickets in the following manner: That is to say, instead of a single ticket for the whole amount charged to any person, firm or corporation there shall be two tickets, each for one-half of said amount; these half tickets shall be severally numbered or designated "first" and "second" and the same, after being examined and compared by the council and found to be correct, shall be turned over to the treasurer of the city on the first day of October following the levy and the treasurer's receipt for the gross amount thereof shall be returned, entered upon its record and the treasurer charged therewith. The treasurer shall give notice by publication for twenty days in two newspapers of opposite politics published in said city, that said tickets are in his hands for collection stating the penalty for nonpayment thereof and the time and place when the same may be paid; provided, however, that the taxpayers shall have the right to anticipate the payment of the whole or any part of the taxes assessed against them.

The one-half ticket designated "first" may be paid to the treasurer of the city any time before the first day of November next succeeding said levy; the one-half ticket designated "second" may be paid to the treasurer of the city at any time before the first day of May next succeeding said levy. To all the half tickets designated "first" remaining unpaid in the treasurer's hands on the said first day of November succeeding said levy, a penalty of ten per cent shall be added and collected from the taxpayers. To all half tickets designated "second" remaining unpaid in the treasurer's hands on the first day of May succeeding said levy a penalty of ten per cent shall be added as a penalty and shall be collectible from the taxpayers. On said first day of November succeeding said levy all such half tickets designated "first" and on said first day of May succeeding such levy all such half tickets designated "second" remaining unpaid in the treasurer's hands shall be taken up by the council and settlement had with said treasurer on said days respectively, or on the next succeeding days, respectively, if said days shall fall upon Sunday, and thereupon the council shall place said tickets in the hands of the city collector for collection and shall take his receipt therefor; provided, however, that the council shall have the power any year, by resolution, to extend the time within which the tickets may remain in the treasurer's hands and be paid to him without adding the penalty, for a period named therein not exceeding, however, a total of fifteen days.

The city collector shall have the power to collect said tickets so placed in his hands, together with the penalties thereon herein provided to be added thereto, and the compensation of such city collector for making such collection of the taxes aforesaid shall be fixed by the council.

The city collector shall be charged with the gross amount of said tax tickets so delivered to him for collection, including the penalties accrued thereon so delivered, and no deduction therefrom shall be allowed, unless on or before the first day of August of each year he makes out and returns to the council a delinquent list of taxes uncollected for such year, with his oath at-

tached hereto, stating that such list is correct and just and that he has received no part of the taxes mentioned therein, and that he has used due diligence to find property liable to distress for taxes, has found none, and that he could not collect the same.

Neither the treasurer nor the city collector shall take or collect anything but money for payment of taxes. (Acts 1929 (Munl. ch.), ch. 4, § 52.)

Editor's note.--Most of the provisions of §§ 52, 53 and 54 of the Charter have become obsolete due to changes in the Constitution and the Code of West Virginia. Const. art. 10, § 2 and W. Va. Code, § 8-13-3, authorizing a capitation tax, have been repealed. W. Va. Code, § 11A-1-4, provides that the sheriff of the county shall collect all taxes levied in his county, and § 11A-1-15 requires him to pay into the municipal treasury each month all taxes collected for the municipality. Other provisions of Charter §§ 52 through 54 have also been superseded by W. Va. Code, ch. 11A, which relates to the collection and enforcement of property taxes.

Sec. 53. Powers of collector.

The city collector shall have the power to collect the city taxes placed in his hands except as otherwise provided in this act [this Charter], and he shall also have power to collect the city claims which may be placed in his hands by the council for collection, except that fines imposed by the municipal judge shall not be collected by him. (Acts 1929 (Munl. ch.), ch. 4, § 53.)

Editor's note.--See editor's note following text of sec. 52, insofar as it relates to collection of taxes as distinguished from city claims and fines.

Sec. 54. Distress for collection of 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 estate or personal property or an assessment for paving or other improvements, shall be liable for said tax, and may be distrained therefor in whosoever's possession they may be found, and the city collector shall have the same power to collect said tax or assessment 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 city collector may distrain and sell for all city taxes and assess-

ments and in all respects have the same power to enforce the collection thereof as the sheriff has to enforce the collection of state taxes. (Acts 1929 (Munl. ch.), ch. 4, § 54.)

Editor's note.--See editor's note following text of sec. 52, insofar as it relates to collection of taxes, as distinguished from assessments for paving or other improvements not turned over by the city to the sheriff for collection as taxes.

Sec. 55. Lien on real estate for taxes--Established; enforcement by suit in court of record; priority of lien.

There shall be a lien upon all real estate within said city for the city taxes assessed thereon, including such penalties added thereto for non-payment thereof as are prescribed by this act [this Charter], 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 in Kanawha 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 Charleston 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. (Acts 1929 (Munl. ch.), ch. 4, § 55.)

For state law as to attachment of lien on real property for taxes assessed thereon, see W. Va. Code, § 11A-1-2. As to collection of taxes by appropriate court action, see W. Va. Code, § 11A-2-2.

For a case construing language of a prior city Charter somewhat similar to the language of sections 55 and 56 of the present city Charter, see Horn v. City of Charleston, 91 W. Va. 73, 112 S.E. 239 (1922).

Sec. 56. Same--Enforcement by tax sale.

Said liens for city taxes and attendant penalties may also be enforced by certifying the same to the clerk of the county court of Kanawha County for certification to the state auditor, and the same may be certified down by said auditor, and sold for 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 taxes, interest, damages, cost and commission due the state thereon, which

officer shall account therefor on settlement with the city and pay over the same to the treasurer of the city. (Acts 1929 (Munl. ch.), ch. 4, § 56.)

Editor's note.--Due to changes in state law since 1929, when the provisions of Barnes' West Virginia Code Annotated, 1923, ch. 31, was in effect, and on which this section is based, this section is obsolete. Real estate tax sales are now conducted by the sheriff of Kanawha County pursuant to the provisions of W. Va. Code, ch. 11A, art. 3.

Sec. 57. Limitation on authority of county to tax persons and property within city for streets, education or poor outside city limits; control of streets and schools within city; joint ownership of bridges.

No taxes or levies shall be assessed upon or collected from the taxable persons or property within the corporate limits of said city, for the construction, improvement or keeping in repair of roads, or the building, leasing or repairing of school houses, or the purchase of lands for the same, or for the support of schools, or for the support of the poor of Kanawha County, outside of said corporate limits, for any year in which it shall appear that said city shall at its own expense provide for its own poor and keep its own roads, streets, sewers and bridges in good order. And neither the county court of Kanawha County nor the authorities of the district in which said city is situated, shall have or exercise jurisdiction within the corporate limits with relation to the roads, streets, alleys, bridges, wharves, docks, ferries, schools or school houses, but the same shall be and remain under the exclusive jurisdiction and control of the municipal authorities of said city, except that the board of education in the independent school district of the City of Charleston shall have jurisdiction, supervision and control of the schools and school houses in said district; and said city shall be liable only for the construction, improvement, repair and good order of the roads, streets, sewers, alleys, wharves and bridges in its corporate limits, except that the County of Kanawha may become a joint owner and controller with the City of Charleston in a bridge or bridges across Kanawha River. (Acts 1929 (Munl. ch.), ch. 4, § 57.)

Sec. 58. Depositories.

It shall be the duty of the treasurer of the city to keep all funds of the city in some bank or banks within said city, which shall pay interest on such deposits and which shall pay interest on the average daily balance of such funds in all accounts of the per cent equal to that paid by state depositors on all funds of the State of West Virginia and in the same manner and at the same time. If no bank within the city is willing at any time to receive deposits of the treasurer and to pay such interest thereon, the treasurer shall report this fact to the

council, who shall thereupon designate a bank or banks in which he shall deposit said funds for the time being and until some bank in said city will receive such deposits on such terms. Before receiving any such deposits such bank or banks shall give bond in such penalty as the council shall prescribe, and with securities to be approved by said council, conditioned for the prompt payment, whenever lawfully required, of all the city moneys or parts thereof which may be deposited with them, which bond shall be renewed at such times as the council may require. (Acts 1929 (Munl. ch.), ch. 4, § 58.)

For state law as to state depositories, see W. Va. Code, ch. 12, art. 1.

Sec. 59. Bonds--Authority to issue; purposes; interest; limit; taxation to pay interest and principal.

The City of Charleston is hereby authorized to issue and sell bonds of said city, for the purposes of buying and building bridges, electric light plants, water works, gas lines and fields, and other public utilities; and for the purpose of acquiring and providing land for public parks, public streets, avenues and alleys, airports and other public grounds, and acquiring or assisting in acquiring property to be donated, dedicated or conveyed to, or otherwise vested in, the State of West Virginia, as a site for a state capitol and other public buildings, which donation, dedication and conveyance are hereby authorized to be made, and also to provide ground for and erect an incinerator plant or garbage crematory, or other plant or means for the disposal of garbage and refuse; and such bonds shall be sold for not less than par, and shall be payable in a period not to exceed thirty-four years, and shall bear interest, not to exceed six percentum per annum; and in the issuance and sale of said bonds the city shall be governed by all the restrictions of the Constitution of this state and the statutes of this state, with respect to the issuance and sale of other bonds; provided, that said city shall not, by the sale or issue of bonds for the purposes above mentioned, cause the aggregate of its indebtedness, of every kind whatever, to exceed five per centum of the value of the taxable property therein, but may for the above purposes issue bonds to the maximum limit of said five per cent; nor shall said city make such issue and sale of bonds without, at the same time, providing for the collection of a direct annual tax sufficient to pay annually the interest on the same, and a sinking fund to pay the principal within the time for which said bonds shall be issued. (Acts 1929 (Munl. ch.), ch. 4, § 59.)

For state law as to municipal public works and revenue bond financing, see W. Va. Code, ch. 8, art. 16. As to public bonded indebtedness generally, see W. Va. Code, ch. 13.

Sec. 59-a. Same--For improvement of streets.

The City of Charleston is hereby authorized to issue and sell bonds of said city, for the purpose of paying the city's part of the cost of grading, curbing, paving, sewering or otherwise improving the avenues, streets, roads and alleys of said city, and for the purpose of providing funds to cover all or any part of the cost of grading, curbing, paving or sewering that may be assessed against abutting property owners in the manner provided for by law; and said city is hereby given full power to employ the proceeds of such bonds in the purchase of paving certificates or other permanent improvement certificates issued under the provisions of the Charter and made liens or assessments against real estate in said city, at not to exceed their par value, and may hold and collect or otherwise dispose of the same; provided, that said city shall not by the sale or issuance of bonds for the purposes above mentioned, cause the aggregate of its indebtedness, of every kind whatever, to exceed five per centum of the value of the taxable property therein.

The proceeds of any bond issue, authorized under this section, shall be set aside as a separate fund, and all special assessments covering improvements, the cost whereof has been advanced out of this fund, shall be paid into and become a part of said special fund and be used for the same purpose and in the same manner as the proceeds of said original fund.

This fund shall continue to be used for the purposes mentioned herein, until such time as the city's part of the cost of grading, curbing, paving, sewering or otherwise improving the avenues, streets, roads or alleys of the city equals the original proceeds of the bond issues authorized for the purposes mentioned herein. The issuance and sale of bonds, authorized by this section, shall be governed by all of the restrictions of the Constitution of this state and statutes of this state with respect to the issuance and sale of other bonds of said city. No issuance and sale of bonds, under this section, shall be made, unless at the same time provision is made for the collection of a direct annual tax, sufficient to pay the annual interest on the same and create a sinking fund to pay the principal within the time for which said bonds shall be issued. The direct annual tax, provided for in this section, shall be set aside as a separate fund, to be known as an interest and sinking fund. All interest collected on special assessments authorized or referred to in this section shall be placed in and become a part of said special interest and sinking fund, until the principal and interest of said bonds are paid.

Whenever, in the opinion of the council, the special improvement fund created by this section, or any part thereof, is no longer needed the council may order direct that said special assessments, when collected, be applied to retiring such of the bonds provided for herein, as may be outstanding at that time. (Acts 1929 (Munl. ch.), ch. 4, § 59-a.)

For state law as to municipal public works and revenue bond financing, see W. Va. Code, ch. 8, art. 16. As to public bonded indebtedness generally, see W. Va. Code, ch. 13.

Sec. 60. Same--In anticipation of special assessments for street improvements or sewer construction; limitation on indebtedness.

The City of Charleston is hereby authorized to issue and sell the bonds of the said city for the purpose of providing for grading, paving and otherwise improving the streets and alleys of said city or constructing sewers for the proper drainage of same in anticipation of special assessments to be made upon the property abutting upon the streets and alleys so improved, or property so sewered or drained, and such bonds may be in such an amount as shall be sufficient to pay the entire estimated cost and expense of said improvements, for which such special assessments are levied; provided, that the price for which said bonds are sold shall not be below par value thereof; said bonds may be payable in groups of one-fifth of the whole issue payable in two, four, six, eight and ten years respectively, and all payable in not to exceed ten years from the date of issue thereof, and shall bear interest at a rate not exceeding six per centum per annum, payable annually; and in the issuance and sale of said bonds, the city shall be governed by all the restrictions and limitations of the Constitution of this state and the restrictions and limitations of the statutes of this state with respect to the issuance and sale of other bonds, and the assessments as paid and provided for in this act [this Charter] shall be applied to the liquidation of said bonds and the interest thereon; and if by reason of the penalties collected with the delinquent assessments, there be any balance after the payment of said bonds and all accrued interest and costs, the said balance shall be turned into the city treasury to the credit of the interest and sinking fund of the city.

Provided, that said city shall not by the sale or issue of such bonds cause the aggregate of its debt of every kind whatsoever to exceed five per centum of the value of the taxable property therein; and provided, further, that nothing herein contained shall be construed as authorizing said city to become indebted in any other manner or for any other purpose, to an amount including the existing indebtedness in the aggregate exceeding two and one-half per centum on the value of the taxable property therein (as provided in chapter 51 of the Acts of 1905)* except for the purpose of grading, paving, sewering and otherwise improving the streets and alleys of said city and as provided for in this act [this Charter], and except for the purpose of buying or building bridges, electric light plants, water works, gas lines and fields and other public utilities; nor shall they make such issue and sale of bonds for grading, paving, sewering and improving the streets and alleys of said city without, at the same time, providing for the collection of a direct annual tax sufficient to pay annually the interest on such debt and principal thereof within a period not exceeding ten years.

*Editor's note.--Acts 1905, ch. 51, § 1, reads as follows: "No county, city, school district or municipal corporation, except in cases where such corporations have already authorized their bonds to be issued, shall hereafter be allowed

to become indebted, in any manner or for any purpose, to an amount, including existing indebtedness, in the aggregate exceeding two and one-half per centum on the value of the taxable property therein, to be ascertained by the last assessment for state and county taxes, previous to the incurring of such indebtedness; nor without, at the same time, providing for the collection of a direct annual tax sufficient to pay annually the interest on such debt, and the principal thereof within and not exceeding thirty-four years; provided, that no debt shall be contracted under this section, unless all questions connected with the same shall have been first submitted to a vote of the people, and have received three-fifths of all the votes cast for and against the same." Section 2 provides that the act shall not take effect until Jan. 1, 1906.

All assessments, interest and penalties thereon, collected from the abutting property owners, on account of grading, paving, sewering or otherwise improving the streets and alleys of such city under the provisions of this act [this Charter], shall annually be applied to the annual tax required to pay the interest on such debt and such principal within and not exceeding said period of ten years and in the event that the assessments, interest and penalties so called do not amount to a sum sufficient to pay annually the interest on such debt, said city shall collect so much of said levy as will pay annually the interest on such debt, and the principal thereof within and not exceeding ten years. (Acts 1929 (Munl. ch.), ch. 4, § 60.)

Editor's note.--This section is substantially in the language of Barnes' West Virginia Code Annotated, 1923, ch. 47, § 49c (1), including the reference to Acts 1905, ch. 51. That section of the 1923 Code, as subsequently amended, is now W. Va. Code, § 8-18-14.

For state law as to municipal public works and revenue bond financing, see W. Va. Code, ch. 8, art. 16. As to public bonded indebtedness generally, see W. Va. Code, ch. 13.

Sec. 61. Contracts for improvement of streets; assessment of cost.

Whenever the council of said city shall deem it expedient to cause any street or alley in said city or portion thereof to be paved, curbed or macadamized, or otherwise improved in a permanent manner; it shall order the work done in the following manner and upon the following terms: The contract for such paving or other improvements shall, after due advertisment in which the coun-

cil shall reserve the right to reject any and all bids, be let to the lowest reasonsible bidder. The contractor shall look only to the city for the payment of the work, and in no sense to the abutting land owners, except as hereinafter provided. The total cost of grading and paving or otherwise improving any such street or alley (with the exception that where a street is occupied by the street car tracks or other railways, such cost of opening or otherwise improving the distance between the rails and two additional feet outside of each rail, shall be borne and paid entirely by the street car or other railway company operating such street or other railway unless otherwise provided by the franchise of such street car or other railway company granted previous to the passage of this act [this Charter]), shall be borne by the owners of the land abutting upon said street, alley or portion thereof, according to the following plan, that is to say: Payment is to be made by all land owners on either side of such portion of a street or block so paved or improved in such portion of the total cost, less the portion, if any, chargeable to such street or other railway company, as the frontage in feet of his land so abutting bears to the total frontage of all lands so abutting on such street, alley or portion thereof so paved or improved as aforesaid.

When the paving of any street, or alley, or portion thereof shall have been let to contract and the work done as hereinbefore provided, it shall be the duty of the engineer of said city to cause the several frontages abutting thereon to be measured, and to calculate the assessment upon each and every land owner so abutting and to certify the same to the council, showing the proper amount to be determined, as provided in the foregoing plan. It shall be the duty of the council to examine and compare such assessment, amounts and names so certified to it, and thereupon give notice by publication once a week for two successive weeks in a newspaper of general circulation published in said city, that an assessment under this act [this Charter] is about to be laid against the abutting property for paving or improvements done on said streets, or alleys, describing the location of such paving or improvements, and any owner or owners thereof shall have the right to appear before said council, within two weeks from the first publication thereof, and move to correct an apportionment or assessment excessive or improperly made as charged, which correction said council shall have the power to make according to the intent of this act, and if found to be correct or when corrected by the council aforesaid, it shall enter the same, together with a description of the lots of land as to location, frontage, depth and ownership, so far as the same may be ascertained, upon its records and to enter in its records that such owners and lots be assessed and chargeable with the amount so ascertained to be borne by them respectively; and when so approved, certified and entered on record, the same shall be and constitute an assessment against said owners and lots for such respective amounts. And it shall be the duty of the council to immediately certify such assessment to the treasurer for collection as herein provided, and a copy of said order shall be certified by the city clerk to the clerk of the county court of Kanawha County, who shall record and index the same in the proper trust deed book in the name of each person against whose property assessments appear therein. The amount so assessed against said abutting land owners shall be paid in ten payments, as follows: That is to say, one-tenth of said amount, together with

interest on the whole assessment, shall be paid into the city treasury, before the first day of May next after said work is completed and said assessments have been certified to the county clerk. And a like one-tenth, together with interest for one year upon the whole amount remaining unpaid on or before the first day of May in each succeeding year thereafter until all has been paid, and each of said installments of one-tenth beginning with the first, shall bear interest on the amount of said installments as six per centum per annum from the date of record of same in the county clerk's office until paid; provided, however, that any abutting owner so liable for any portion of the cost of such paving shall have the right at any time after the same is certified as aforesaid to the treasurer for collection to anticipate the payment of any or all of said assessments and shall be allowed to pay the face of said assessments with interest at six per cent per annum only from the time of recordation to the time of payment. To each of such installments of assessments remaining unpaid in the treasurer's hands on the day herein specified for the payment thereof, a penalty of ten per centum on the principal sum shall be added and any assessment so remaining unpaid in the treasurer's hands on such date, shall be taken up on such settlements had with the treasurer on such dates, and thereupon place such assessments with the penalty added thereto, in the hands of the city collector to be treated and considered, and payment thereof enforced in all respects as hereinbefore provided for the collection of taxes due the city, and they shall be a lien upon the property liable therefor the same as for taxes, which lien may be enforced in the same manner as provided for taxes. The lien hereinbefore provided for shall have priority over all other liens except those for taxes due the state and shall be on a parity with taxes and assessments due the city, and shall be effective as of the date that the assessment is laid by the council. Whenever all such assessments, for paving, sewerage, macadamizing or other improvements shall be paid in full to the treasurer, he shall deliver to the party paying the same a release of the lien therefor which may be recorded in the office of the clerk of the county court of Kanawha County as other releases of liens, and whenever any such assessments shall not be in the hands of the treasurer for collection, but the same shall be shown to the satisfaction of the city auditor or other official performing the duties of auditor, to have been paid in full or any officer entitled to receive the same, such auditor or the mayor may in like manner execute such release. (Acts 1929 (Munl. ch.), ch. 4, § 61.)

For state law as to collection of assessments, see W. Va. Code, § 8-13-15.

For a case holding that, because of the requirement of this section that each owner of land abutting upon a street to be improved shall be charged with such portion of the total cost of the improvement as the frontage in feet of his land abutting the street bears to the total frontage of all lands so abutting, for the city to assess the cost charged to one such land owner to the other land owners would unbalance this statutory equation, see United States v. City of Charleston, 93 F. Supp. 748

(1950). This Charter section was construed therein as in pari materia with Char., §§ 88, 88b.

Sec. 62. Sewerage assessments against owners of abutting property; requiring connection with sewer; including cost of drains in cost of street improvement.

Whenever the council shall order the construction of any public sewer in said city, the owners of the property abutting upon any street in which such sewer shall be constructed, shall be charged with and liable for sewerage assessments as follows: When said sewer is completed the engineer of said city shall report to the council in writing the total cost of such sewer, and a description of the lots and lands as to the location, frontage, depth and ownership liable for such sewer assessment, so far as the same may be ascertained, together with the amount chargeable against each lot and owner, calculated in the following manner: The total cost of constructing and laying the sewer shall be borne by the owners of the land abutting upon the streets, alleys, right of ways or easements or portions thereof, in which the sewer is laid, according to the following plan: Payment is to be made by each land owner on either side of such portion of a street, alley, right of way or easement in which such sewer is laid, in such proportion as such frontage of his land upon said street, alley, right of way or easement bears to the total frontage of all lands so abutting on such street, alley, right of way or easement; provided, that the charge laid against any owner of property shall not exceed three dollars per linear foot of frontage on each side of the portion of such street, alley, right of way or easement in which any such sewer is laid. In case of a corner lot, frontage is to be measured along the longest dimension thereof abutting on such street, alley, right of way or easement in which such sewer is laid. Any lot having a depth of two hundred feet or more and fronting on two streets, alleys, right of ways or easements, one in the front and one in the rear of said lot shall be assessed on both of said streets, alleys, right of ways or easements, if a sewer is constructed in both such streets, alleys, right of ways or easements. Where a corner lot has been assessed on the end it shall not be assessed on the side, and where it has been assessed on the side, it shall not be assessed on the end. Thereupon said council shall give like notice by publication as is required in case of street paving assessments, and the same rights shall exist as to the persons and property affected and the same duty as to corrections by said council as are prescribed with reference to paving, which report shall in like manner be examined by the council, and if found to be correct, or corrected as aforesaid, and such estimated assessments to be a fair and equitable apportionment of the cost of such sewer upon the basis hereinbefore described, it shall enter an order upon its records, setting forth such location, depth, ownership and said amount of such sewer assessments, against each, respectively, calculated as aforesaid, and the entry of such order shall constitute and be an assessment for such proportion and amount so fixed therein against such respective owners and lots, and if after such advertisements, notice and hearing, said council shall find that such apportionment at

such rate is unjust or inequitable, and contrary to the intent of this act [this Charter], it shall ascertain, fix and assess the cost thereof among and upon the abutting owners respectively, justly and equitably and according to the intent hereof, and in like manner, assess and enter the amount so fixed respectively upon its records, and the council shall, in either event, thereupon certify the same to the treasurer for collection, and certify a copy of such order to the clerk of the county court of Kanawha County, who shall record the same in the proper trust deed book, and index the same in the name of each owner of any such lot so charged with such assessment, and such assessment so made shall constitute and be a lien upon said lots respectively, which shall have priority over all other liens, except those for taxes due the state, and shall be on a parity with other taxes and assessments due the city. Said amounts so assessed against the said several land owners shall be paid by the parties liable therefor to the said treasurer at all times, in the manner and with the attendant penalties for failure to pay promptly at the time prescribed in all respects as hereinbefore provided in the case of assessments for paving streets and alleys in a permanent manner, and the parties liable therefor shall, in the same manner, and to the same extent, have the right and be entitled to anticipate any or all of such installments thereon as in such case provided. The owners of, or the tenants, occupants or agents in control of any lot abutting on or near or adjacent to any street, avenue, alley, right of way or easement in said city, in which a public sewer is or may hereafter be laid and constructed, upon which lot any business or residence building is or may hereafter be erected, or upon which any water stands not connected with a public sewer, may be required and compelled to connect any such building or lot with such sewer. Notice to so connect may be given to the owner, lessee, or occupant of such building. Each day's failure to comply with such notice and connect with such sewer by such owner or owners, ten days after such notice is given, shall be a misdemeanor and a separate and new offense under this section, and every such offense shall be punishable by fine of not less than five nor more than twenty-five dollars. The expense incurred by any tenant, occupant, or agent in complying with the order of said council to make such sewer connection may be deducted out of the accruing rents as provided for in section forty-seven relating to the abatement of nuisances. Jurisdiction to hear, try, determine and sentence for violation of this section is vested in the municipal court of such city.

In the paving, curbing, macadamizing or otherwise improving streets and alleys and providing for the assessment of the cost thereof under section 61 or section 88 of the Charter of the City of Charleston there may be included in any such assessment the cost of constructing the necessary drains for the disposal of surface water. (Acts 1929 (Munl. ch.), ch. 4, § 62.)

For state law as to low cost improvements, see W. Va. Code, ch. 8, art. 17.

Sec. 62-a. Construction of sewer systems or common, lateral, branch, trunk or combined sewers.

The council is authorized and empowered to order and cause to be constructed, in said city, or part within and part outside of the limits of said city, public, common, lateral, branch, trunk and combined sewers or public sewer systems, or both, by contract or directly by the city, for the benfit of said city or any part thereof, and to purchase lands or easements therein or to condemn lands or easements therein in the manner provided by law, for such sewers or sewer systems, and when the council shall order and complete the construction of any such sewer or sewer system or any part thereof in said city, the owners of the property abutting on such sewer or abutting upon an avenue, street, alley, right of way or easement in which such sewer shall be constructed, or abutting on any avenue, street, alley, right of way, easement in which any common sewer, part of a sewer system, is constructed and laid, may be charged with all or any part of the cost thereof, including the cost of such sewer or sewer system at and across intersections at avenues, streets, roads and alleys adjacent thereto. If said work is let to contract, the provisions of the Charter of the City of Charleston relating to street paving contracts shall apply.

A sewer system shall be deemed to include all the common sewers, whether they be lateral, branch, trunk or combined sewers, which serve to drain a definite drainage area as specified in the order of the council directing the work to be done.

A common sewer shall be deemed to be a sewer in which all abutters have equal rights of entrance and use.

A lateral sewer shall be deemed to be a sewer which does not receive the sewage from any other common sewer.

A branch sewer shall be deemed to be a sewer into which the sewage from two or more lateral sewers is discharged, inciuding storm and surface water sewers.

A trunk sewer shall be deemed to be a sewer into which the sewage from two or more branch sewers is discharged.

A combined sewer shall be deemed to be a sewer intended to receive domestic sewage and industrial wastes.

When said sewer or sewer system is completed the engineer of said city shall report to the council in writing the total cost of such sewer or sewer system, and a description of the lots and lands as to the location, frontage, depth and ownership liable for such sewer assessment, so far as the same may be ascertained, together with the amount chargeable against each lot and owner, calculated in the following manner: The total cost of constructing and

laying the sewer or sewer system, including the portions thereof laid in the intersections of streets and alleys, shall be borne by the owners of the land abutting upon the streets, avenues, alleys, rights of way or easements or portions thereof in which the sewer or some part of the sewer system, is constructed and laid; payment is to be made by each land owner on either side of such portion of a street, alley, right of way or easement in which a common sewer is laid, in the proportion that the frontage of his land upon such portion of said street, alley, right of way or easement in which such sewer or sewer system is laid bears to the total frontage of all lands so abutting on such street, alley, right of way or easement; in which the sewer or some part of the sewer system is laid; provided, that the charge laid against any owner of property shall not exceed three dollars per linear foot of frontage on each side of such street, alley, right of way or easement in which any such sewer or part of a sewer system is laid. In case of a corner lot, frontage is to be measured along the longest dimension thereof abutting on such street, alley, right of way or easement in which such sewer is laid, but if sewered on both sides then such a corner lot is to be charged only with the side first sewered. Any lot having a depth of two hundred feet or more and fronting on two streets, alleys, right of ways or easements, one in the front and one in the rear of said lot shall be assessed on both of said streets, alleys, right of ways or easements, if a sewer is constructed on both such streets, alleys, right of ways, or easements. When a corner lot has been assessed on either or both ends, it shall not be assessed on the side, and where it has been assessed on the side, it shall not be assessed on the end.

In the case of corner lots where the cost of sewering along one dimension is not assessed against the owner thereof, and in case of lots less than two hundred feet deep abutting at both ends on a street, alley, right of way or easement in which a sewer is laid, the cost of sewering along the dimension or end not assessed against the property owner shall in every case be borne by the City of Charleston.

Thereupon said council shall give like notice by publication as is required in case of street paving assessments, and the same rights shall exist as to the persons and property affected and the same duty as to corrections by said council as are prescribed with reference to paving. The report of the city engineer shall in like manner be examined by the council, and if found to be correct or corrected as aforesaid, and such estimated assessments to be a fair and equitable apportionment of the cost of such sewer or sewer system upon the basis hereinbefore described, it shall enter an order upon its records, setting forth such location, depth, ownership and said amount of such sewer assessments, against each respectively, calculated as aforesaid, and the entry of such order shall constitute and be an assessment for such proportion and amount so fixed therein against such respective owners and lots; and, if after such advertisement, notice and hearing, said council shall find that such apportionment at such rate is unjust or inequitable, and contrary to the intent of this act [this Charter], it shall ascertain, fix and assess the cost thereof among and upon the abutting owners respectively, justly and equitably and according

to the intent hereof, and in like manner assess and enter the amount so fixed respectively upon its records; and, the council shall, in either event, thereupon certify the same to the treasurer for collection and certify a copy of such order to the clerk of the county court of Kanawha County, who shall record the same in the proper trust deed book, and index the same in the name of each owner of any such lot so charged with such assessment, and such assessment so made shall constitute and be a lien upon said lots respectively, which shall have priority over all other liens, except those for taxes due the state, and shall be on a parity with other taxes and assessments due the city. Said amounts so assessed against the said several land owners shall be paid by the parties liable therefor to the said treasurer at all times, in the manner and with the attendant penalties for failure to pay promptly at the time prescribed in all respects as hereinbefore provided in the case of assessments for paving streets and alleys in a permanent manner, and the parties liable therefor shall, in the same manner, and to the same extent, have the right and be entitled to anticipate any or all of such installments thereon as in such case provided. The owners of, or the tenants, occupants or agents in control of any lot abutting on or near or adjacent to any street, avenue, alley, right of way or easement in said city, in which a public sewer is or may hereafter be laid and constructed, upon which lot any business or resident building is or may hereafter be erected, or upon which any water stands not connected with any public sewer, may be required and compelled to connect any such building or lot with such sewer. Notice to so connect may be given to the owner, lessee, or occupant of such building. Each day's failure to comply with such notice and connect with such sewer by such owner or owners, ten days after such notice is given, shall be a misdemeanor and a separate and new offense under this section, and every such offense shall be punishable by fine of not less than five nor more than twenty-five dollars. The expense incurred by any tenant, occupant, or agent in complying with the order of said council to make such sewer connection may be deducted out of the accruing rents as provided for in section 47 relating to the abatement of nuisances. (Acts 1929 (Munl. ch.), ch. 4, § 62-a.)

Sec. 63. Resolution declaring necessity for street improvement--Required; procedure for adoption.

Whenever it is deemed expedient by the council of said city to provide for the grading, paving, sewering, macadamizing or otherwise improving any street or alley therein to be paid for in whole or in part by special assessment said council shall declare by resolution, by aye and no vote, the necessity of such improvement. At the time of the passage of said resolution the said council shall have on file in the office of the city engineer, plans, specifications, estimates and profiles of the proposed improvements, showing the proposed grade of the street and improvement, after completion, with reference to the property abutting thereon, which plans, specifications, estimates and profiles shall be open for the inspection of all persons interested. Said resolution shall determine the general nature of the improvement, what shall be the grade

of the street, alley or other public place to be improved, as well as the grade or elevation of the curb, and said council shall approve the plans, specifications, estimates and profiles for the proposed improvement. The council shall also determine in said resolution the method of paying for the work contemplated in said plans and specifications whether by an appropriation from funds in the treasury unappropriated, or whether or not bonds shall be issued in anticipation of the collection of special assessments, to be made against the abutting property owners as provided for in section 61 of this act [this Charter]. Said resolution shall further show the approximate estimated cost of said proposed improvement per front foot of the property abutting thereon, and shall fix a date, at some regular or special meeting of the council, on which the owners of property to be assessed for such improvement may appear before council and protest against the same or be otherwise heard in reference thereto. Assessments shall be payable in ten installments as provided for in said section 61. The resolution herein provided for, declaring the necessity for said improvement, shall be published at least once a week for two successive weeks after its adoption, in a newspaper of general circulation published in the city, and an affidavit of the publisher showing publication for such time, together with a copy of said notice attached, shall be filed with the city clerk of the said city and spread upon the record of the minutes of the next meeting of the council. Said resolution shall be in effect from and after the first publication thereof as herein provided for. (Acts 1929 (Munl. ch.), ch. 4, § 63.)

Sec. 64. Same--Service on property owners of notice of passage.

A notice of the passage of the resolution required in the last preceding section, embodying a copy of said resolution, shall be served upon the owner of each piece of property to be assessed, said service to be made in the manner provided by this act [this Charter] for serving notices herein required or in other lawful manner; provided, that if any of the owners or persons be not residents of the City of Charleston, or if it appears by the return in any case, that the owner cannot be found, then a notice of the passage of said resolution shall be published in some newspaper of general circulation in said city once a week for two successive weeks, which notice shall be deemed completed on the day of the second publication thereof, and such notice whether by service or publication, shall be completed at least three days before the date fixed for hearing thereon, as aforesaid, and before the introduction of any ordinance providing for said improvement, as hereinafter provided for; and the return of the officer, or sworn return of any other person, serving such notice or a certified copy of said return, or when published, the certificate of the publisher of said newspaper, shall be prima facie evidence of the service of the notice as herein required. Notice upon infants may be served on their guardian, and upon insane persons by service upon their committee. It shall be the duty of the city manager to cause such notice to be served upon said property owners as aforesaid. (Acts 1929 (Munl. ch.), ch. 4, § 64.)

Sec. 65. City executive committees of political parties.

The city executive committees of the two political parties casting the highest vote at the last preceding general election, shall each consist of one person from each of the wards of the city to be selected in the same manner and at the same time that candidates for municipal offices are selected. Vacancies in a committee shall be filled and members to represent newly created wards shall be elected by the committee to serve until the next general city election. (Acts 1929 (Munl. ch.), ch. 4, § 65.)

For state law as to municipal executive committees, see W. Va. Code, § 8-5-14.

Sec. 66. Bonds to pay city's cost of improvement of streets, etc.

It shall be lawful for said City of Charleston to issue and sell its bonds as provided in this act [this Charter] for the sale of other bonds, to pay the city's part of the cost of said improvements as required by this act, and it may levy taxes in addition to all other taxes authorized by law, to pay such bonds and interest thereon, provided that the total indebtedness of the city for all purposes shall not exceed five per centum of the total value of all taxable property therein. (Acts 1929 (Munl. ch.), ch. 4, § 66.)

For state law as to municipal public works and revenue bond financing, see W. Va. Code, ch. 8, art. 16. As to public bonded indebtedness generally, see W. Va. Code, ch. 13.

Sec. 67. Hearing of property owners affected by improvements; ordinance concerning improvement.

After the expiration of not less than ten days from the time of the giving and publication of the notices as provided for in section 64, the council shall sit at the time and place fixed for the purpose of hearing all property owners to be affected, with reference to such proposed improvements, and shall hear and consider any protests or objections thereto; and the council shall thereupon, or as soon as may be, determine whether it will proceed with the proposed improvement or not, and if it decides to proceed therewith an ordinance for the purpose shall be passed. Said ordinance shall set forth the streets and alleys upon which the abutting property is to be assessed for the improvement, and shall contain a statement of the general nature of the improvement, and the character of the materials which may be bid upon therefor, of the mode of payments therefor; a reference to the resolution therefor passed for said improvement, giving the date of its passage and a statement of the intention of the council to proceed therewith in accordance with said resolution and in accordance with the plans, specifications, estimates and profiles provided for said improvement. In setting forth the lots and lands abutting upon the improvement it

shall be sufficient to describe them as the lots and lands *abutting upon the improvement it shall be sufficient to describe them as the lots and lands* [italics supplied by the editors, to indicate probably unintended repetition] bounding and abutting upon said improvements between and including the termini of said improvements, or by the description by which they are described on the land books of the County of Kanawha, and this rule of description shall apply in all proceedings in which lots or lands are to be charged with a special assessment. (Acts 1929 (Munl. ch.), ch. 4, § 67.)

For state law as to municipal public works and revenue bond financing, see W. Va. Code, ch. 8, art. 16. As to public bonded indebtedness generally, see W. Va. Code, ch. 13.

Sec. 68. Special assessments when several kinds of materials have been named in ordinance providing for improvement.

In any case in which special assessments have been made, or shall hereafter be made, upon property for the construction of any improvement authorized by this act [this Charter] or previous statutes and several kinds of materials have been named in the ordinance or ordinances providing for the same, and on which bids have been received for the construction of said improvements with any, either or all of said material, said assessments shall be valid and binding assessments on the property so assessed. In the case of the construction of sewers required under the provisions of this act [this Charter], notice of the passage of said resolution therefor, as provided for in section 64 of this act, shall be given in the manner provided for in said section of this act. (Acts 1929 (Munl. ch.), ch. 4, § 68.)

Sec. 69. Vote of council required for public improvement; petition by property owners.

No pavement, sewer or sewer system, or other public improvement the cost of all or a part of which is to be especially assessed against abutting property, or against the owners thereof, shall be made without the concurrence of two-thirds of all the members elected to council, unless the owners of a majority of the foot frontage of property to be so assessed, petition in writing therefor, in which event the said council shall have power upon the affirmative vote of a majority of all the members elected thereto to proceed with such improvement in the manner provided by law. (Acts 1929 (Munl. ch.), ch. 4, § 69.)

For state law as to low cost municipal improvements, see W. Va. Code, ch. 8, art. 17.

Sec. 70. Assessment when public improvement passes through or by public property or property of institution.

When the whole or any portion of the improvement authorized by this act [this Charter] passes through or by a public wharf, market space, park, ceme-

tery, structure for the fire department, water works, school building, infirmary, market house, work house, hospital, house of refuge, bridge, gas works, public prisons, court house, church or any other public structure or public grounds within said corporation, and belonging to said corporation, or to the county, state, or any church, association or eleemosynary institution, the council may authorize the proper proportion of the estimated cost and expense of the improvement to be certified to the clerk of the county court of Kanawha, and it shall be the duty of those persons having charge of the fiscal affairs of any such property or institution to make proper arrangements for the payment of such assessments when due and payable. (Acts 1929 (Munl. ch.), ch. 4, § 70.)

Sec. 71. What cost of improvement shall include.

The cost of any improvement contemplated in this act [this Charter] and for which assessments may be made, shall include the cost and expense of the preliminary and other surveys, and of printing and publishing all notices required to be published, and serving the notices upon the property owners and the cost of construction and inspection. (Acts 1929 (Munl. ch.), ch. 4, § 71.)

Sec. 72. Filing statement as prerequisite to action for damages arising out of improvement.

No person shall bring any action whatever in any court in this state for damages arising out of improvements or change of grade unless he shall have filed with the council at some time after the publication of the notice provided for in section 64, and before the time of the introduction of the ordinance providing for said improvement a statement of the damage which, in his opinion, he will sustain by reason of said improvement or the change of grade therefor, which statement shall be duly sworn to and be spread upon the minutes of said council. (Acts 1929 (Munl. ch.), ch. 4, § 72.)

For a case which, in construing identical language of a predecessor of the Charter section here codified, held that it is within the legislative power to require a notice and claim for damages to property caused by municipal action to be given and filed prior to bringing suit thereon, and that such legislative act is not a violation of the constitutional rights of the injured party, provided always that such requirement be not unreasonable, see Whit v. City of Charleston, 98 W. Va. 143, 126 S.E. 705 (1925).

Sec. 73. Liberal construction of proceedings with respect to improvements.

Proceedings with respect to improvements shall be liberally construed by the courts to secure a speedy completion of the work at reasonable cost, and

a speedy collection of the assessments after the time has elapsed for their payments and merely formal objection in such cases shall be disregarded. (Acts 1929 (Munl. ch.), ch. 4, § 73.)

Sec. 74. Election and three-fifths vote required for issuance of bonds; regulations governing.

It is especially provided that no bonds shall be issued under the provisions of this act [this Charter] unless and until the question of issuing said bonds shall have first been submitted to a vote of the people of the city and shall have received three-fifths of all votes cast at said election for or against the same.

The council may provide by ordinance for an election every year, at which the question shall be submitted to the people, as to whether the city shall be authorized to issue bonds for the purpose and under the provisions of this act, to an amount not to exceed in the ensuing year the amount recommended by said ordinance for said ensuing year; but the ordinance providing for said election need not specify in detail the location of the improvements contemplated to be paid for during the ensuing year out of said aggregate issue authorized for said year, but before issuing any bonds the council shall pass separate ordinances for such street or alley to be improved, dealing with all the requirements set forth in section 67 of this act [this Charter], and notwithstanding the provisions of sections 2, 3 and 6 of chapter 47 of the Code,* it shall be sufficient description for the purpose for which said election is held if the ordinance providing for said election shall recite that it authorized the council of said city to issue bonds for the purpose of grading, paving, sewering or otherwise improving the streets and alleys of said city, at such time as to the council shall seem fit during the ensuing year ending on the.....day of ....., 19....., to an amount not exceeding in the aggregate during the said year the sum of.....; and when the council shall have been once authorized by a vote of the people to issue bonds for the purpose and in a sum not to exceed the amount set forth in the ordinance providing for the said election, no further election shall be necessary for the issuing of bonds during said ensuing year up to the amount stipulated in said ordinance providing for said election, but the council shall from time to time during said ensuing year, by ordinance authorize the issue of said bonds, in such sums and for the improvement of such streets or alleys as to it may seem best, providing the requirements of this act are complied with. The aggregate amount of bonds authorized by said annual election shall not be exceeded during said ensuing year, unless and except the same be authorized by special election held at a subsequent time in said year and duly called as provided for the calling of the annual bond election.

*Editor's note.--Secs. 2, 3 and 6 of ch. 47 of "the Code," here mentioned, apparently are §§ 2, 3 and 6 of ch. 47A of the W. Va. Code, Annotated, 1906. For present state law as to financing of municipal public works by revenue bonds, see

W. Va. Code, §§ 8-16-9 through 8-16-17, and, see also, W. Va. Code, ch. 13, relating to public bond issues and indebtedness generally.

The provisions of chapter 47 of the Code [see editor's note, supra] concerning bond elections shall, so far as they are not in conflict with the provisions of this act [this Charter], apply to the annual bond elections and special bond elections herein provided for. (Acts 1929 (Munl. ch.), ch. 4, § 74.)

Sec. 75. Authority of council to lay special levies in years 1929 and 1930 for special purposes.

Editor's note.--The text of this section, being Acts 1929 (Munl. ch.), ch. 4, § 75, is omitted as executed and obsolete. It authorized special levies in the years 1929 and 1930 for the purposes of (1) construction of trunk and branch line sewers; (2) the acquisition of a ramp at the C. & O. Ry. passenger station on the south side of the Kanawha River; and (3) maintenance and care of a municipal cemetery within the city.

Sec. 76. Power of council as to public buildings, hospitals, libraries, etc.

The council 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, and to establish and maintain public hospitals, libraries and reading rooms, and to purchase books, papers and manuscripts therefor, and to receive donations, gifts or bequests for same in trust or otherwise. (Acts 1929 (Munl. ch.), ch. 4, § 76.)

Secs. 77, 78 and 79. Fire department civil service.

Editor's note.--The text of these sections, being Acts 1929 (Munl. ch.), ch. 4, §§ 77, 78 and 79, is omitted as obsolete, having been superseded by the provisions of West Virginia Code, chapter 8, article 15, part IV (§ 8-15-11 et seq.), captioned "Civil Service for Paid Fire Departments."

Sec. 80. Political activities by members of fire or police departments.

No member of the fire department or police department shall actively engage in any primary election, convention or election in which any officer in the city, county or state is to be nominated or elected, nor shall such member, directly or indirectly, give or offer to give, contribute or offer to contribute any money or thing of value or profit to any political committee or party orga-

nization to be expended in behalf of any political party, nor to any candidate or candidates for nomination for or election to any office in the city, county or state. The violation of any of the provisions of this section by any member of the fire department or police department shall be deemed misconduct in office. Any member of the fire department or police department guilty of misconduct, shall be dismissed from the service of the city by the head of his department or by council, upon charges preferred and proven by any citizen of said city. (Acts 1929 (Munl. ch.), ch. 4, § 80.)

For state law as to political activity of members of paid fire department, see W. Va. Code, § 8-15-24. As to political activity of members of paid police departments in class I cities, see W. Va. Code, § 8-14-19.

Sec. 81. Service of notice, summons, warrant, etc.

When any notice is required to be given, or any summons, warrant or other process is required to be served or otherwise executed, under the provisions of this act [this Charter], it shall be sufficient if such notice, summons, warrant, or other process be executed by an officer of the police department or other employee of said city in the same way or manner in which the laws of the state prescribe for executing summonses and subpoenas by state officers, unless otherwise provided by this act [this Charter]. (Acts 1929 (Munl. ch.), ch. 4, § 81.)

Sec. 82. Contested elections for council.

Whenever one or more members of the council shall be a candidate for re-election, it shall be the duty of the council to meet and appoint some person or persons, qualified to act in hearing contested election matters and cases. The place and stead of such disqualified member or members shall be filled in each case by a member or members of the same political party as the person or persons respectively, in whose place or places he or they are so appointed. Every person so appointed shall take an oath of office to faithfully and impartially perform the duties of said office. In all matters concerning such contests, such person or persons so appointed shall act in the place and stead of such member or members, so being candidates, and it shall be unlawful for any member of the council to act as such in hearing any contest in relation thereto, when such member is a candidate at such election; and anyone violating this section shall be deemed ineligible to the office for which he is a candidate. (Acts 1929 (Munl. ch.), ch. 4, § 82.)

Editor's note.--There is no prior reference in the Charter to any "such disqualified member or members" as mentioned in this section. See, however, Char., § 23, which provides, in pertinent part, that "all contested elections shall be

heard and determined by the council," and a logical assumption may be that, in enacting this section, the legislature intended that incumbent council members whose reelection is contested shall be disqualified to hear and participate in the determination of any such contest, and to provide for qualified persons, not members of the council, to act in the place and stead of those members whose election is contested.

Sec. 83. Duties of city clerk as to municipal elections.

The city clerk, acting under the state laws insofar as they are not in conflict with this act [this Charter], shall perform such duties relating to all municipal elections held under the municipal authorities of said city as the clerks of the county and circuit courts of Kanawha County perform under state laws in relation to state, county and district elections in said county; and he shall likewise be the custodian of all ballots, tally sheets, etc., pertaining to all municipal elections. (Acts 1929 (Munl. ch.), ch. 4, § 83.)

Sec. 84. Valid ordinances and regulations passed on or before May 1, 1915, not inconsistent with this Charter, to remain in effect until repealed.

All valid ordinances and regulations passed and adopted by the council, or by the board of affairs and council on or before the first day of May, 1915, and not inconsistent with this act [this Charter], shall be and remain in force unless and until repealed, and the council now [March 6, 1929] in office shall continue to exercise its powers as such until the officers elected in 1931 shall have been qualified. (Acts 1929 (Munl. ch.), ch. 4, § 84.)

Editor's note.--The "board of affairs" herein referred to was the governing body of the city under a Charter enacted in 1907, which was superseded by a new Charter enacted in 1915 providing for a mayor council form of government.

Sec. 85. Powers and duties of policemen.

The mayor shall appoint such number of policemen as are or may be hereafter prescribed by the city council by ordinance, and the mayor shall have at his discretion, the absolute right and power to dismiss any policeman and appoint another in his stead. The policemen shall be under command of the mayor and the chief of police, to be appointed as in this act [this Charter] provided for, and shall perform any and all duties incident to the office of policeman under the instructions and command of the mayor and the chief of police,

and, in addition to the usual and customary duties prescribed by the laws of this state and under the provisions of this Charter required of them, it shall specially be the duty of each police officer to report to the chief of police, or some one designated by said chief of police to receive such report, daily and oftener if occasion demands, the condition of all streets, sidewalks, alleys, basements, backyards, buildings, unimproved lots and all other things and matters within the limits of said city that may come under the notice of such policemen which may relate to the health of the citizens thereof, the sanitary conditions, the necessity of the removal of any obstructions upon any of the streets, alleys or sidewalks, and it shall be the duty of the policemen under their instructions to perform all the duties and exercise all the powers ordinarily imposed upon or given to the officers now known as health officers. It shall also be the duty of each police officer to perform all the duties of humane officer and to exercise all the functions, power and authority relating thereto which are or may be prescribed by any law of this state or ordinance of the city. A police officer in making arrests shall have all of the power and authority of a constable under the laws of the State of West Virginia. (Acts 1929 (Munl. ch.), ch. 4, § 85.)

Editor's note.--The appointment, promotion and dismissal of police officers in paid police departments of class I cities is now governed by the civil service provisions of W. Va. Code, § 8-14-7 et seq.

Sec. 86. Compensation of members of council; absence from meetings.

~~$115.00~~

Each member of the city council shall be paid during his term of office the sum of ~~two dollars and fifty cents~~ for each meeting of the council that he shall attend; provided, that the aggregate amount to be paid to each member of the council shall not exceed the sum of ~~one hundred dollars per annum~~. The roll of the members of the council shall be called at the beginning and at the end of each meeting thereof, and those members only who answer in person at each roll call shall be entitled to receive their pay for such meeting. The names of those members present at each roll call shall be entered upon the record. If there should not be a quorum present at the first roll call and the meeting be adjourned for that reason, then it shall not be a meeting that will entitle those present to the payment of the sum of two dollars and fifty cents as provided in this section. It shall be the duty of all councilmen to attend all of its meetings, and if any councilman shall be absent from the meetings of council as shown by its records for three consecutive meetings, then his office shall ipso facto become vacant, unless the council shall authorize or excuse such absence. If the office of any councilman shall become vacant under

Roll Call

the provisions of this section, then the council shall proceed to fill the same as it is authorized to do in the case of vacancies. (Acts 1929 (Munl. ch.), ch. 4, § 86.)

For state law providing that, "notwithstanding any charter provision to the contrary," the governing body of every municipality shall by ordinance fix the compensation of every municipal officer and employee; provided, that the salary of an officer shall not be increased or diminished during his term of office, see W. Va. Code, § 8-5-12.

Sec. 87. Reports by manager to council; reports by officers and employees under supervision of manager.

It shall be the duty of the manager, not later than the tenth day of any month after his appointment, to make a detailed report to the council for the preceding month. Such report shall show under distinct heads, first, the names and salaries of all employees under the control and supervision of manager; second, all expenditures or disbursements in the several departments under the supervision of the manager; third, an itemized statement of all purchases, together with the cost thereof, for each and every such department; fourth, all such other matters and things as the council may by proper ordinance or resolution require of said manager. Such report shall be entered of record in the minutes of the council and be a public record, open to the inspection of all persons. All officers or employees in any of the departments under the supervision of the manager shall, whenever required by said manager, make full and complete reports of all things done by them as such officers or employees in connection with the business of the city. (Acts 1929 (Munl. ch.), ch. 4, § 87.)

Sec. 88. Additional method for paving streets; assessment certificates.

In addition to the method provided for paving streets, by section 61 of the Charter of the City of Charleston, the council may order any street, avenue, public alley, or portion thereof, to be graded and paved, re-paved, or otherwise permanently improved, and the council may order the mayor and city clerk to issue a certificate for each installment of the amount of the assessment to be paid by the owner of any lot or fractional part thereof fronting on such street, avenue, or alley. The amount specified in said assessment certificate shall be a lien as aforesaid [in Char., § 61] in the hands of the holder thereof upon the lot or part of a lot fronting on such street, avenue, or alley, and such certificate shall draw interest from the date of said assessment and the payment may be enforced in the name of the holder of said certificate by proper suit in equity in any court having proper jurisdiction to enforce such lien; the council shall fix the amount of such assessment, advertise for bids and do all other things in connection therewith as is provided for paving or permanently im-

proving any street or alley or any portion thereof in section 61, except that such assessment laid under this section shall include the whole cost of such improvement, including the cost of grading and paving squares at intersections of streets and curbing, the costs of which intersections shall be apportioned against the several properties fronting upon the street or portion thereof so improved; and such certificates shall be issued in the same number of installments and payable at the same time as other paving or permanent improvements are provided to be paid for, and shall be a lien in the hands of the holder thereof upon the particular lot against which they are assessed in the same way and manner that assessments are liens under section 61 of said Charter. And nothing contained in this act [this Charter], or in the Charter of the City of Charleston, shall be construed as imposing a time limit upon the enforcement by appropriate suit of any lien for public improvements, heretofore or hereafter created.

Certificates authorized by this section may be issued, sold or negotiated to the contractor doing the work, or to any other person if the council deem it expedient; provided, [that] the city in issuing such certificates shall not be held as guarantor or in any way liable for payment thereof.

Certificates so issued shall contain a provision to the effect that in the event of default in the payment of any one of said certificates, when due, and said default continuing for a period of sixty days, then all unpaid certificates shall become due and payable and the holder of said certificates may proceed to collect all of such unpaid certificates in the manner hereinbefore provided. Certificates issued in pursuance of this section shall be negotiable at any bank in the City of Charleston.

The owner of the land or lot of land assessed under this section may at any time anticipate and pay such assessment or certificate with accrued interest thereon.

Provided, that no street, avenue or alley shall be paved or otherwise permanently improved pursuant to this section except and unless two-thirds of all the members elected to the council shall concur in the passage of the ordinance providing therefor, and the vote thereon shall be taken by ayes and noes, and duly entered upon the record. (Acts 1929 (Munl. ch.), ch. 4, § 88.)

For a case holding that the provisions of this section that an assessment under the certificate plan "shall include the whole cost of such improvement" precluded the city from paying to the paving contractor from general revenues or from monies derived from bonds, since if this were done "the whole cost of such improvement" would not be included in the assessment made under the certificate plan, see United States v. City of Charleston, 93 F. Supp. 748 (1950). This Charter section was construed therein as in pari materia with Char., §§ 61 and 88-b.

Sec. 88-a. Void, irregular or omitted assessments.

In the case of the construction of any pavement, sewer, sidewalk or other permanent improvement under the provisions of this Charter where an assessment has heretofore been laid, or may hereafter be laid for the cost thereof, which said assessment is or shall be void or voidable by reason of errors, irregularities or defects in the proceedings under which such improvement was made, or in case such assessment shall have been made against the wrong person or shall have been omitted to be made in a case where the same was proper; it shall be the duty of the council within two years after the completion of such permanent improvement, or after any court shall have declared such assessment invalid, to cause notice to be given to any person against whom the cost of said improvement might properly be or have been assessed under said Charter, of its intention to lay such assessment against him and fixing a time and place at which he may appear and show cause against the same. Said notice shall be served as provided in the said Charter for the giving of notices in assessment proceedings, or in any other manner provided by law, including by publication where the person is a non-resident of the city or cannot be found. At the time and place fixed for hearing under the notice aforesaid, or at any time thereafter, the council shall proceed to lay and levy an assessment for the cost of such permanent improvement in such manner as would have been lawful under proper proceedings at the time said improvement was made, unless the person so notified shall show good cause against the same, and no further notice of such assessment shall be necessary. The assessment so laid shall be a lien upon the property liable therefor and may be recorded and enforced in the same manner as provided for other liens for permanent improvements. This section shall apply to assessments made and certificates issued under section 88 of this Charter, as well as to other assessments and liens for public improvements. (Acts 1929 (Munl. ch.), ch. 4, § 88-a.)

Sec. 88-b. Assessment certificates to pay for cost of construction of sewers and sewer systems.

In addition to the method for the payment of the cost of construction of sewers and sewer systems provided by sections 62 and 62-a of the Charter of the City of Charleston, the council may order any sewer or sewer system constructed and laid, in any block, street, avenue, alley or in any right of way or easement, or portion thereof, and the council may order the mayor and city clerk to issue a certificate for each installment of the amount of the assessment to be paid by the owner of any lot or fractional part thereof fronting on such street, avenue, alley, right of way or easement in which such sewer system is constructed and laid, and the amount specified in said assessment certificate shall be a lien as aforesaid in the hands of the holder thereof upon the lot or part of lot fronting on such street, avenue or alley, right of way or easement, and such certificate shall draw interest from the date of said assessment and the payment may be enforced in the name of the holder of said certificate by proper suit in equity in any court having proper jurisdiction to enforce such lien; the council shall fix the amount of such assessment, advertise for bids

and do all other things in connection therewith as is provided in section 61 of said Charter for paving or permanently improving any street or alley or any portion thereof, the costs of which shall be apportioned against the several properties fronting upon the street, avenue, alley, right of way or easement or portion thereof in which the sewer or sewer system is laid according to the provisions of section 62 or section 62-a, as the case may be. Such certificates shall be issued in the following number of installments.

Where the assessment shall not exceed fifty dollars, the assessment and certificate issued thereon shall be in one amount, due and payable in ninety days from the completion and acceptance of the work; if over fifty dollars and not more than one hundred dollars, then such amount shall be covered by only two certificates of equal amounts, payable in ninety days and one year, respectively; if over one hundred dollars and not more than one hundred and fifty dollars, then such amount shall be covered by only three certificates of equal amounts payable in ninety days, one year and two years, respectively; if over one hundred and fifty dollars and not more than two hundred dollars, then such amount shall be covered by only four certificates of equal amounts, payable in ninety days, one year, two years and three years, respectively; and if more than two hundred dollars, then in five certificates of equal amounts, payable in ninety days, one year, two years, three years and four years, respectively; and the term "equal amounts" herein shall mean as nearly equal as practicable, that is, four certificates being expressed in terms of blank dollars each, and, when practical, in multiples of five, the cents and odd amounts being covered by the first certificate.

Every such certificate shall be a lien in the hands of the holder thereof upon the particular lot against which it is assessed in the same way and manner that assessments are liens under sections 62 and 62-a of this act [this Charter]. And nothing in this act, or in the Charter of the City of Charleston shall be construed as imposing a time limit upon the enforcement by appropriate suit of any lien for public improvements heretofore or hereafter created.

Certificates authorized by this section may be issued, sold or negotiated to the contractor doing the work, or to any other person if the council deem it expedient; and shall be negotiable at any bank in the City of Charleston; provided, [that] the city in issuing such certificates shall not be held as guarantor or in any way liable for the payment thereof. Certificates so issued shall contain a provision to the effect that in the event of default in the payment of any one of said certificates when due, said default continuing for a period of sixty days, unpaid certificates shall become due and payable and the holder of said certificates may proceed to collect all of such unpaid certificates in the manner hereinbefore provided.

Provided, that no sewer or sewer system shall be constructed or laid pursuant to this section except and unless two-thirds of the members elected to the council shall concur in the passage of the ordinance providing therefor,

and the vote thereon shall be taken by ayes and noes, and duly entered upon the record. (Acts 1929 (Munl. ch.), ch. 4, § 88-b.)

For a case holding that an assessment levied pursuant to this section against the United States for paving a portion of Summers Street which abutted upon federally owned property was void in the absence of an act of congress allowing lands of the United States to be subjected to special assessments for local improvements, and that both the lien filed by the city against the federal building and the certificate issued to the paving contractor were also void, see United States v. City of Charleston, 93 F. Supp. 748 (1950). This Charter section was construed therein as in pari materia with Char., §§ 61 and 88.

Sec. 88-c. Subdividing abutting land for purpose of making assessments.

If the abutting land on any avenue, street, road or alley sought to be graded, paved, repaved or otherwise improved, or on any avenue, street, road, alley, right of way or easement in which a sewer or sewer system is ordered laid, under any of the provisions of the Charter of the City of Charleston, is not subdivided or laid off in lots by a map or deed of record, the council may, for the purpose of making the assessments provided for in this section and other sections herein, subdivide said land into lots of such size as the council deems advisable for the purpose of laying the proper assessment against such land. (Acts 1929 (Munl. ch.), ch. 4, § 88-c.)

Sec. 89. Initiation of ordinances by voters.

Any proposed ordinance, or amendment to any ordinance already in effect, may be submitted to the city council by the petition of qualified voters in said city, but such petition must be signed by such number of voters as shall amount to at least ten per cent of the number of votes cast for the office of mayor at the last preceding municipal election. Such proposed ordinance, or amendment to an ordinance, shall be passed without alteration or change by the city council within thirty days after such petition is filed, or the city council shall, in lieu of passing such ordinance or amendment to an ordinance, submit such proposed ordinance, or amendment to an ordinance, in the manner hereinafter prescribed for ratification or rejection to the qualified voters of the city at the next regular municipal election which is to be held not less than sixty days after such petition is filed. If such petition contains a request for a special election and is signed by sufficient qualified voters to equal in number at least fifteen per cent of the votes so cast for the office of mayor at the last preceding regular municipal election, the ordinance or amendment thereby proposed shall be passed by

the city council without amendment or change, within thirty days after such petition is filed, or the city council shall submit such proposed ordinance or amendment for ratification or rejection to the qualified votes at a special election which shall be called within thirty days and held not less than sixty nor more than ninety days after such petition is filed, unless a general or special election is fixed by law to be held within said period of time. In the latter event, said proposed ordinance or amendment shall be submitted for ratification or rejection at such election. The city council shall cause such proposed ordinance or amendment to be printed and published in some newspaper of general circulation in the city once each week from the time the council decides to submit the same to the voters until such election is held. No ordinance or amendment to an ordinance adopted by the voters at any such election shall be repealed or amended by the city council.

The ballot used for any such election shall have printed on it the title of each ordinance, or amendment to an ordinance, submitted for ratification or rejection and on separate lines under said title the words "for said ordinance" and "against said ordinance" (or the amended part thereof, as the case may be). If a majority of the qualified voters of the city voting on any proposed ordinance, shall vote in favor thereof, the same shall thereupon become a valid ordinance and be in full force and effect at the expiration of the period of ten days from and after said election. If two or more ordinances, or amendments to ordinances, adopted at the same election are inconsistent, then the respective ordinance, or amendment to an ordinance, receiving the largest affirmative vote at such election shall prevail, and the form of submission of inconsistent ordinances, or parts thereof, or amendments to ordinances, shall be in such form that the voters may clearly express their choice. (Acts 1929 (Munl. ch.), ch. 4, § 89.)

Sec. 90. Reconsideration of ordinance protested by petition; submission of ordinances to voters.

If within the period of five days after the passage of any ordinance a petition signed by sufficient qualified voters of said city, being in number at least fifteen per cent of the votes cast for all the candidates for the office of mayor at the last preceding regular municipal election, shall be filed protesting against such ordinance, or any part thereof, taking effect, such ordinance, or such part thereof so protested against, shall thereupon and thereby be suspended from taking effect, and the city council shall immediately again consider the same, and if it be not repealed or so amended as to meet the requirements of the said protest, the city council shall submit the same for ratification or rejection to the qualified voters of the city at the next regular municipal election which shall be held not more than thirty days after such petition is filed, or at a special election to be called thereafter by the city council for that purpose to be held in not less than sixty days nor more than ninety days after such petition is filed, and such ordinance, or part thereof so protested, shall not take effect unless a majority of the votes cast at such election thereon shall be

for the ratification thereof. If such petition shall only be signed by sufficient qualified voters to equal in number at least five per cent but not sufficient to equal in number at least fifteen per cent of the votes cast for the candidate for said office of mayor at the last preceding municipal election, the city council shall submit such ordinance, or such part thereof so protested, for ratification or rejection at the next ensuing regular municipal election which is to be held more than thirty days after such petition is filed. The city council may, on its own motion, without any petition being required therefor, submit at a regular or special municipal election any ordinance passed by it in the same manner and with the same force and effect as hereinbefore provided. No ordinance, or part of an ordinance, rejected at any election shall be enacted or passed by the city council within the period of twelve months thereafter. (Acts 1929 (Munl. ch.), ch. 4, § 90.)

For a case holding that a referendum held pursuant to this section of the city Charter cannot affect the validity of an ordinance when questioned for other reasons, see State v. City of Charleston, 130 W. Va. 490, 45 S.E.2d 7 (1967).

Sec. 91. Recall of officers.

Any officer of the City of Charleston elected by the voters under the provisions of this act [this Charter], may be recalled and the office declared vacant as provided in this act. Such officer may be removed from office by a recall election held thereunder, but no such officer shall be removed from office within the period of four months after he enters upon the discharge of his duties as such. Before any such recall election shall be held a petition, stating the name or names and the office or the officer or officers sought to be recalled, and signed by sufficient qualified voters of the said city as shall equal in number the quantity of twenty-five per cent of the votes in the whole city or in the ward, as the case may be, for all the candidates for the office of mayor at the last preceding regular municipal election, and containing a sworn statement of the grounds upon which it is sought to remove the said officer or officers, shall be filed with the city clerk. No such petition shall be filed within the period of six months before the end of the term of such officer. The city council shall immediately, upon the filing of said petition, call a special election in the manner in this act [this Charter] provided for calling special elections and submit to the voters the question of recalling such officer or officers. The ballot at such election, with respect to each person whose recall is sought, shall be substantially as follows: "Shall (name of person) be removed from the office (name of office) by recall?" Immediately following such question there shall be on the printed ballot the two propositions in the order set forth:

"For the recall of (name of person)."

"Against the recall of (name of person)."

Immediately to the left of said proposition shall be printed a square in which the voters, by marking a cross mark (X), or in some other way declaring their intention, may vote for either of such propositions. If sixty per cent of the voters registered voting on said propositions vote in favor of the recall of such officer or officers, then he or they shall thereby be forthwith removed from such office and such vacancy or vacancies shall be filled as provided in this act; provided, however, that within fifteen days after the returns of such recall election shall have been canvassed by the city council, a petition signed by sufficient qualfied voters to equal in number at least thirty per cent of the votes cast in the city, or ward, as the case may be, for the candidates for the office of mayor at the last preceding regular municipal election, and praying that such vacancy or vacancies be filled by a special election to be held not less than thirty days nor more than forty-five days thereafter, the city council shall order a special election to be held in the same manner as other special elections are provided for in this act for the purpose of filling such vacancy or vacancies. (Acts 1929 (Munl. ch.), ch. 4, § 91.)

Sec. 92. Signatures and affidavits to petitions filed under three preceding sections; form of submission of ordinance; all city elections to conform to state law.

The signatures to petitions filed under the provisions of the last three sections need not be all on one paper or one sheet of paper, but separate petitions may be circulated and signed and the aggregate number of names on all of such petitions, if equal to the number required in this act, shall be sufficient. The circulator of each paper shall make and append thereto an affidavit that each signature thereon is the signature of the person whose name it purports to be. The residence address of each signer shall accompany the signature. All such petitions shall be filed with the city clerk and shall be deemed and held to be sufficient if they appear to be signed by the requisite number of signers and such signers shall be deemed and held to be qualified voters, unless a protest in writing, under oath, shall be filed with the city clerk by some qualified voter within fifteen days after such petitions are filed, which protest shall set forth the name of each signer protested against and the ground therefor. It shall be the duty of the city clerk as soon as possible and within twenty-four hours after the filing of such protest to mail a notice to each signer so protested against at his address as given in the petition, requiring him to be and appear before the city registrars at a time fixed in said notice, not less than twenty-four hours nor more than forty-eight hours after the mailing of such notice, for the purpose of defending his right to sign said petition. If it shall be proven by satisfactory evidence that such person is not a qualified signer of such petition, then his name shall be stricken therefrom. All evidence taken shall be under oath, and any signer present at the hearing may be called as a witness by the protestant or testify in his own behalf. All hearings shall be summary and shall be concluded within fifteen days after such petition is filed. The city registrars [see Char., § 9] shall forthwith certify the result of their examination to the city clerk and such city clerk shall serve a copy of such certificate upon the person or persons named in the petition as represent-

ing the signers thereof. When the petition contains a sufficient number of qualified signatures the city registrars shall forthwith file the same with the city clerk, and he shall transmit the same to the city council, which shall call an election as provided for in the three preceding sections of this act [this Charter]. All petitions filed in the city clerk's office shall be public records. When any petition contains a form of submission of the ordinance petitioned for and such form is a reasonably fair description thereof, the same shall be placed on the ballot and no petition filed subsequently shall be permitted to use any form of submission that is so similar to the one previously filed as to tend to confuse the voter, and, in case of such conflict, the person presenting the subsequent petition may file a form of submission which shall be placed upon the ballot, provided, the same shall fairly describe the ordinance, or amendment to an ordinance, petitioned for and shall not be in conflict with any prior forms of submission or tend to confuse the voter.

The city council shall so frame all forms of submission that the voter can, by making a cross in a square in front of some appropriate words, vote either for the ratification or the rejection of the proposed measure, but no ballot shall be rejected from which the reasonable intention of the voter however he shall have marked the same, can be ascertained. All city elections, regular or special, shall conform as nearly as possible to the election statutes contained in chapter 3 of the Code of West Virginia. (Acts 1929 (Munl. ch.), ch. 4, § 92.)

Sec. 93. Additional method for construction of sidewalks; assessment certificates.

In addition to the method of securing the laying of sidewalks set out in section 49 of this chapter [this Charter], the council of said city may cause any sidewalk to be constructed, laid, relaid, or otherwise permanently improved in the City of Charleston in the following manner and upon the following terms: Plans and specifications shall be prepared and filed, resolutions and ordinances shall be adopted and notices shall be prepared and served in the same way and manner as near as may be, as in the case of the paving and improvement of streets and alleys. The contract for same shall, after due advertisement in which council shall reserve the right to reject any and all bids, be let to the lowest responsible bidder and upon completion and acceptance of the work, council shall order the mayor and city clerk to issue to the contractor doing the work a certificate for the amount of the assessment to be paid by the owner of any lot or fractional part thereof fronting on such sidewalk, and the amount specified in said assessment certificate shall be a lien in the hands of the holder thereof upon the lot or part of a lot fronting on such sidewalk as well as a debt against the owner of said lot, and such certificate shall draw interest from the date of said assessment, and the payment may be enforced in the name of the holder of such certificate by a proper suit in equity in any court having proper jurisdiction to enforce such liens, and council shall fix the amount of such assessments and do all things in connection therewith necessary to make them valid and do all other things in connection therewith as is provided for paving or

improving streets and alleys and such certificates shall be issued one for each abutting lot or portion thereof payable six months from the date of the completion and acceptance of the work and shall be a lien in the hands of the holder thereof upon the particular lot against which they are assessed in the same way and manner that assessments for street paving are liens under the other provisions of the aforesaid act creating and amending the Charter of the City of Charleston; providing, however, that council shall not order any but concrete sidewalks; and, provided, further, that council shall not advertise for bids for any one letting of less than five thousand square feet; and, further, provided, that council shall not receive any bids or let any sidewalk contract between the first day of October and the first day of March of any year. Nothing in this section shall be so construed as to prevent any abutting lot owner from having his own sidewalk put in if done before the advertising hereinbefore mentioned and provided same is done according to the lines, grades and specifications of the city engineer, for which no charge shall be made. The total cost of constructing, laying, relaying, or otherwise permanently improving any sidewalk or walks shall be borne by the owners of the land abutting upon said sidewalk or sidewalks according to the following plan, that is to say, payment is to be made according to the proportion of square feet in front of any lot or portion thereof bears to the whole letting. The contract for sidewalks referred to in this section does not necessarily have to be one continuous sidewalk, but the five thousand square feet required for a letting as aforesaid may be made up of or composed of any number of sidewalks in any parts of the city. (Acts 1929 (Munl. ch.), ch. 4, § 93.)

Sec. 93-a. Transcript of property to be furnished by county assessor.

The county assessor shall furnish transcript of real and personal property on or about the tenth day of September of each year and his fee for same shall be not less than four hundred nor more than one thousand dollars for such work. (Acts 1929 (Munl. ch.), ch. 4, § 93-a.)

Editor's note.--See W. Va. Code, § 11-3-6, which provides that county assessors furnish to the clerk of every municipality in their respective counties a certified statement of the aggregate value of real and personal property not later than March 7th of each year.

Sec. 94. Authority to issue warrants; vacancy in office of municipal judge.

The municipal judge, mayor, city clerk, municipal court clerk, chief of police, or in the absence of the chief of police, the captains of police and lieutenants of police shall each have authority to issue warrants for all offenses committed within the police jurisdiction of the City of Charleston. Any vacancy in the office of municipal judge shall be filled by appointment by the mayor until the next election. (Acts 1929 (Munl. ch.), ch. 4, § 94.)

Sec. 95. Statement of claim before action against city for damages for personal injury.

No action shall be maintained against the City of Charleston for damages for a personal injury alleged to have been sustained by reason of the negligence of the city or of any officer, agent or employee thereof, unless a written verified statement of the nature of the claim and of the time and place at which such injury is alleged to have been received shall have been filed with the city clerk within thirty days after the cause of action shall have accrued. The cause of action shall be deemed to have accrued at the date of the sustaining of the injury, except that where death results therefrom the time for the personal representative to give notice shall run from the date of death. An action at law for damages for personal injuries or death shall not be commenced until the expiration of thirty days after the filing of the notice as provided in this section. (Acts 1929 (Munl. ch.), ch. 4, § 95.)

For a case holding that this section imposes a condition precedent to the right of the claimant to sue the city, and in the absence of allegation and proof that its provisions have been complied with, the omission may be taken advantage of after the verdict, see Thompson v. Charleston, 118 W. Va. 391, 191 S.E. 547 (1937).

Sec. 96. Health commissioner.

The health commissioner shall be a physician of good standing in his profession and may devote his time to city work alone. It shall be his duty to administer to all charity cases that he may, in his discretion, deem deserving. He shall, in conjunction with the city manager, have charge of the general health and sanitation of the city and it shall be his duty to carefully investigate all complaints and make a careful detailed report of all his official acts as health commissioner to the city manager and council at least once every month. He shall be appointed in the way and manner provided in the Charter of the City of Charleston and shall receive such salary as council may by ordinance prescribe. Nothing herein, however, shall be construed as in any way affecting the police officers of the city relative to their powers and duties in regard to city sanitation contained and set forth elsewhere [see Char., § 85] in said Charter. (Acts 1929 (Munl. ch.), ch. 4, § 96.)

Editor's note.--In lieu of a city health commissioner and health department, the Kanawha-Charleston combined board of health now exercises their functions within the city, pursuant to an agreement between the city and the county court dated Oct. 18, 1956, a copy of which is on file in the office of the city clerk. For state law as to combined city-county boards

of health, see W. Va. Code, § 16-2-3. As to local health officers generally, see W. Va. Code, §§ 16-2-1 through 16-2-5.

None

Sec. 97. Police matron.

It shall be the duty of the mayor to appoint a reputable woman who shall be known as police matron, and such police matron shall have all the qualifications and be subject to all the provisions of chapter 18 of the Acts of the Legislature of 1911 [now codified in W. Va. Code, § 8-14-4]. The council of the City of Charleston shall provide a reasonable salary not to exceed twelve hundred dollars therefor and do all of the things required by the council under the provisions of said chapter 18 of the Acts of the Legislature of 1911 and any amendments thereto. (Acts 1929 (Munl. ch.), ch. 4, § 97.)

Editor's note.--As of Sept. 30, 1974, the city was not operating a jail, and city prisoners were confined in the county jail, pursuant to an agreement with the county court. For that reason, the city does not have a police matron.

For state law providing that, "notwithstanding any Charter provision to the contrary," the governing body of every municipality shall by ordinance fix the compensation of every municipal officer and employee; provided, that the salary of an officer shall not be increased or diminished during his term of office, see W. Va. Code, § 8-5-12.

Sec. 98. Codification of ordinances.

The city council shall cause any contract for the codifying and indexing of all the ordinances of the city to be fully completed, and such ordinances shall include all in force and effect up to the last day possible. Before such work is accepted by the council, it shall be completed in every respect and the council shall then cause it to be properly printed and securely bound in a permanent book. The council may by ordinance adopt the code to be prepared as a whole and when said ordinance adopting said code shall have been passed by the council, the said code shall be and become the law and ordinances of said city up to such time according to the tenor and effect thereof, and when printed in a book, the same shall be received as evidence as the ordinances of said city, unless errors or omissions be affirmatively shown therein, and no other publication thereof shall be made or required under the Charter, and the council shall cause all the ordinances of said city, either by printing a supplement thereof, to be brought up to date within a reasonable time after the printing of such ordinances, and in any event such supplement shall be printed, or, if necessary, a new copy of the ordinances shall be printed with-

in every four years, and the council shall cause a sufficient number of said books of the ordinances to be printed and to sell such number thereof as it may do so at such price as may be reasonable, and the number of books printed shall be fixed by the council. (Acts 1929 (Munl. ch.), ch. 4, § 98.)

For state law as to authority of city council to adopt a comprehensive code of ordinances, see W. Va. Code, § 8-11-4, subsec. (b).

Sec. 99. Cemeteries and burials.

Cemetery

It shall be the duty of the City of Charleston to provide suitable and proper places for the burial of the dead, which places may be in or out of the corporate limits of the said city. The city shall cause such places to be laid off into cemetery lots in a reasonable and proper way and shall sell said lots for a reasonable price, but it may take into consideration the location of each of such lots in fixing the prices thereof. The city council shall have all the powers and rights of condemnation of any real estate that it may wish for such purpose in the manner provided by law, and it may acquire by means of condemnation any real estate which has already been laid out as a cemetery by any person, association or corporation.

No burials of the bodies of deceased persons shall hereafter be permitted within the incorporated limits of the City of Charleston or within the space of one mile of such incorporated limits without the permission of said city shall be first had and obtained, and the City of Charleston, through its proper authorities, shall have power to pass all proper ordinances providing suitable penalties to carry out the powers here given said city.

No moneys received from the sale of lots in any cemetery so owned, or hereafter owned, by said city shall be used for any other purpose than the proper care and preparation of the ground, upkeep and expenses of said cemetery, the roads and ways to and through the same and for the purchase of additional property for cemetery purposes. (Acts 1929 (Munl. ch.), ch. 4, § 99.)

For state law as to authority of city council to acquire and maintain cemeteries and to regulate interments therein, see W. Va. Code, § 8-12-5, subsec. (42).

Sec. 100. Building inspector.

The building inspector shall be a competent person for the duties of his office and shall devote all his time to city work. He shall not be engaged or interested in the building business in any way or manner. The council shall by ordinance fix a proper salary for him. He shall see that the ordinances of

the city and laws of the state concerning buildings are enforced and perform such other duties as the manager or council may direct. (Acts 1929 (Munl. ch.), ch. 4, § 100.)

Sec. 101. Power to buy, sell or exchange real estate.

The council shall have power to buy, sell, or exchange any real estate found necessary or convenient, in the opening, construction, straightening, widening or otherwise altering of any street, alley or public way within the city, and by resolution and proper deed to convey to any person, firm or corporation any land used, or heretofore or hereafter used, for street or other public purpose, when in the judgment of the council such land shall no longer be needed for such public use. (Acts 1929 (Munl. ch.), ch. 4, § 101.)

Sec. 102. Zoning--Power of city.

For the purpose of promoting health, safety, morals, or the general welfare of the city and community, the council is hereby empowered to regulate and restrict the height, number of stories, and size of buildings and other structures, the percentage of lot that may be occupied, the size of yards, courts and other open spaces, the density of population, and the location and use of buildings, structures and land for trade, industry, residents or other purposes; provided, however, that any ordinance or by-laws enacted under the authority of this act [this Charter] shall exempt from the operation thereof any building or structure used or to be used by a public service corporation (not otherwise exempted) as to which proof shall be presented to the council of the City of Charleston provided for in this act, that the exemption of such building or structure is reasonably necessary to the convenience or welfare of the public. (Acts 1929 (Munl. ch.), ch. 4, § 102.)

For state law as to urban and rural planning and zoning generally, see W. Va. Code, ch. 8, art. 24. As to regional planning, see W. Va. Code, ch. 8, art. 25. For state law as to zoning authority of municipalities generally, see W. Va. Code, § 8-24-39.

For a case holding that the provisions of this section did not confer authority on the city to enact a building code or zoning ordinance which would be applicable to a building constructed by the state office building commission, created by chapter 43, Acts of the Legislature, 1939, on property purchased under the general appropriation act, contained in chapter 9, Acts of the Legislature, 1949, see Charleston v. Southeastern Con. Co., 134 W. Va. 666, 64 S.E.2d 676 (1950).

Sec. 102-a. Same--Division of city into zoning districts.

For any or all of said purposes the council may divide the city into districts of such number, shape and area as may be deemed best suited to carry out the purpose of this and the four succeeding sections, and within such districts it may regulate and restrict the erection, construction, alteration, repair or use of buildings, structures, or land. All such regulations shall be uniform for each class or kind of buildings throughout each district, but the regulations in one district may differ from those in other districts. (Acts 1929 (Munl. ch.), ch. 4, § 102-a.)

For state law as to zoning districts generally, see W. Va. Code, § 8-24-40.

For a case holding that the provisions of this section did not confer authority on the city to enact a building code or zoning ordinance which would be applicable to a building constructed by the state office building commission, created by chapter 43, Acts of the Legislature, 1939, on property purchased under the general appropriation act, contained in chapter 9, Acts of the Legislature, 1949. see Charleston v. Southeastern Con. Co., 134 W. Va. 666, 64 S.E.2d 676 (1950).

Sec. 102-b. Same--Design of zoning regulations; considerations in making.

Such regulations shall be made in accordance with a comprehensive plan, and designed to lessen congestion in the streets; to secure safety from fire, panic and other dangers; to promote health and the general welfare; to provide adequate light and air; to prevent the overcrowding of land; to avoid undue concentration of population; or to facilitate the adequate provision of transportation, water, sewage, schools, parks, and other public requirements. Such regulations shall be made with reasonable consideration, among other things, to the character of the district and its peculiar suitability for particular uses, and with a view to conserving the value of buildings and encouraging the most appropriate use of land throughout the city. (Acts 1929 (Munl. ch.), ch. 4, § 102-b.)

For state law as to municipal comprehensive plan, see W. Va. Code, § 8-24-16 et seq.

For a case holding that the provisions of this section did not confer authority on the city to enact a building code or zoning ordinance which would be applicable to a building constructed by the state office building commission, created by chapter 43, Acts of the Legislature, 1939, on property purchased under the general appropriation act, contained in chapter 9, Acts of the Legislature, see Charleston v. Southeastern Con. Co., 134 W. Va. 666, 64 S.E.2d 676 (1950).

Sec. 102-c. Same--Establishment, enforcement and change of zoning regulations and boundaries of zoning districts; hearing.

The council shall provide for the manner in which such regulations and restrictions and the boundaries of such districts shall be determined, established and enforced, and from time to time amended, supplemented or changed. However, when demanded by any party in interest, no such regulation, restriction or boundary shall become effective until after a public hearing in relation thereto, at which parties in interest and citizens shall have an opportunity to be heard. At least fifteen days' notice of the time and place of such hearing shall be published in at least two newspapers of general circulation, published in the City of Charleston. (Acts 1929 (Munl. ch.), ch. 4, § 102-c.)

For state law as to action by municipal governing bodies on zoning ordinances, notice and hearing thereon, etc., see W. Va. Code, § 8-24-44.

Sec. 102-d. Same--Change or repeal of zoning regulations and boundaries; protests.

Such regulations, restrictions and boundaries may from time to time be amended, supplemented, changed, modified or repealed. In case, however, of a protest against such change signed by the owners of twenty per cent or more either of the area of the lots included in such proposed change, or of those immediately adjacent in the rear thereof, extending one hundred feet therefrom, or of those directly opposite thereto, extending one hundred feet from the street frontage of such opposite lots, such amendment shall not become effective except by the favorable vote of three-fourths of all the members of council. The provisions of the previous section relative to public hearings and official notice shall apply to all changes or amendments. (Acts 1929 (Munl. ch.), ch. 4, § 102-d.)

For state law as to amending, supplementing or changing zoning ordinance rules and regulations, see W. Va. Code, § 8-24-45 et seq.

Sec. 102-e, ¶ 1. Same--Zoning commission.

In order to avail itself of the powers conferred by this act [this Charter], the council shall appoint a commission to be known as the zoning commission to recommend the boundaries of the various original districts and appropriate regulations to be enforced therein. Such commission shall make a preliminary report and hold public hearings thereon before submitting its final report, and such council shall not hold its public hearings or take action until it has received the final report of such commission. (Acts 1929 (Munl. ch.), ch. 4, § 102-e, ¶ 1.)

For state law as to municipal planning commissions, see W. Va. Code, § 8-24-1 et seq. As

to certain powers and duties of municipal planning commissions relating to zoning, see W. Va. Code, §§ 8-24-42 through 8-24-47.

Sec. 102-e, ¶ 2. Repeal of inconsistent laws.

All acts heretofore passed relating to or amendatory of the Charter of the City of Charleston, and all other acts or parts of acts, coming within the purview of this act and inconsistent herewith, are hereby repealed. (Acts 1929 (Munl. ch.), ch. 4, § 102-e, ¶ 2.)

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Jay Goldman, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Mayor, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

(signature)

Subscribed and sworn to before me the undersigned authority, this 22nd day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17th day of April, and year of 2006.

OFFICER'S OATH

(Sec. 24, City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, James M. Reishman, WHO HAVE BEEN DULY APPOINTED TO THE OFFICE

OF City Clerk OF THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGQE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

James M. Reishman

Subscribed and sworn to before me the undersigned authority, this 22nd day of June, 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Melissa G. Hughes
Office of City Clerk
P. O. Box 2749
Charleston, WV 25330
My Commission Expires February 3, 2008

Melissa G. Hughes

Notary Public in and for Kanawha County

My commission expires on the 3 day of February, 1999.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Patrick Jones, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 1, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Bobby Haas, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 2, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Bobby Haas
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, James Lanham, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 3, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

James E. Lanham
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Kenneth McKnight, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 4, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Kenneth E McKnight
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, David D. Molgaard, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 5, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Edward Talkington, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 6, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Edward Talkington
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Henry Knauff, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 7, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Henry A Knauff
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Fred Pettry, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council Ward 8, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Fred Pettry
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2008

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Betty Morton, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 9, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Betty Morton
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17th day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Sara M. Crickenberger, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 10, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Sara M. Crickenberger
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Ryan Henry, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Ward II Council FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Ryan Henry
(signature)

Subscribed and sworn to before me the undersigned authority, this 6th day of November, year 2000.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Melissa G. Hughes
Office of City Clerk
P. O Box 2749
Charleston, WV 25330
My Commission Expires February 3, 2009

Melissa G. Hughes
Notary Public in and for the State of West Virginia

My commission expires on the 3rd day of February, and year of 2009.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Jim Harris Jr., WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 12, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

James I. Harris
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17th day of April, and year of 2004.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Linda Nielsen, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 13, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Linda Nielsen
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Larry Roller, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council Ward 14, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Larry L Roller
(Signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1995.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, John Charnock, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 15, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

John Charnock
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2008

Notary Public in and for the State of West Virginia

My commission expires on the 17th day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Robert Reishman, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council Ward 16, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Robert S Reishman
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Donna Prunty, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council Ward 17, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Donna Prunty
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, William "Bill" Kimberling, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 18, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

William R. Kimberling
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Ditty Markham, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council Ward 19, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Deatsa L Markham
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Dave Hardy, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council for Ward 20, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Dave Hardy
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Mary Jane Lopez, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council At-Large, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Mary Jane Lopez
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Tom Lane, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council At-Large, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
RITA K. SILMAN
800 QUARRIER STREET
CHARLESTON, WV 25301
My Commission Expires August 9, 2005

Rita K. Silman
Notary Public in and for the State of West Virginia

My commission expires on the 9th day of August, and year of 2005.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Y. Howard Quick, Jr., WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council At-Large, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Y. Howard Quick Jr.
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Mary Jean Davis, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council At-Large, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Mary Jean Davis
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Beth Fouty Young, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council At-Large, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L. Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, Charlie Loeb, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF Council At-Large, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Charles W. Loeb Jr.
(signature)

Subscribed and sworn to before me the undersigned authority, this 22 day of June, year 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA L. CROWDER
Office of City Clerk
Rm. 301, City Hall, P.O. Box 2749
Charleston, WV 25330
My Commission Expires April 17, 2006

Cynthia L Crowder
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

OFFICER'S OATH

(Section 24. City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, David Lanham, WHO HAVE BEEN DULY ELECTED TO THE OFFICE OF WARD 20 COUNCILMEMBER, FOR THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWEAR THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES OF AMERICA AND THE STATE OF WEST VIRGINIA, AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

David W. Lanham
(signature)

Subscribed and sworn to before me the undersigned authority, this 20 day of February, year 2001.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
CYNTHIA J. LUCAS
OFFICE OF CITY CLERK
RM 301, CITY HALL, P. O. BOX 2749
CHARLESTON, WV 25330
My commission expires April 17, 2006

Cynthia J. Lucas
Notary Public in and for the State of West Virginia

My commission expires on the 17 day of April, and year of 2006.

no city sewer is under construction a registered professional engineer need not be a member of the board. The two appointed members of the board shall each serve for a term of three years and until his successor is duly appointed and has qualified, and vacancies shall be filled for the unexpired term only. (Code 1957, pt. 9, art. 23, §§ 1, 2; Ord. No. 1486, 11-18-73, § 1.)

Editor's note.--Original appointments were made pursuant to the ordinance here codified at such time and for such terms that one vacancy for an appointed member occurs March 18, 1973 and every three years thereafter, and one such vacancy occurs March 18, 1976 and every three years thereafter.

For state law basis of this section, see W. Va. Code, § 16-13-18.

Sec. 25-26. Officers; salaries; bond of treasurer.

The sanitary board shall elect a vice chairman from its members and shall designate a secretary and treasurer (who may be one and the same person) who need not be members of the board and who shall hold office at the will of the board.

Each member of the board, other than the mayor, shall receive such salary as may be provided from time to time by the city council and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties.

The secretary and treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the city council, and the treasurer shall give bond, with qualified corporate surety, in the amount of five thousand dollars or such other amount as the council may require, conditioned for the proper application of all moneys received by him as such and for the faithful performance of the duties of his office.

All compensation, and all expense, incurred by the sanitary board, its officers and employees, shall be paid solely from funds authorized to be collected and received by the board as provided by article 13, chapter 16 of the Code of West Virginia. (Code 1957, pt. 9, art. 23, § 3.)

For state law basis of this section, see W. Va. Code, § 16-13-18.

Sec. 25-27. Powers and duties.

(a) The construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all works for the collection, treatment or disposal of sewage within the city and in such other areas as may be

By Mr. Crawford:

Bill No. 1486--A Bill to amend and reenact section one, article twenty-three, Streets and Public Services Law, Code of the City of Charleston, West Virginia, one thousand nine hundred fifty-seven, as amended, appointing two members to the Sanitary Board as provided by chapter sixteen, article thirteen, section eighteen, Code of West Virginia, one thousand nine hundred thirty-one, as amended.

Be it Ordained by the Council of the City of Charleston, West Virginia:

1. Section one, article twenty-three, Streets and Public Services Law, Code of the City of Charleston, West Virginia, one thousand nine hundred fifty-seven, as amended, be amended and reenacted to read as follows:

Section 1. Sanitary Board created; membership; terms.

There is hereby created and appointed the Sanitary Board of the City of Charleston consisting of the Mayor and two persons appointed by the governing body of the municipality. Said appointments shall be made by ordinance and members shall serve for a term of three years. The Mayor shall act as chairman of the board.

2. L. M. Milstead, Jr. is hereby appointed as a member of the Sanitary Board for the term expiring the sixteenth day of March, one thousand nine hundred seventy-five.

John D. Smallridge is hereby appointed as a member of the Sanitary Board for the term expiring the sixteenth day of March, one thousand nine hundred seventy-six.

3. The City Council hereby finds that it is a matter of urgent concern and a pressing public emergency requiring immediate action to update the Code of the City of Charleston to be in compliance with the Code of West Virginia.

The question being on the passage of the bill, a roll call was taken and there were--yeas 24, nays none and absent one, as follows:

YEAS: Barnett, Bennett, Bird, Brawley, Carp, Copenhaver, Crawford, Cummings, Duncan, Flint, Hall, Hunt, Kennedy, Layne, Matthews, Nuzum, O'Connor, Preston, Quick, Sheets, Silverstein, Smith, Vanderwilt and Mayor Hutchinson.

NAYS: None.

ABSENT: Mullins.

So, all members present and voting having voted in the affirmative, the Mayor declared the bill (No. 1486) unanimously passed.

(The provisions of section eleven, article four (d), chapter eight of the Code of West Virginia, one thousand nine hundred thirty-one, as amended, requiring the affirmative vote of two-thirds of the members elected to the Council to pass a bill in the case of a pressing public emergency is satisfied.)

Sec. 25-23. Obstruction.

No person shall obstruct, impede or cause to be impeded or obstructed the flow of any public sewer, nor interfere with the free discharge or ventilation thereof, nor clog up such sewer or any appurtenance thereof. (Code 19: pt. 9, art. 25, § 8.)

Sec. 25-24. License required to engage in business of laying or constructing sewers or drainways.

It shall be unlawful for any person to engage in the business of laying or constructing sewers or drainways in, under or upon any of the streets, alleys, walks or public highways of the city without having first annually secured from the sanitary board a license therefor, paying for such license the sum of twenty five dollars.

No such license shall be issued until the sanitary board is satisfied of the reliability and capacity of the applicant to do and perform in a good and workmanlike manner the particular form, class or kind of work that shall be specified in the application for license for any or all of the purposes set forth in this section, and until the applicant shall also have given any bond required by any other ordinance of the city in relation to such matters. (Code 1957, pt. 8, art. 1, § 3.)

Article II. Sanitary Board.

For a case holding that the ordinance codified in this article is valid and constitutional, and that a contract between the sanitary board created by such ordinance and a construction company in furtherance of the provisions of the ordinance was valid, see West Va. Water Service Co. v. Cunningham, 143 W. Va. 1, 98 S.E. 2d 891 (1957).

As to sewerage service charges when water from commercial wells is discharged from premises into city sewers, see § 32-30 of this Code.

Sec. 25-25. Created; powers and duties; composition; appointment and term of members.

There is hereby created in and for the city a sanitary board, which shall be charged with the custody, supervision, control, administration, operation and maintenance of the municipal sewage system, all as permitted and provided by article 13 of chapter 16 of the Code of West Virginia. The sanitary board shall be composed of the mayor and two persons appointed by the city council, one of whom shall be a registered professional engineer; provided, that when

no city sewer is under construction a registered professional engineer need not be a member of the board. The two appointed members of the board shall each serve for a term of three years and until his successor is duly appointed and has qualified, and vacancies shall be filled for the unexpired term only. (Code 1957, pt. 9, art. 23, §§ 1, 2; Ord. No. 1486, 11-18-73, § 1.)

Editor's note.--Original appointments were made pursuant to the ordinance here codified at such time and for such terms that one vacancy for an appointed member occurs March 18, 1973 and every three years thereafter, and one such vacancy occurs March 18, 1976 and every three years thereafter.

For state law basis of this section, see W. Va. Code, § 16-13-18.

Sec. 25-26. Officers; salaries; bond of treasurer.

The sanitary board shall elect a vice chairman from its members and shall designate a secretary and treasurer (who may be one and the same person) who need not be members of the board and who shall hold office at the will of the board.

Each member of the board, other than the mayor, shall receive such salary as may be provided from time to time by the city council and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties.

The secretary and treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the city council, and the treasurer shall give bond, with qualified corporate surety, in the amount of five thousand dollars or such other amount as the council may require, conditioned for the proper application of all moneys received by him as such and for the faithful performance of the duties of his office.

All compensation, and all expense, incurred by the sanitary board, its officers and employees, shall be paid solely from funds authorized to be collected and received by the board as provided by article 13, chapter 16 of the Code of West Virginia. (Code 1957, pt. 9, art. 23, § 3.)

For state law basis of this section, see W. Va. Code, § 16-13-18.

Sec. 25-27. Powers and duties.

(a) The construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all works for the collection, treatment or disposal of sewage within the city and in such other areas as may be

OFFICER'S OATH

(Section 24 City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, JAY C. GOLDMAN, WHO HAVE BEEN DULY APPOINTED TO THE OFFICE OF CHAIRMAN OF THE SANITARY BOARD OF THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWARE THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE STATE OF WEST VIRGINIA AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Subscribed and sworn to before me, the undersigned authority, this 16th day of February, 2001.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHLEEN ANN CARR
CITY OF CHARLESTON
P. O. BOX 2749
CHARLESTON, WV 25330
My Commission Expires March 20, 2006

Kathleen Ann Carr

Notary Public in and for Kanawha County

My commission expires on the 20th day of March, 2006

OFFICER'S OATH

(Section 24 City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, JOHN H. TINNEY, WHO HAVE BEEN DULY APPOINTED TO THE OFFICE OF SECRETARY OF THE SANITARY BOARD OF THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWARE THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE STATE OF WEST VIRGINIA AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

John H. Tinney

Subscribed and sworn to before me, the undersigned authority, this 19th day of February, 2001.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JUNE FARNSWORTH
1641 TOLLEY DRIVE
SISSONVILLE, WV 25320
My Commission Expires Sept. 7, 2004

June Farnsworth
Notary Public in and for Kanawha County

My commission expires on the 7th day of September, 2004

OFFICER'S OATH

(Section 24 City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, SAMUEL M. BOWLING, P.E., WHO HAVE BEEN DULY APPOINTED TO THE OFFICE OF MEMBER OF THE SANITARY BOARD OF THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWARE THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE STATE OF WEST VIRGINIA AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Subscribed and sworn to before me, the undersigned authority, this 16th day of February, 2001.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KATHLEEN ANN DARR
CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WV 25330
My Commission Expires March 20, 2006

Notary Public in and for Kanawha County

My commission expires on the 20 day of March, 2006

OFFICER'S OATH

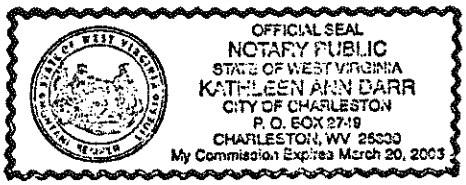
(Section 24 City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, GREGORY L. BURTON, WHO HAVE BEEN DULY APPOINTED TO THE OFFICE OF FINANCIAL ADVISOR OF THE SANITARY BOARD OF THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWARE THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE STATE OF WEST VIRGINIA AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Gregory A. Burton

Subscribed and sworn to before me, the undersigned authority, this 16th day of February, 2001.



Kathleen Ann Darr

Notary Public in and for Kanawha County

My commission expires on the 20th day of March, 2008

OFFICER'S OATH

(Section 24 City Charter)

The State of West Virginia, City of Charleston, County of Kanawha, to wit:

I, KATHLEEN A. DARR, WHO HAVE BEEN DULY APPOINTED TO THE OFFICE OF GENERAL MANAGER OF THE SANITARY BOARD OF THE CITY OF CHARLESTON, WEST VIRGINIA, DO SOLEMNLY SWARE THAT I WILL SUPPORT THE CONSTITUTION OF THE UNITED STATES AND THE STATE OF WEST VIRGINIA AND THAT I WILL FAITHFULLY AND IMPARTIALLY DISCHARGE THE DUTIES OF SAID OFFICE, DURING MY CONTINUANCE THEREIN, TO THE BEST OF MY SKILL AND JUDGEMENT; AND THAT I WILL NOT, IN ANY WAY, OR MANNER, BECOME PECUNIARILY INTERESTED DIRECTLY OR INDIRECTLY IN ANY CONTRACT WITH THE CITY, IN ANY FRANCHISE GRANTED BY IT, OR IN THE PURCHASE OF SUPPLIES THEREFOR, SO HELP ME GOD.

Kathleen A. Darr

Subscribed and sworn to before me, the undersigned authority, this 21st day of February, 2001.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SHARON A. PAYNE
[illegible]
SOUTH CHARLESTON, WV 25303
My Commission Expires AUGUST 9, 2009

Sharon A Payne
Notary Public in and for Kanawha County

My commission expires on the 9th day of August, 2009

PETITION OF THE SANITARY BOARD
OF
THE CITY OF CHARLESTON, WEST VIRGINIA

TO THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA:

Pursuant to the provisions of Chapter 16, Article 13, Section 5 of the Code of West Virginia, 1931, as amended, the Sanitary Board (the "Sanitary Board") of The City of Charleston, West Virginia (the "City"), hereby petitions the Council of the City (the "Council") to enact an ordinance (the "Ordinance") which shall:

(a) authorize the current refunding of the City's Sewerage System Refunding Revenue Bonds, Series 1992A and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B (the "Prior Bonds");

(b) authorize the issuance of not to exceed $7,500,000 in Sewerage System Refunding Revenue Bonds, Series 2002A and Series 2002B (collectively, the "Series 2002 Bonds") to provide funds to refund and prepay the Prior Bonds, to fund reserve accounts for the Series 2002 Bonds and to pay costs of issuance thereof; and

(c) contain such other provisions as may be necessary in the premises.

The Sanitary Board respectfully represents to the Council that one of the two persons appointed to the Sanitary Board by the Council is a registered professional engineer.

WITNESS our signatures on this 10th day of October, 2002.

THE SANITARY BOARD OF THE CITY
OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor of the City and
Ex-Officio Chairman

_____
Member

_____
Engineer-Member

C0643264.1

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of the City of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Bill No. 6948, enacted by the City Council of the City of Charleston on November 4, 2002.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of said City, this 7th day of November, 2002.

City Clerk

Seal

Bill No. 6948

Ordinance No._____

Introduced in Council:	Referred to:
October 21, 2002	Finance Committee
Introduced by:	Passed by Council:
Larry Roller	~~November 4, 2002~~

A Bill supplementing Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4828 passed by the Council on April 20, 1992, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, and by Ordinance No. 6777 passed by the Council on March 19, 2001; authorizing the refunding of the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, of The City of Charleston; authorizing the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

Be It Ordained by the Council of The City of Charleston, West Virginia:

PETITION OF THE SANITARY BOARD
OF
THE CITY OF CHARLESTON, WEST VIRGINIA

TO THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA:

Pursuant to the provisions of Chapter 16, Article 13, Section 5 of the Code of West Virginia, 1931, as amended, the Sanitary Board (the "Sanitary Board") of The City of Charleston, West Virginia (the "City"), hereby petitions the Council of the City (the "Council") to enact an ordinance (the "Ordinance") which shall:

(a) authorize the current refunding of the City's Sewerage System Refunding Revenue Bonds, Series 1992A and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B (the "Prior Bonds");

(b) authorize the issuance of not to exceed $7,500,000 in Sewerage System Refunding Revenue Bonds, Series 2002A and Series 2002B (collectively, the "Series 2002 Bonds") to provide funds to refund and prepay the Prior Bonds, to fund reserve accounts for the Series 2002 Bonds and to pay costs of issuance thereof; and

(c) contain such other provisions as may be necessary in the premises.

The Sanitary Board respectfully represents to the Council that one of the two persons appointed to the Sanitary Board by the Council is a registered professional engineer.

WITNESS our signatures on this 10th day of October, 2002.

THE SANITARY BOARD OF THE CITY
OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor of the City and
Ex-Officio Chairman

_____
Member

_____
Engineer-Member

C0643264.1

THE CITY OF CHARLESTON (WEST VIRGINIA)

SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 A AND SERIES 2002 B

BOND ORDINANCE

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ARTICLE I

STATUTORY AUTHORITY; FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and other applicable provisions of law, and as a supplement to Ordinance No. 4423 passed by the Council of The City of Charleston (the "Council") on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4828 passed by the Council on April 20, 1992, Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, and by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, and by Ordinance No. 6777 passed by the Council on March 19, 2001(collectively, the "Prior Ordinances").

Section 1.02. Findings. It is hereby found, determined and declared as follows:

A. The City of Charleston, West Virginia (the "City" or the "Issuer"), now owns a sewerage system (the "System"), both within and without the corporate limits of the Issuer, consisting of a sewage treatment plant or plants and its collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations and ejector stations and all other appurtenances, extensions, improvements and betterments necessary, appropriate, useful, convenient or incidental for the collection, treatment, purification and disposal in a sanitary manner of liquid and solid waste, sewage and industrial waste.

B. In accordance with Section 2 of the Act, the System is under the supervision and control of the Sanitary Board of the Issuer (the "Sanitary Board" or the "Board").

C. The Sanitary Board has presented a petition to the Issuer for the refunding of the Sewerage System Refunding Revenue Bonds, Series 1992 A, and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"or, individually, the "Series 1992 A Bonds" and the "Series 1992 B Bonds") of the Issuer, the enactment of this Ordinance and the issuance of the Sewerage System Refunding Revenue Bonds,

Series 2002 A and Series 2002 B (collectively, the "Series 2002 Bonds" or individually, the "Series 2002 A Bonds" and the "Series 2002 B Bonds") of the Issuer.

D. The estimated maximum cost of refunding the Series 1992 Bonds is $8,000,000, which will be permanently obtained from the proceeds of the Series 2002 Bonds herein authorized and other available funds of the Issuer.

E. The acquisition and construction of the System were financed or refinanced with proceeds of the Series 1992 Bonds and certain other obligations of the Issuer, which obligations are designated and have lien positions with respect to the Series 2002 Bonds as follows:

	Designation	Lien Position
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien

8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien
11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien
12.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien
13.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien
14.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien
15.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds and the Series 2001 B Bonds are collectively referred to as the "First Lien Bonds". The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds and the Series 2001 C Bonds are collectively referred to as the "Second Lien Bonds", which are subordinate and junior to the First Lien Bonds and the Series 2002 Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds".

F. The Issuer derives revenues from the System, and, except for the pledges thereof to secure and pay the Series 1992 Bonds and the Prior Bonds, said revenues are not pledged or encumbered in any manner.

G. The Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds. The Issuer may now refund the Series 1992 Bonds at a savings to the Issuer. The Issuer hereby determines that it would be to the benefit of the Issuer to refund the Series 1992 Bonds with proceeds from the issuance of the Series 2002 Bonds pursuant to this Ordinance in one or more series in the aggregate principal amount not to exceed $7,500,000.

H. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 2002 Bonds presented to the Issuer by the Original Purchaser, and after making allowance for the use of cash on hand of the Issuer, the Series 2002 Bonds show a net present value debt service savings to the Issuer after deducting all expenses of the refunding and the costs of issuing the Series 2002 Bonds.

I. The Issuer shall not sell the Series 2002 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph H above, based upon the actual principal amount, maturity schedule and interest rates for the Series 2002 Bonds, and the Issuer shall not issue the Series 2002 Bonds without having obtained from an Independent Certified Public Accountant a certification that the amount of savings stated to be achieved by the refunding shall in fact be saved, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 2002 Bonds and the net interest cost in dollars of the Series 1992 Bonds.

J. Subject to the determination and certification required by paragraph I above, it is in the best interests of the Issuer, and the residents thereof, that the Issuer issue the Series 2002 Bonds and secure the Series 2002 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the moneys in the respective Sinking Fund and Reserve Account for the Series 2002 Bonds, unexpended proceeds of the Series 2002 Bonds, if any, and as further set forth herein.

K. The estimated revenues to be derived in each year from the operation of the System after the refunding and defeasance of the Series 1992 Bonds will be sufficient to pay all Operating Expenses of the System, the principal of and interest on the Prior Bonds and the Series 2002 Bonds authorized to be

issued pursuant to this Ordinance and all sinking fund, reserve account and other payments provided for in this Ordinance or the Prior Ordinances.

L. The Series 2002 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the form set forth in Exhibit A attached hereto and incorporated herein by reference with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

M. All things necessary to make the Series 2002 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 2002 Bonds, will be timely done and duly performed.

N. The enactment of this Ordinance, and the execution and issuance of the Series 2002 Bonds, subject to the terms thereof, will not result in any breach of, nor constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

O. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the System; 95% or more of the Net Proceeds of the Series 2002 Bonds are to be used for local government activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer).

P. Prior to the issuance of the Series 2002 Bonds, the Issuer shall obtain (i) a certificate from an independent certified public accountant stating that the coverage and parity tests of the First Lien Bonds have been met; and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Series 2002 Bonds on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds. The Series 2002 Bonds shall be issued with a lien on the Net Revenues on a parity with the lien held by the registered owners of the First Lien Bonds, but the lien of the Series 2002 Bonds shall be senior and superior to the lien of the registered owners of the Second Lien Bonds. Other than the Series 1992 Bonds (which will be defeased) and the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

Q. The Issuer will not permit, at any time, any of the proceeds of the Series 2002 Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Series 2002 Bonds from the treatment afforded by Section 103(a) of the Code.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Series 2002 Bonds authorized to be issued hereunder by those who shall own the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, 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 Series 2002 Bonds issued hereunder, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. All capitalized terms used in this Ordinance and not otherwise defined herein shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2002 Bonds.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

"Board" or "Sanitary Board" means The City of Charleston Sanitary Board, or any successor thereto.

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

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Board, and shall initially mean Jackson Kelly PLLC, Charleston, West Virginia.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2002 Bonds and which

shall be designated as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in this Ordinance to the Bond Insurer shall be null and void and have no force and effect.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"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 2002 Bonds, the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2002 Bonds, in substantially the form set forth in EXHIBIT A - BOND FORM hereto.

"Certificate of Determination" means the Certificate of Determination setting forth the specific terms of the Series 2002 Bonds, to be executed by the Mayor upon the sale of the Series 2002 Bonds, the form of which shall be approved in the Supplemental Resolution.

"City" or "Issuer" means The City of Charleston, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County thereof, and, where appropriate, the Council, the Board and any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the Series 2002 Bonds for the proceeds representing the original purchase price thereof.

"Code means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Series 1992 Bonds, interest accruing or to accrue thereon, redemption premiums, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2002 Bonds and the refunding of the Series 1992 Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC-eligible" means, with respect to the Series 2002 Bonds, meeting the qualifications prescribed by The Depository Trust Company, New York, New York.

"Escrow Agent" means, collectively, the Escrow Agent under the respective Escrow Agreement, which shall be appointed pursuant to the Supplemental Resolution.

"Escrow Agreement" means, collectively, the respective Escrow Agreements to be entered into between the Issuer and the Escrow Agent, providing for the defeasance and ultimate payment of the Series 1992 A Bonds and the Series 1992 B Bonds, the deposit therein of proceeds of the Series 2002 A Bonds

and the Series 2002 B Bonds, the disposition of moneys in the various funds and accounts of the Series 1992 A Bonds and the Series 1992 B Bonds and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the respective Escrow Agreement.

"Event of Default" means any occurrence or event specified in Section 7.01.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"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 Revenues" means all rates, rents, fees, charges or other income received by or accrued to the Sanitary Board from the operation of the System, as calculated in accordance with generally accepted accounting principles.

"Independent Accountants" or "Independent Certified Public Accountants" means 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 purpose except keeping the accounts of the System in the normal operations of its business and affairs.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2002 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2002 Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2002 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in any Reserve Account for the Series 2002 Bonds. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2002 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds or any other proceeds of the Series 2002 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2002 Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance 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 fees and expenses of 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.

"Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"1992 Ordinance" means Ordinance No. 4828, passed by the Issuer on April 20, 1992, authorizing the Series 1992 Bonds.

"Original Purchaser" means, collectively, Ferris, Baker Watts, Incorporated, Charleston, West Virginia, and Crews & Associates, Inc., Charleston, West Virginia, as the purchasers of the Series 2002 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2002 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2002 Bonds directly from the Issuer, as determined by a resolution

supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2002 Bonds, as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of the Series 2002 Bonds.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Registered Owners for the purpose of consents, notices and the like, any Bond registered to the Issuer.

"Paying Agent" means the Bond Commission or any other Paying Agent designated as such for the Series 2002 Bonds in the Supplemental Resolution, and any successor thereto.

"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.

"Purchase Price," for the purpose of computation of the Yield of the Series 2002 Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2002 Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2002 Bonds of each maturity is sold or, if the Series 2002 Bonds are privately placed, the price paid by the first buyer of the Series 2002 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2002 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2002 Bonds.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(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 Code of West Virginia, 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.

"Record Date" means the day of the month which shall be so stated in the Series 2002 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means, collectively, the dates fixed for redemption of the Series 1992 A Bonds and the Series 1992 B Bonds of the Issuer called for redemption.

"Redemption Price" means, collectively, the prices at which the Series 1992 A Bonds and the Series 1992 B Bonds of the Issuer may be called for redemption and includes the principal amount of such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registered Owner," or "Owner" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2002 Bonds, and any successor thereto, appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986, as amended.

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

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2002 Bonds and the Prior Bonds.

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

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued hereby.

"Series 2002 Bonds" means, collectively, the Series 2002 A Bonds and the Series 2002 B Bonds.

"Series 2002 A Bonds" means the Sewerage System Refunding Revenue Bonds, Series 2002 A, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2002 A Bonds Rebate Fund" means the Series 2002 A Bonds Rebate Fund created by Section 4.01 hereof.

"Series 2002 A Bonds Redemption Account" means the Series 2002 A Bonds Redemption Account created by Section 4.02 hereof.

"Series 2002 A Bonds Reserve Account" means the Series 2002 A Bonds Reserve Account created by Section 4.02 hereof.

"Series 2002 A Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the

Series 2002 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 A Bonds.

"Series 2002 A Bonds Sinking Fund" means the Series 2002 A Bonds Sinking Fund created by Section 4.02 hereof.

"Series 2002 B Bonds" means the Sewerage System Refunding Revenue Bonds, Series 2002 B, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Series 2002 B Bonds Rebate Fund" means the Series 2002 B Bonds Rebate Fund created by Section 4.01 hereof.

"Series 2002 B Bonds Redemption Account" means the Series 2002 B Bonds Redemption Account created by Section 4.02 hereof.

"Series 2002 B Bonds Reserve Account" means the Series 2002 B Bonds Reserve Account created by Section 4.02 hereof.

"Series 2002 B Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 B Bonds.

"Series 2002 B Bonds Sinking Fund" means the Series 2002 B Bonds Sinking Fund created by Section 4.02 hereof.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2002 Bonds and the Prior Bonds.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2002 Bonds, authorizing the sale of the Series 2002 Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in

the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Term Bonds" means Series 2002 Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Series 1992 Bonds outstanding as of the date of issuance of the Series 2002 Bonds are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledge of Net Revenues in favor of the Owners of the Series 1992 Bonds imposed by the 1992 Ordinance, the moneys in the funds and accounts created by the 1992 Ordinance and any other funds pledged by the 1992 Ordinance thereto are hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of the Series 2002 Bonds, together with other moneys available therefor, of the following: (a) if required by the Escrow Agreement, an amount equal to the fiscal and paying agent charges and the Escrow Agent charges to become due and payable in connection with the Series 1992 Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on the Series 1992 Bonds as the same become due, plus the premium, if any, to the respective Redemption Date thereof, and on such date to pay the respective Redemption Price of the Series 1992 Bonds, all as set forth in the Escrow Agreement. Contemporaneously with the deposit of the proceeds of the Series 2002 Bonds and other moneys into the Escrow Fund, the amounts on deposit in the sinking funds, including the reserve account therein, created and maintained on behalf of the Series 1992 Bonds shall be released from the lien created by the 1992 Ordinance and deposited in the Escrow Fund, the Reserve Accounts for the Series 2002 Bonds or such other fund or account as shall be set forth in the Escrow Agreement or the Supplemental Resolution, and invested as provided therein.

ARTICLE III

THE BONDS

Section 3.01. Authorization and Terms of Bonds. For the purposes of refunding all the outstanding Series 1992 Bonds, funding the Reserve Accounts of the Series 2002 Bonds and paying costs of issuance not otherwise provided for, or any or all of such purposes as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the Series 2002 Bonds of the Issuer. The Series 2002 Bonds shall be issued in one or more series and in an aggregate principal amount of not more than $7,500,000. The Series 2002 Bonds shall be issued in such principal amounts and in fully registered form, shall be dated as of the date of delivery thereof, shall bear interest at such rate or rates, not exceeding the then legal maximum rate, and shall mature at such times and in such amounts as shall be set forth in the Supplemental Resolution. The Series 2002 Bonds shall be subject to such mandatory and optional redemption provisions and shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance, the Supplemental Resolution (or supplemental or amendatory ordinance as the Council shall determine) and the Certificate of Determination as executed by the Mayor in connection with the sale of the Series 2002 Bonds.

The Series 2002 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 2002 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.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor by his or her manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. 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 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference with respect to the Series 2002 Bonds, shall have been duly manually executed by the Registrar. Any such manually 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 Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the 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 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Series 2002 Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Registered Owner, 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, and each successive Registered Owner 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 Series 2002 Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the Registered Owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Registered Owner or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the Registered Owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Registered Owner thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Registered Owner or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2002 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Registered Owner's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Net Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Redemption Accounts for the Series 2002 Bonds in accordance with Subsection 4.03.A(3) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory Redemption Date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory Redemption Date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory Redemption Date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory Redemption Date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the

preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Accounts for the Series 2002 Bonds to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory Redemption Date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the Redemption Date (interest to be paid from the Sinking Funds of the Series 2002 Bonds), as will exhaust as nearly as practicable the Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory Redemption Date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Registered Owner of the Series 2002 Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Bond Insurer, the Original Purchaser and the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

So long as DTC (as CEDE & CO.) is the Registered Owner of the Series 2002 Bonds, the Registrar shall send all notices of redemption to DTC and shall verify that DTC has received notice. Copies of all redemption notices relating to optional redemption of the Series 2002 Bonds shall also be sent to registered securities depositories.

All official notices of redemption shall be dated and shall state:

(1) The Redemption Date,

(2) The Redemption Price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the Redemption Date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the Redemption Price, which place of payment shall be the principal office of the Paying Agent, and

(6) Such other information, if any, as shall be required for DTC-eligible Bonds.

If funds sufficient to redeem all Bonds called for optional redemption have not been deposited with the Paying Agent at the time of mailing any notice of optional redemption, such notice shall also state that such optional redemption is subject to the deposit of such moneys with the Paying Agent on or before the Redemption Date. If such moneys are not so deposited, the Registrar shall notify all Registered Owners of such Bonds called for redemption of such fact.

Official notice of redemption having been given as aforesaid, the Series 2002 Bonds or portions of Bonds so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the Issuer shall default in the payment of the Redemption Price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Paying Agent at the Redemption Price. Installments of interest due on or prior to the Redemption Date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unredeemed principal of

such Bond. All Bonds which have been redeemed shall be canceled and destroyed by the Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail or otherwise send such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar, the Paying Agent and any agent of the Issuer, the Registrar or the Paying Agent may treat the person in whose name any Series 2002 Bond is registered as the Registered Owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and for all other purposes, whether or not such Bond is overdue.

Section 3.09. [RESERVED]

Section 3.10. [RESERVED]

Section 3.11. Book Entry System for Bonds. A. Each series of the Series 2002 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 2002 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 2002 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 2002 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 2002 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 2002 Bond or any other evidence of ownership of the Series 2002 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 2002 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 2002 Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this

Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 2002 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 2002 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Registered Owner under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 2002 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 2002 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 2002 Bonds so redeemed, but DTC may return such Series 2002 Bonds and make an appropriate notation on the Series 2002 Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 2002 Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 2002 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 2002 Bonds, selecting the Series 2002 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to the Registered Owners under this Ordinance, registering the transfer of Series 2002 Bonds, obtaining any consent or other action to be taken by the Registered Owners and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 2002 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Registered Owner with respect to (i) the Series 2002 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 2002 Bonds, (iv) any notice which is permitted or required to be given to the Registered Owners under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the

Series 2002 Bonds or (vi) any consent given or other action taken by DTC as Registered Owner.

E. The book entry system for registration of the ownership of the Series 2002 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 2002 Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 2002 Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 2002 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 2002 Bonds.

Section 3.12. Delivery of Bonds. The Issuer shall execute and deliver the Series 2002 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 2002 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2002 Bonds to the Original Purchaser;

(B) Copies of this Ordinance and the Supplemental Resolution certified by the City Clerk;

(C) The unqualified approving opinion of Bond Counsel regarding the Series 2002 Bonds; and

(D) A copy of the Escrow Agreement and such other documents, certificates and verifications as the Original Purchaser may reasonably require.

Section 3.13. Form of Bonds. The definitive Series 2002 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate

omissions, insertions and variations as are approved by those officers executing such Series 2002 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 2002 Bonds shall have the form of the opinion of Jackson Kelly PLLC, as Bond Counsel, attached thereto.

Section 3.14. Disposition of Proceeds of Bonds. Upon the issuance and delivery of the Series 2002 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on the Series 2002 Bonds from the date thereof to the date of delivery thereof shall be deposited in the respective Sinking Funds for the Series 2002 Bonds and applied to payment of interest on the Series 2002 Bonds at the first interest payment date.

B. An amount of the proceeds of the Series 2002 Bonds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Series 1992 Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

C. An amount of the proceeds of the Series 2002 Bonds equal to the respective Reserve Requirements for the Series 2002 Bonds shall be remitted to the Bond Commission for deposit in the respective Reserve Accounts for the Series 2002 Bonds.

D. The balance of the proceeds of the Series 2002 Bonds shall be deposited with the Depository Bank in the Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 2002 Bonds and miscellaneous costs of refunding the Series 1992 Bonds at the written direction of the Issuer. All such costs of issuance shall be paid within 60 days of the Closing Date. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose within 6 months after the Closing Date, such unapplied proceeds shall be transferred by the Issuer to the Redemption Accounts for the Series 2002 Bonds. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Registered Owners of the Series 2002 Bonds.

Section 3.15. Designation of Bonds as "Qualified Tax-Exempt Obligations". The Issuer hereby designates the Series 2002 Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Series 2002 Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Series 2002 Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are hereby created with (or continued if previously established by the Prior Ordinances), and shall be held by, the Depository Bank, separate and apart from all other funds and accounts of the Depository Bank or the Issuer and from each other, and used solely for the purposes provided herein:

(1) Revenue Fund (established by the Prior Ordinances);

(2) Renewal and Replacement Fund (established by the Prior Ordinances);

(3) Costs of Issuance Fund;

(4) Series 2002 A Bonds Rebate Fund; and

(5) Series 2002 B Bonds Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special funds and accounts are hereby created with and shall be held by the Bond Commission, separate and apart from all other funds and accounts of the Bond Commission of the Issuer and from each other (if Capital Appreciation Bonds are issued, the funds and accounts will be set forth in the Supplemental Resolution):

(1) Series 2002 A Bonds Sinking Fund;

(2) Series 2002 A Bonds Reserve Account;

(3) Series 2002 A Bonds Redemption Account;

(4) Series 2002 B Bonds Sinking Fund;

(5) Series 2002 B Bonds Reserve Account; and

(6) Series 2002 B Bonds Redemption Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in this Ordinance 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 provided in the Prior Ordinances and in this Ordinance. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund and pay 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of the interest on the First Lien Bonds; (ii) commencing 6 months prior to the first interest payment date of the Series 2002 A Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 A Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 A Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 A Bonds deposited therein; and (iii) commencing 6 months prior to the first interest payment date of the Series 2002 B Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 B Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 B Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less

than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 B Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of principal of the First Lien Bonds; (ii)commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 A Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 A Bonds Sinking Fund and in the Series 2002 A Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of annual principal coming due on such date; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 B Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 B Bonds Sinking Fund and in the Series 2002 B Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next

ensuing principal payment date or mandatory Redemption Date, the required amount of annual 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Reserve Accounts of the First Lien Bonds; (ii) an amount to be deposited in the Series 2002 A Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 A Bonds Reserve Account below the Series 2002 A Bonds Reserve Requirement or any withdrawal from the Series 2002 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (A) the valuation of investments in the Series 2002 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 A Bonds Reserve Account is less than the Series 2002 A Bonds Reserve Requirement, or (B) any amount is withdrawn from the Series 2002 A Bonds Reserve Account for deposit into the Series 2002 A Bonds Sinking Fund; and (iii) an amount to be deposited in the Series 2002 B Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 B Bonds Reserve Account below the Series 2002 B Bonds Reserve Requirement or any withdrawal from the Series 2002 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2002 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 B Bonds Reserve Account is less than the Series 2002 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2002 B Bonds Reserve Account for deposit into the Series 2002 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account to an amount equal to the respective Reserve Requirement; provided, that no payments shall be required to be made into the such Reserve Accounts whenever and as long as the amounts deposited therein shall be equal to the respective Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any 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 as provided herein. 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 any 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 hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, remit to the Bond Commission the principal, interest and reserve account payments for the Second Lien Bonds.

Moneys in the Series 2002 A Bonds Sinking Fund and the Series 2002 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2002 A Bonds and the Series 2002 B Bonds, respectively, as the same shall be come due. Moneys in the Series 2002 A Bonds Reserve Account and the Series 2002 B Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2002 A Bonds and the Series 2002 B Bonds, respectively, as the same shall come due, when other moneys in the Series 2002 A Bonds Sinking Fund and the Series 2002 B Bonds Sinking Fund are insufficient therefor, and for no other purpose, except for permitted transfers to the respective Rebate Fund.

Except to the extent transferred to the respective Rebate Fund, all investment earnings on moneys in the Series 2002 A Bonds Sinking Fund, the Series 2002 A Bonds Reserve Account, the Series 2002 A Bonds Redemption Account, the Series 2002 B Bonds Sinking Fund, the Series 2002 B Bonds Reserve Account and the Series 2002 B Bonds Redemption Account shall be returned, not less than once each year, by the Bond Commission to the Issuer, and such

amounts shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2002 A Bonds and the Series 2002 B Bonds, respectively, and then to the next ensuing principal payment due thereon.

Except to the extent transferred to the respective Rebate Fund, any withdrawals from the Series 2002 A Bonds Reserve Account and the Series 2002 B Bonds Reserve Account which result in a reduction in the balance of such accounts to below the respective Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order 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 funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2002 A Bonds Sinking Fund, the Series 2002 A Bonds Reserve Account, the Series 2002 B Bonds Sinking Fund and the Series 2002 B Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2002 A Bonds and the Series 2002 B Bonds, respectively, 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 basis and pro rata, with respect to the First Lien Bonds and the Series 2002 Bonds, and thereafter, to the Second Lien Bonds, all in accordance with the respective principal amounts then Outstanding.

The Bond Commission is hereby designated as the fiscal agent for the administration of the Series 2002 A Bonds Sinking Fund, the Series 2002 A Bonds Reserve Account, the Series 2002 A Bonds Redemption Account, the Series 2002 B Bonds Sinking Fund, the Series 2002 B Bonds Reserve Account and the Series 2002 B Bonds Redemption Account created hereunder, and all amounts required for

such accounts shall be remitted to the Bond Commission from the Revenue Fund by the Issuer at the times provided herein.

Moneys in the Series 2002 A Bonds Sinking Fund, the Series 2002 A Bonds Reserve Account, the Series 2002 A Bonds Redemption Account, the Series 2002 B Bonds Sinking Fund, the Series 2002 B Bonds Reserve Account and the Series 2002 B Bonds Redemption Account shall be invested and reinvested by the Bond Commission as provided herein.

Except to the extent transferred to the respective Rebate Fund, the Series 2002 A Bonds Sinking Fund, the Series 2002 A Bonds Reserve Account, the Series 2002 A Bonds Redemption Account, the Series 2002 B Bonds Sinking Fund, the Series 2002 B Bonds Reserve Account and the Series 2002 B Bonds Redemption Account shall be used solely and only for, and are hereby pledged for, the purposes of servicing the Series 2002 A Bonds and the Series 2002 B Bonds, respectively, under the conditions and restrictions herein set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Bond Commission the required interest, principal and reserve payments with respect to the Series 2002 Bonds and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The Issuer shall remit from the Revenue Fund to the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Bond Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due.

D. 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.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all 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; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

G. The Gross Revenues of the System shall only be used for purposes of the System.

Section 4.04. Reserve Account Letter of Credit or Surety Bond. The Issuer may, in lieu of funding the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account with cash or Qualified Investments, satisfy the respective Reserve Requirement by the deposit into the respective Reserve Accounts of a reserve account letter of credit, a surety bond, or other credit facility in an amount at least equal to the respective Reserve Requirement. The Issuer hereby authorizes the purchase of a reserve account letter of credit, a surety bond, or other credit facility and the execution and delivery of any applicable reimbursement agreement or note in such forms as shall be described in a Supplemental Resolution.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE

Section 5.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Bond 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 Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 5.01.

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 Bond Commission 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 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, or more often as reasonably requested by the Issuer, 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 Series 2002 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest on the Series 2002 Bonds from gross income for federal income tax purposes.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Series 2002 Bonds in such manner and to such extent as may be necessary, so that the Series 2002 Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and the Regulations prescribed thereunder, 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 2002 Bonds) so that the interest on the Series 2002 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 5.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2002 Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2002 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the respective Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in such Rebate Funds to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, such Rebate Funds shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from such Rebate Funds, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in such Rebate Funds following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by

such Regulations. In the event that, for any reason, amounts in such Rebate Funds are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amounts and any and all penalties and interest from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Series 2002 Bonds from gross income for federal income tax purposes.

Section 5.04. Continuing Disclosure Agreement. The Issuer shall deliver a continuing disclosure agreement or certificate in form acceptable to the Original Purchaser sufficient to ensure compliance with SEC Rule 15c2-12, as it may be amended from time to time.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2002 Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Registered Owners of the Series 2002 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 the Series 2002 Bonds, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Series 2002 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation but shall be payable solely from the funds pledged for such payment by this Ordinance. No Registered Owner of any Series 2002 Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Series 2002 Bonds issued hereunder shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity in all respects with the lien on the Net Revenues in favor of the Registered Owners of the First Lien Bonds and senior to the lien on the Net Revenues in favor of the Registered Owners of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 2002 Bonds and the Prior Bonds, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to such payments as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Equitable rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The

schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay all Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, 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 or schedules 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 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts for the Series 2002 Bonds and reserve accounts for obligations on a parity with the Series 2002 Bonds, including the Prior 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 Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 60 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 6.05. Operation and Maintenance. The Issuer will operate and maintain the System in good condition and as a revenue-producing enterprise in an efficient and economical manner, making all necessary expenditures for equipment renewal, repair and replacement. The Issuer will also operate and maintain the System in compliance with all federal and state laws.

Section 6.06. 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 2002 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 the Series 2002 Bonds or to effectively defease the pledge created by this Ordinance 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 Series 2002 Bonds, be immediately remitted to Bond Commission for deposit in the Sinking Funds for the Series 2002 Bonds, and the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest on the Series 2002 Bonds as prescribed by Section 9.01 hereof. Any balance remaining after the payment of the Series 2002 Bonds and the interest thereon shall be remitted to the Issuer by the Bond 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 $10,000, the Issuer shall, by resolution duly adopted, 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 $10,000 but not in excess of $100,000, the Issuer shall first, determine upon consultation with the Consulting Engineers 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 $10,000 and not in excess of $100,000, shall 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 redemption prices of such Bonds. 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 Ordinance. 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 $100,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners, 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 Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.08 hereof, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Net 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 Bonds; provided that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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, except with respect to such additional parity Bonds, 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 Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. So long as the First Lien 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 the Series 2002 Bonds pursuant to this Ordinance, without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2002 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Bonds, 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months in 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 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall be not 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 Ordinance 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 3 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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance 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 of the Issuer 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 Independent Certified Public Accountants, as stated in a

certificate filed with the City Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 2002 Bonds, and all covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Series 2002 Bonds and the Registered Owners of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section and the Prior Ordinances. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any such Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

The term "Parity Bonds," as used in this section, 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 lien of the Series 2002 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such revenues, with the Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in this Ordinance and the Prior Ordinances, shall have been made in full as required to the date of issuance of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of this Ordinance and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Section 6.09. Insurance. The Issuer shall carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, so long as the Series 2002 Bonds are outstanding. The Issuer 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 and shall verify such insurance prior to commencement of construction. The Issuer shall itself, or shall require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form), such insurance to be made payable to the order of the Issuer, the prime contractor and all subcontractors, as their interests may appear. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by 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 repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer shall also carry liability insurance for death or injury to persons or damage to property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

Section 6.10. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System nor shall any preferential rates be established for users of the same class; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail 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 Board, 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 6.11. Enforcement of Collections. The Issuer or the Board 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

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 and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System and any services and facilities of the waterworks system, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid. The Issuer shall maintain the termination agreement with the water provider as such agreement has been approved by the Public Service Commission of West Virginia.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Board or 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 Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board or the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board or the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed

by the Board or the Issuer. The Board or the Issuer 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall also file with the Original Purchaser, and mail to any Registered Owner requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from the System.

(B) A statement of account balances in all funds and accounts provided for in this Ordinance and status of said funds.

(C) The amount of any Bonds, notes or other obligations payable from revenues of the System outstanding.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Registered Owner of the Series 2002 Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 Board 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 such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser

and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Registered Owner or anyone acting for and on behalf of such Registered Owner who requests the same.

Section 6.15. 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 waterborne 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, to the extent permitted by the laws of the State 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 and every such owner, tenant or occupant shall, after a 30-day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or waterborne 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 residents 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 6.16. 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 Series 2002 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 Series 2002 Bonds during the term thereof is, under the terms of the Series 2002 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) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2002 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

Series 2002 Bonds during the term thereof is, under the terms of the Series 2002 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 Series 2002 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2002 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2002 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 2002 Bonds to be directly or indirectly "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 2002 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 all actions that may be required of it so that the interest on the Series 2002 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer may obtain a Municipal Bond Insurance Policy for the Series 2002 Bonds. In the event such a Municipal Bond Insurance Policy is obtained, certain additional covenants of the Issuer may be required by the Bond Insurer as a condition to insuring the Series 2002 Bonds. These additional covenants shall be set forth in full in the Supplemental Resolution, shall apply to

the Series 2002 Bonds and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2002 Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2002 Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Series 2002 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Registered Owner or any Bond Insurer;

(C) 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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Registered Owner or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal of or interest on the Series 2002 Bonds then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Registered Owners, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Series 2002 Bonds;

(D) 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; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Registered Owners.

No remedy by the terms of this Ordinance conferred upon or reserved to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owners hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Registered Owners shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

All rights and remedies of the Registered Owners of the Series 2002 Bonds shall be on a parity with those of the Registered Owners of the First Lien Bonds.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Registered Owner (or any Bond Insurer if the defaulted Bonds are insured) 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, 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 issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts 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 Ordinance 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 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, 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 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 the Registered Owners of the Bonds issued pursuant to this Ordinance. 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 the Registered Owners, and the curing and making good of any default under the provisions of this Ordinance, 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, mortgage or otherwise dispose of any assets of the System.

Section 7.04. Restoration of Issuer and Registered Owner. In case any Registered Owner shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Registered Owner shall be restored to their former positions and rights hereunder, and all rights and remedies of such Registered Owner shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR

Section 8.01. Appointment of Registrar. The Registrar for the Series 2002 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Series 2002 Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication and Registration on the Series 2002 Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Registered Owners or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Registered Owners of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer. A copy of such notice shall also be mailed to each Registered Owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or the Registered Owners, in which event such resignation shall take effect immediately; provided that, in no event shall such resignation take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer, the Bond Insurer or the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer, the Bond Insurer or by such Registered Owners or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar. Such removal shall take effect upon the date stated in such instrument; provided that, in no event shall such removal take effect until a successor has been appointed and has accepted its duties as Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Registered Owners of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Registered Owners or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the

Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Registered Owners. A copy of such notice shall also be mailed to each Registered Owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer shall, immediately and without further act, be superseded by a Registrar appointed by such Registered Owners. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Registered Owner may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

ARTICLE IX

DEFEASANCE OF BONDS

Section 9.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Registered Owners of all the Series 2002 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owners of the Series 2002 Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2002 Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts

sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 2002 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of this Ordinance, shall be controlling. Following issuance of the Series 2002 Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Registered Owner or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2002 Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Registered Owners of the Bonds then Outstanding and affected thereby and the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Registered Owner of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Registered Owners and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Registered Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Registered Owners in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Registered Owner or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgments of deeds to be

recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Registered Owner may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Registered Owner, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Registered Owner of any Bond shall bind all future Registered Owners and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Registered Owner, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Registered Owners of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Registered Owners, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer.

Section 10.06. No Personal Liability. No member, officer or employee of the Issuer or the Board shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.07. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.08. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds, the Original Purchaser and the Bond Insurer, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds, the Original Purchaser and the Bond Insurer.

Section 10.09. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.10. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.11. Conflicting Provisions Repealed. All ordinances, orders, resolutions 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 are outstanding.

Section 10.12. 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 adoption 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 and members of the Council 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 10.13. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least 6 full days intervening between each publication, in the Charleston Gazette and Charleston Daily Mail, 2 qualified newspapers published and of general circulation in The City of Charleston, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2002 Bonds, and that any person interested may appear before the Council upon a certain date, not less than 10 days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Issuer for review by interested persons during office hours of the Issuer. The Council hereby determines that the abstract contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Section 10.14. Effective Date. This Ordinance shall take effect immediately following the public hearing and final reading hereon.

EXHIBIT A - BOND FORM

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. _R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 _

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER:

_____

PRINCIPAL AMOUNT:

_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay

interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____1, in each year, beginning _____ 1, ____ (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the same meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of a series of bonds, in the aggregate principal amount of $_____ (the "Bonds"), of like date, tenor and effect, except as to number, denomination, date of maturity and interest rate, the proceeds of which are to be used, together with other funds of the Issuer, to refund in full the Sewerage System Refunding Revenue Bonds, Series 1992 A [Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B], of the Issuer (the "Series 1992 Bonds"), which were heretofore issued to finance the cost of

acquisition and construction of certain additions, betterments and improvements to the sewerage system of the Issuer (the "System"). The 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 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, _____, and supplemented by a supplemental resolution duly adopted by the City Council of the Issuer on _____, _____ (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance 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 Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S FIRST LIEN BONDS AND THE SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 __, ISSUED CONCURRENTLY HEREWITH (THE "SERIES 2002_ BONDS") AND SENIOR TO THE SECOND LIEN BONDS (COLLECTIVELY, THE "PRIOR BONDS"), ALL AS DEFINED IN THE ORDINANCE.

[This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by _____.]

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be

redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year (___)	Principal Amount

Bonds Maturing	
Year (___)	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by (1) the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the First Lien Bonds and the Series 2002 _ Bonds,

(2) all moneys in the Series 2002 __ Bonds Sinking Fund and the Series 2002 _ Bonds Reserve Account established under the Ordinance, and (3) the 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 shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation, 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 2002 _ Bonds Sinking Fund and the Series 2002 _ Bonds Reserve Account and any unexpended Bond proceeds. Pursuant to the Ordinance, 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 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2002 _ Bonds; provided however, that so long as there exists in the Series 2002 _ Bonds Reserve Account an amount 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 obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2002 __ Bonds , an amount 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 Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to refund the Series 1992 Bonds and pay all costs in connection therewith and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond 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 the Bonds of which this Bond is one.

This Bond, under the provisions 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, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond is hereby designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the 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 CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____.

_____,
as Registrar

By_____
Its Authorized Officer

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____
_____

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____
_____
_____
_____ the within Bond and does hereby irrevocably constitute and appoint _____
_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____
(Bank, Trust Company or Firm)

_____
(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STATEMENT OF INSURANCE

EXHIBIT B

THE CITY OF CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on _____, 2002, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorized the refunding of the City's Sewerage System Refunding Revenue Bonds, Series 1992 A and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (the "Series 1992 Bonds") through the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage System Refunding Revenue Bonds, Series 2002, in one or more series (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest at such rate or rates, not exceeding the then legal maximum rate, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a Sinking Fund and a Reserve Account for the Bonds and continuation of the Renewal and Replacement Fund; and provided for the use of excess funds of the System.

4. Directed the payment of the Series 1992 Bonds with proceeds of the Bonds.

5. Provided that the Bonds shall not be or constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues of the System; pledged the Net Revenues of the System to payment of the Bonds and

established the rights of the Registered Owners of the Bonds to the Net Revenues of the System.3

6. Provided certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the System; provided for the enforcement of collection of fees, rates or other charges for the System and other covenants in favor of the Registered Owners.

8. Established the events of default and the remedies of the Registered Owners.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of Charleston at a _____ meeting on _____, 2002, at _____ p.m., in the Council Chambers, City Hall, Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on _____, 2002, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

/s/_____
City Clerk -- City of Charleston, West Virginia

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as City Clerk of The City of Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of The City of Charleston, such records being in the custody of the undersigned and maintained at The City of Charleston, City Hall, Charleston, Kanawha County, West Virginia, and that the action taken by the Council in the foregoing document remains in full force and effect and has not been amended.

Dated this _____ day of _____, 2002.

_____
City Clerk

[SEAL]

10/11/02
000283/00309

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Resolution No. 120-02, enacted by the City Council of the City of Charleston on November 18, 2002.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 21st day of November, 2002.

City Clerk

Seal

Resolution No. 120-02 as amended

Introduced in Council:

November 18, 2002

Introduced by: Larry Roller jw

Adopted by Council:

~~November 18, 2002~~

A resolution supplementing Ordinance No. 6948, which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4828 passed by the Council on April 20, 1992, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, and by Ordinance No. 6777 passed by the Council on March 19, 2001; authorizing the refunding of the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, of The City of Charleston; authorizing the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City" or the "Issuer"), on November 4, 2002, adopted Ordinance No. 6948, which Ordinance authorized the issuance of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Series 2002 Bonds"), in an aggregate principal amount not to exceed $7,500,000, to finance the cost of refunding the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), to fund reserve accounts for the Series 2002 Bonds and to pay other costs in connection therewith, and all as more fully set out therein (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance when used herein;

WHEREAS, the Ordinance, pursuant to Section 6 of the Act, directed the City Clerk to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the Issuer contemplates the issuance of the Series 2002 Bonds as described in the Ordinance and that any person interested may appear before the Council upon a certain day and present protests (the "Notice");

WHEREAS, the Ordinance required that the Abstract and Notice be published as a Class II legal advertisement in the Charleston Daily Mail and Charleston Gazette, two newspapers published and of general circulation in the City, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Ordinance and the Notice at which interested persons may appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Ordinance and the Notice;

WHEREAS, the Ordinance and the Notice provided for a public hearing to be held at 7:00 p.m., prevailing time, on November 18, 2002, in Council Chambers in City Hall; and

WHEREAS, the Ordinance further provided that the exact principal amount of the Series 2002 Bonds to be sold and the dates, maturities, interest rates, redemption provisions, price and other terms of the Series 2002 Bonds should be established, that a Bond Insurer, an Escrow Agent, Registrar, Paying Agent and Depository Bank be designated, that an Escrow Agreement be approved and that other matters pertaining to the Series 2002 Bonds be provided for by a supplemental resolution of this Council upon receipt of a Bond Purchase Contract acceptable to this Council;

WHEREAS, the Series 2002 Bonds are proposed to be purchased by Ferris, Baker Watts, Incorporated and Crews & Associates, Inc., (collectively, the "Original Purchaser"), pursuant to a Bond Purchase Contract between the Original Purchaser and the Issuer (the "Bond Purchase Contract");

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 2002 Bonds from MBIA Insurance Corporation (the "Bond Insurer") and hereby determines that it is advantageous for the Issuer to obtain such Municipal Bond Insurance Policy;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Ordinance;

WHEREAS, this Council wishes to delegate to the Mayor the authority to approve, within the parameters set forth herein, the final terms of the Series 2002 Bonds, including the exact principal amount, interest rates, redemption provisions, maturities,

purchase price and other terms of the Series 2002 Bonds as set forth in the Certificate of Determination attached hereto, without the requirement of further official action by this Council; and

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the Bond Purchase Contract, the Continuing Disclosure Agreement, the Commitment for Municipal Bond Insurance and the Escrow Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 2002 Bonds, hereinafter described, be approved, that the parameters established hereunder for the aggregate principal amount, the prices, the maturity dates and amounts, and the interest rates of the Series 2002 Bonds, be fixed hereby in the manner stated herein and that other matters relating to the Series 2002 Bonds be herein provided for, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

Section 1. It is hereby found and determined that:

(A) The Abstract and Notice were duly published in the Charleston Gazette and Charleston Daily Mail, two newspapers published and of general circulation in the City, with the first publication thereof being not less than ten (10) days before the day set by the Ordinance and the Notice for the public hearing, at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Ordinance and the Notice for the public hearing, and a copy of the Affidavit of Publication reflecting such publications is attached hereto and incorporated herein;

(B) In accordance with the Ordinance and the Notice, the City Clerk has maintained in his office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) In Council Chambers, City Hall, Charleston, West Virginia, on November 18, 2002, at 7:00 p.m. prevailing time, in accordance with the Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the City; and

(E) The Ordinance shall be put into effect as of the date hereof and the Bonds contemplated thereby shall be issued, all as provided in the Ordinance and this Supplemental Resolution.

Section 2. Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A (the "Series 2002 A Bonds") and The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 B (the "Series 2002 B Bonds"), as follows:

(A) The Series 2002 A Bonds shall be issued in such aggregate principal amount not to exceed $2,000,000, shall be dated such date, shall finally mature on January 1, 2012, shall bear interest and prices that will yield a net present value benefit of at least 3% (and true interest cost not to exceed 5%), with interest payable on such dates, and shall have such redemption provisions and other terms as shall be approved by the Mayor in the Certificate of Determination attached hereto.

(B) The Series 2002 B Bonds shall be issued in such aggregate principal amount not to exceed $5,500,000, shall be dated such date, shall finally mature on January 1, 2017, shall bear interest and prices that will yield a net present value benefit of at least 3% (and true interest cost not to exceed 5%), with interest payable on such dates, and shall have such redemption provisions and other terms as shall be approved by the Mayor in the Certificate of Determination attached hereto.

Section 3. All other provisions relating to the Series 2002 Bonds and the text of the Series 2002 Bonds shall be as provided in the Ordinance, and the Series 2002 Bonds shall be in substantially the form provided in the Ordinance with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Series 2002 Bonds by the Mayor shall be conclusive evidence of such approval.

Section 4. The Bond Purchase Contract by and between the Original Purchaser and the Issuer, substantially in the form to be attached to the Certificate of Determination, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved, and directed. Upon approval of the Mayor of the sale of the Series 2002 Bonds in the Certificate of Determination within the parameters set forth in this Supplemental Resolution, the Mayor shall execute and deliver the Bond Purchase Contract with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Bond Purchase Contract by the Mayor shall be conclusive evidence of any approval required by this action, and authorization of any action required by the Bond Purchase Contract relating to the issuance and sale of the Series 2002 Bonds, including the payment of all necessary fees and expenses in connection therewith. The price of the Series 2002 Bonds shall be as set forth in the Bond Purchase Contract, plus interest accrued from the date of the Series 2002 Bonds to the date of delivery of the Series 2002 Bonds, expected to be on or about December 3, 2002.

Section 5. The Continuing Disclosure Agreement by and between the Issuer and the Original Purchaser, to be dated as of the date of delivery of the Series 2002 Bonds, substantially in the form attached to the Certificate of Determination, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby

authorized, approved and directed. The Mayor shall execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Continuing Disclosure Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 6. The Escrow Agreement by and between the Issuer and the West Virginia Municipal Bond Commission as Escrow Agent, to be dated as of the date of delivery of the Series 2002 Bonds, substantially in the form attached to the Certificate of Determination, and the execution and delivery (in multiple counterparts) by the Mayor thereof shall be and the same are hereby authorized, approved and directed. The Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Escrow Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 7. The Official Statement to be dated on the date of sale of the Series 2002 Bonds, to be substantially in the form of the Preliminary Official Statement described below (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor), and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The distribution by the Original Purchaser of the Preliminary Official Statement dated November 15, 2002 (which is "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form attached hereto, is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby ratified and approved.

Section 8. The Registrar Agreement to be dated as of the date of delivery of the Series 2002 Bonds, by and between the Issuer and the Registrar designated herein, substantially in the form attached to the Certificate of Determination, shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 9. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by the Bond Insurer will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issue for such Municipal Bond Insurance Policy, and accordingly accepts the Commitment for Municipal Bond Insurance (the "Commitment") of MBIA Insurance Corporation. The Mayor is hereby authorized and directed to execute the approval of the Commitment and deliver the same to the Bond Insurer. The execution of the Commitment by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 10. The Issuer hereby appoints and designates Bank One, National Association, Charleston, West Virginia, as Registrar for the Series 2002 Bonds.

Section 11. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), as Paying Agent for the Series 2002 Bonds under the Ordinance and the Escrow Agent for the Series 1992 Bonds under the Escrow Agreement.

Section 12. The Issuer hereby reaffirms Bank One, National Association, Charleston, West Virginia, as Depository Bank under the Ordinance.

Section 13. The notice addresses for the Registrar, Paying Agent, Depository Bank, Escrow Agent, Original Purchaser and Bond Insurer shall be as follows:

REGISTRAR

Bank One, National Association
707 Virginia Street, E.
Bank One Center
Charleston, West Virginia 25324-1113

DEPOSITORY BANK

Bank One, National Association
707 Virginia Street, E.
Bank One Center
Charleston, West Virginia 25324-1113

ESCROW AGENT AND PAYING AGENT

West Virginia Municipal Bond Commission
8 Capitol Street, Suite 500
Charleston, West Virginia 25301
Attention: Executive Director

ORIGINAL PURCHASER

Ferris, Baker Watts, Incorporated
170 Laidley Tower
500 Lee Street
Charleston, West Virginia 25301
Attention: Vice President

Crews & Associates, Inc.
300 Summers Street, Suite 930
Charleston, West Virginia, 25301
Attention: Vice President

BOND INSURER

MBIA Insurance Corporation
113 King Street
Armonk, NY 10504
Attention: Surveillance Department

Section 14. The Mayor and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required as desirable in connection with the Series 2002 Bond issue to the end that the Series 2002 Bonds may be delivered on a timely basis to the Original Purchaser pursuant to the Bond Purchase Contract.

Section 15. The Escrow Agent is hereby authorized to mail the contingent notice of redemption of the Series 1992 Bonds as provided in the Ordinance authorizing the Series 1992 Bonds in order to call the Series 1992 Bonds on January 1, 2003.

Section 16. The Mayor, the City Clerk and other appropriate officers and employees of the Issuer are hereby authorized and directed to take all further actions necessary to cause the Series 2002 Bonds to be insured by the Bond Insurer or such other municipal bond insurance company as is acceptable to the Original Purchaser, and to issue the Series 2002 Bonds at the earliest practicable date.

Section 17. This Supplemental Resolution shall take effect immediately upon adoption hereof.

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B BONDS

CERTIFICATE OF DETERMINATION

The undersigned, Jay Goldman, Mayor of The City of Charleston (the "City"), in accordance with Section 2 of the Supplemental Resolution adopted by the Council of the City on November 18, 2002 (the "Supplemental Resolution"), with respect to The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002B (collectively, the "Series 2002 Bonds"), hereby finds and determines as follows:

1. The Series 2002 Bonds shall be dated as of December 1, 2002.

2. The Series 2002 A Bonds shall be issued in the aggregate principal amount of $_____ and a yield of _____. Such principal amount and yield do not exceed $_____, being the maximum principal amount authorized by the Supplemental Resolution.

3. The Series 2002 B Bonds shall be issued in the aggregate principal amount of $_____ and a yield of _____. Such principal amount and yield do not exceed $_____, being the maximum principal amount authorized by the Supplemental Resolution.

4. The Series 2002 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2002 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

6. The Series 2002 Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

7. The Series 2002 Bonds shall be sold to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters") pursuant to the terms of the Bond Purchase Contract by and between the Underwriters and the City, at an aggregate purchase price of $_____ (representing par value less an Underwriters' discount of $ _____ and a net original issue discount of $_____), plus interest accrued of $_____ on the Series 2002 Bonds from _____ 1, 2002 to _____, 2002 (the "Closing Date").

8. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2002 Bonds, attached hereto, it is hereby determined that the Series 2002 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

9. The forms of the Bond Purchase Contract, the Continuing Disclosure Agreement, the Escrow Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2002 Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2002 Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature this _____ day of November, 2002.

THE CITY OF CHARLESTON

_____

Mayor

Schedule 1

Maturity Schedule

Series 2002 A

Maturity	Amount	Interest Rate	Price or Yield	CUSIP No.

Series 2002 B

Maturity	Amount	Interest Rate	Price or Yield	CUSIP No.

Schedule 2

Optional Redemption

The Series 2002 B Bonds maturing on and after _____, _____, are subject to redemption, at the option of the Issuer on or after _____, _____, in whole or in part, at any time in inverse order of maturity by lot within a maturity, at the following redemption prices expressed as percentages of the principal amount, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	Price
_____ through _____	_____%
_____ through _____	_____ %
_____ and thereafter	_____ %

Mandatory Sinking Fund Redemption

The Series 2002 B Bonds maturing on _____, _____ ("Term Bonds") are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

20 - - Terms Bonds

Year	Amount	Year	Amount

*Stated maturity.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2002

REFUNDING - BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2002 A Bonds and Series 2002 B Bonds are excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Series 2002 A Bonds and Series 2002 B Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Series 2002 A Bonds and Series 2002 B Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2002 A Bonds and Series 2002 B Bonds, and the interest thereon, are exempt from personal and corporate income taxes imposed directly thereon by the State of West Virginia. See "TAX MATTERS" herein.

$1,760,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS
SERIES 2002 A

$5,185,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS
SERIES 2002 B

Dated: December 1, 2002 **Due:** As shown on inside front cover

The Series 2002 A Bonds and Series 2002 B Bonds (collectively, the "Bonds") are issued in fully registered form in the denomination of $5,000 principal amount or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. Interest on the Bonds is payable on each January 1 and July 1, commencing July 1, 2003 (each, a "Payment Date"). Principal of, premium, if any, and interest on the Bonds is payable by the West Virginia Municipal Bond Commission, as paying agent (the "Paying Agent") to Cede & Co.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

The Bonds are being issued by The City of Charleston, West Virginia (the "Issuer") to provide funds (i) to refund the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B, (ii) to fund debt service reserve funds for the Bonds, and (iii) to pay costs of issuing the Bonds. The Bonds are payable solely from and secured by the Net Revenues (as defined herein), and moneys held in certain of the funds and accounts maintained under the Ordinance (as defined herein), all as more fully described herein. See "SECURITY FOR THE BONDS." The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS-Redemption" herein.

Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a financial guaranty insurance policy to be issued simultaneously with the delivery of the Bonds by _____.

{LOGO}

The Bonds do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from the above-referenced revenues and moneys. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall tax ever be levied for, the payment of the principal of, premium, if any, or interest on the Bonds.

This cover page contains only a brief description of the Issuer, the System, the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors should read the entire Official Statement to obtain information necessary to make an informed investment decision.

The Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, and the approval of certain matters by John T. Poffenbarger, Esq., Charleston, West Virginia, Counsel to the Underwriters. Certain legal matters will be passed upon for the Issuer by Goodwin & Goodwin, LLP, Special City Attorney. It is expected that the Bonds will be available for delivery in New York, New York, at The Depository Trust Company on or about December __, 2002.

FERRIS, BAKER WATTS, INCORPORATED **CREWS & ASSOCIATES, INC.**

November __, 2002

*Preliminary, subject to change.

MATURITY SCHEDULE*

Series 2002 A Bonds
$_____ Serial Bonds

Maturity Date (January 1)	Maturity Amount ($)	Interest Rate (%)	Price or Yield (%)	CUSIP
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				

(accrued interest to be added)

Series 2002 B Bonds
$_____ Serial Bonds

Maturity Date (January 1)	Maturity Amount ($)	Interest Rate (%)	Price or Yield (%)	CUSIP
2004				
2005				
2006				
2007				
2008				
2009				
2010				
2011				
2012				
2013				
$_____	**___.__%**	**Term Bonds due January 1, 2017 at**	**___.__%**	**_____ ___**

(accrued interest to be added)

*Preliminary, subject to change.

THE CITY OF CHARLESTON, WEST VIRGINIA

Jay Goldman, Mayor

CITY COUNCIL

Ward 1 - Patrick Jones
Ward 2 - Bobby Haas
Ward 3 - Moses Lanham
Ward 4 - Kenneth McKnight
Ward 5 - David Molgaard
Ward 6 - Edward Talkington
Ward 7 - Henry Knauff
Ward 8 - Fred Petry
Ward 9 - Betty Morton
Ward 10 - Sara Crickenberger
Ward 11 - Ryan Henry
Ward 12 - Jim Harris, Jr.
Ward 13 - Linda M. Nielsen
Ward 14 - Larry L. Roller
Ward 15 - John Charnock
Ward 16 - Bobby Reishman
Ward 17 - Donna Prunty
Ward 18 – William Kimberly
Ward 19 - Ditty L. Markam
Ward 20 - Dave Lanham
At-Large - Mary Jean Davis
At-Large - J. Thomas Lane
At-Large - Charles W. Loeb, Jr.
At-Large - Mary Jane Lopez
At-Large-Y. Howard Quick, Jr.
At-Large - Beth Fouty-Young

CITY MANAGER
Sherry Risk

CITY CLERK
James Reishman

CITY ATTORNEY
Kimberly Bandi Weber

CHARLESTON SANITARY BOARD

Mayor Jay Goldman, Chairman
John Tinney, Board Member
Sam Bowling, Board Member (PE)

SANITARY BOARD GENERAL MANAGER
Kathleen Rushworth

SANITARY BOARD FINANCE MANAGER
William Collison

SANITARY BOARD OPERATIONS MANAGER
James Downey

BOND COUNSEL
Jackson Kelly PLLC, Charleston, West Virginia

REGISTRAR

PAYING AGENT
West Virginia Municipal Bond Commission, Charleston, West Virginia

UNDERWRITERS
Ferris, Baker Watts, Incorporated
Crews & Associates, Inc.

UNDERWRITERS COUNSEL
John T. Poffenbarger, Esquire

SPECIAL CITY ATTORNEY
Goodwin & Goodwin, LLP

The information contained in this Official Statement has been obtained from the Issuer and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of the System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer of any securities, other than those described on the cover page, or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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OFFICIAL STATEMENT

$1,760,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A BONDS

$5,185,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 B BONDS

INTRODUCTION

This Official Statement, including the cover page and the Appendices hereto, is provided to set forth certain information concerning the issuance by The City of Charleston, a West Virginia municipal corporation (the "Issuer"), of $_____* in aggregate principal amount of its Sewerage System Refunding Revenue Bonds, Series 2002 A Bonds and $_____* in aggregate principal amount of its Sewerage System Refunding Revenue Bonds, Series 2002 B Bonds (collectively, the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and an ordinance adopted by the Council of the Issuer on November 4, 2002; as supplemented by a supplemental resolution adopted on _____ __, 2002 (said ordinance, as so supplemented, the "Ordinance"). The net proceeds of the sale of the Bonds will be applied (i) to current refund the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992A, currently outstanding in the aggregate principal amount of $1,890,000 (the "Series 1992 A Bonds"), and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B, currently outstanding in the aggregate principal amount of $5,150,000 (the "Series 1992 B Bonds") (collectively, the "Series 1992 Bonds"), (ii) to fund debt service reserve funds for the Series 2002 A Bonds and Series 2002 B Bonds, and (iii) to pay costs of issuing the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.

The Bonds and the Prior Bonds, as hereinafter defined, will be paid from and secured by the Net Revenues (as defined under the heading "SECURITY FOR THE BONDS") derived from the Issuer's wastewater collection and treatment system (the "System") and all moneys in the Sinking Funds (including the Reserve Accounts and the Redemption Accounts therein).

The Bonds are special obligations of the Issuer. The Bonds do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from such Net Revenues and moneys in the Sinking Funds, including the Reserve Accounts therein.

Pursuant to the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates and charges for the use of the System and its services. Such rates and charges shall be adequate at all times to produce Gross Revenues from the System sufficient to pay operation and maintenance expenses and to make the prescribed payments into the Funds and Accounts created under the Ordinance. Such schedule or schedules of rates and charges shall be revised from time to time, 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 covenants and agrees in the Ordinance that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to meet the Debt Service Reserve Requirement. See "SECURITY FOR THE BONDS--Rate Covenant" and "THE SYSTEM--Summary of Historical and Projected Gross Revenues and Expenses" herein.

*Preliminary, subject to change.

The Issuer may issue additional bonds secured by a lien on Net Revenues on a parity with the Bonds and the Prior Bonds, as hereinafter defined, for the purpose of financing the costs of the construction of additions, betterments or improvements to the System and/or refunding all or a portion of one or more series of revenue bonds, or all of such purposes, subject in each case to certain tests and conditions specified by the Ordinance. See "SECURITY FOR THE BONDS -- Additional Revenue Bonds."

Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a financial guaranty policy (the "Policy") to be issued simultaneously with the delivery of the Bonds by _____ (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE POLICY" herein.

Brief descriptions of the refunding, the Bonds, the System, and the Ordinance are set forth in this Official Statement, which descriptions do not purport to be comprehensive. All references herein to the Ordinance, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents. References herein to the Bonds are qualified in their entirety by reference to the forms thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer or, during the period of the offering of the Bonds, from the Underwriters.

PURPOSE AND PLAN OF FINANCING

The Prior Bonds

The acquisition and construction of the System were financed or refinanced with proceeds of the Series 1992 Bonds and certain other obligations of the Issuer, which obligations are designated and have lien positions with respect to the Series 2002 Bonds as follows:

	Designation	Lien Position	Principal Outstanding as of June 30, 2002
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien	$1,789,352
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien	$ 776,545
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien	$ 508,919
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien	$2,189,039
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien	$ 315,166
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien	$ 608,558
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien	$4,522,066

	Designation	Lien Position	Principal Outstanding as of June 30, 2002
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien	$ 869,439
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien	$ 664,233
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien	$1,111,357
11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien	$ 815,636
12.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien	$ 203,508
13.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien	$ 88,318
14.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien	$ 117,922
15.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien	$ 29,439

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds and the Series 2001 B Bonds are collectively referred to as the "First Lien Bonds". The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds and the Series 2001 C Bonds are collectively referred to as the "Second Lien Bonds", which are subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds".

The Refunding

Series 1992 A and Series 1992 B Bonds. The Issuer's Series 1992 A Bonds and Series 1992 B Bonds were issued in the aggregate principal amount of $2,995,000 and $6,670,000, respectively, to refund certain existing indebtedness and to make improvements and betterments to the System. The Series 1992 Bonds will be defeased upon issuance of the Bonds and redeemed on January 1, 2003. The Bonds maturing on or after January 1, 2004 will be redeemed at a price equal to 102% of the principal amount thereof.

As a result of the defeasance of the Series 1992 Bonds, the Bonds, along with the Prior Bonds, will be the only obligations of the Issuer outstanding and secured by the Net Revenues of the System.

ESTIMATED SOURCES AND USES OF FUNDS*

Series 2002 A Sources:

Principal Amount of the Series 2002 A Bonds	$
Original Issue Premium	
Less Original Issue Discount	
Accrued Interest	
Transfer from the Series 1992 A Bonds Debt Service Fund	
Transfer from the Series 1992 A Bonds Debt Service Reserve Fund	
Total Sources of Funds	$

Series 2002 A Uses:

Escrow Fund	$
Debt Service Reserve Fund	
Costs of Issuance [1]	
Underwriters' Discount	
Deposit to Debt Service Fund	
Total Uses of Funds	$

Series 2002 B Sources:

Principal Amount of the Series 2002 B Bonds	$
Original Issue Premium	
Less Original Issue Discount	
Accrued Interest	
Transfer from Series 1992 B Bonds Debt Service Fund	
Transfer from Series 1992 B Bonds Debt Service Reserve Fund	
Total Sources of Funds	$

Series 2002 B Uses:

Escrow Fund	$
Debt Service Reserve Funds	
Costs of Issuance [1]	
Underwriters' Discount	
Deposit to Debt Service Fund	
Total Uses of Funds	$

[1] Representing legal and financing fees, bond insurance premium, printing costs and other miscellaneous expenses relating to the issuance of the Bonds.

*Preliminary, subject to change.

SECURITY FOR THE BONDS

Pledge

The payment of the debt service of all of the Bonds issued hereunder shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity in all respects with the lien on the Net Revenues in favor of the Registered Owners of the First Lien Bonds and senior to the lien on the Net Revenues in favor of the Registered Owners of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Bonds and the Prior Bonds, and all other payments provided for in this Ordinance, are irrevocably pledged in the manner provided in the Ordinance to such payments as the same become due and for the other purposes provided in the Ordinance. See Appendix C, "SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE". "Net Revenues" are defined under the Ordinance to mean the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined. "Gross Revenues" are defined under the Ordinance to mean all rates, rents, fees, charges or other income received by or accrued to the Sanitary Board from the operation of the System, as calculated in accordance with generally accepted accounting principles.

The Bonds also are secured by the moneys on deposit in the Sinking Fund, including the Reserve Accounts therein, funded in an amount equal to the Reserve Requirements (as defined in the Ordinance).

The enforceability of the liens, pledges, rights or remedies with respect to the Bonds, the Prior Bonds and the Ordinance is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights. The first lien on and pledge of Net Revenues securing payment of the Bonds and the Prior Bonds may be subject to termination in the event of the bankruptcy of the Issuer.

Rates

The Issuer has covenanted and agreed that the schedule or schedules 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 115% 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 on a parity with the Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts for the Bonds and reserve accounts for obligations on a parity with the Bonds, including the Prior 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 on a parity with the Bonds, including the Prior Bonds. See "THE SYSTEM -- Rates" regarding the procedure by which rates may be revised.

Reserve Account

Pursuant to the Ordinance, the Issuer will maintain on deposit in the respective Reserve Accounts established with the West Virginia Municipal Bond Commission (the "Commission") an amount equal to the Reserve Requirements for the Bonds. The "Series 2002 A Bonds Reserve Requirement" and "Series 2002 B Bonds Reserve Requirement" are defined under the Ordinance to mean respectively, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 A Bonds and Series 2002 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 A Bonds and Series 2002 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 A Bonds and Series 2002 B Bonds.

Moneys in the Reserve Accounts will be used only to pay principal of or interest on the Bonds as due when other moneys in the Sinking Funds are insufficient therefor; provided that any such moneys in excess of the Reserve Requirements will be deposited in the respective Sinking Fund as described in Appendix C "SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE ".

Application of Gross Revenues

So long as any of the Bonds shall be Outstanding and unpaid, the Issuer has covenanted in the Ordinance as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in the Ordinance 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 provided in the Prior Ordinances and in the Ordinance. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund and pay 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of the interest on the First Lien Bonds; (ii) commencing 6 months prior to the first interest payment date of the Series 2002 A Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 A Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 A Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 A Bonds deposited therein; and (iii) commencing 6 months prior to the first interest payment date of the Series 2002 B Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 B Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 B Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 B Bonds deposited therein.

(3) The Issuer, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of principal of the First Lien Bonds; (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 A Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 A Bonds Sinking Fund and in the Series 2002 A Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 B Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 B Bonds Sinking Fund and in the Series 2002 B Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Reserve Accounts of the First Lien Bonds; (ii) an amount to be deposited in the Series 2002 A Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 A Bonds Reserve Account

below the Series 2002 A Bonds Reserve Requirement or any withdrawal from the Series 2002 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (A) the valuation of investments in the Series 2002 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 A Bonds Reserve Account is less than the Series 2002 A Bonds Reserve Requirement, or (B) any amount is withdrawn from the Series 2002 A Bonds Reserve Account for deposit into the Series 2002 A Bonds Sinking Fund; and (iii) an amount to be deposited in the Series 2002 B Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 B Bonds Reserve Account below the Series 2002 B Bonds Reserve Requirement or any withdrawal from the Series 2002 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2002 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 B Bonds Reserve Account is less than the Series 2002 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2002 B Bonds Reserve Account for deposit into the Series 2002 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account to an amount equal to the respective Reserve Requirement; provided, that no payments shall be required to be made into the such Reserve Accounts whenever and as long as the amounts deposited therein shall be equal to the respective Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any 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 as provided herein. 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 any 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 hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, remit to the Bond Commission the principal, interest and reserve account payments for the Second Lien Bonds.

Additional Revenue 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 the Bondswithout complying with the conditions and requirements set forth in the Ordinance (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Bonds, 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months in 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 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall be not 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 Ordinance 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 3 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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance 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 of the Issuer 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 Independent Certified Public Accountants, as stated in a certificate filed with the City Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

See the Ordinance "Additional Parity Bonds" for further information.

Limited Obligations

The Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation but shall be payable solely from the funds pledged for such payment by the Ordinance. No Registered Owner of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

THE BONDS

The Bonds are available in book-entry form only. See "BOOK-ENTRY ONLY SYSTEM" below. So long as Cede & Co. is the registered owner of the Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

Description

The Bonds are being issued in the form of serial and term Bonds, the interest on which accrues and is payable on January 1 and July 1 of each year, commencing July 1, 2003 (each a "Payment Date"). The Bonds are dated, bear interest and mature as set forth on the front cover of this Official Statement.

The Bonds are issued in fully registered form in denominations of $5,000 principal amount and integral multiples thereof.

Interest on, premium, if any, and principal of the Bonds are payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent") to Cede & Co. by wire transfer in immediately available funds in accordance with the terms of a Letter of Representation by and among the Paying Agent, the Issuer and DTC (the "Letter of Representation").

Redemption*

Optional Redemption. The Series 2002 B Bonds maturing on or after January 1, 20__ are subject to redemption, at the option of the Issuer on or after January 1, 20__, in whole or in part, at any time in inverse order of maturity by lot within a maturity, at the following redemption prices expressed as percentages of the principal amount, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period Series 2002 B Bonds	Price*
January 1, 20__ through December 31, 20__	___%
January 1, 20__ through December 31, 20__	___%
January 1, 20__ and thereafter	___%

*Preliminary, subject to change.

Mandatory Sinking Fund Redemption. The Series 2002 B Term Bonds are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account created in the Sinking Fund, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption:

Series 2002 B Term Bonds Due January 1, 2017*

Year (January 1)	Principal Amount
2014	$
2015	$
2016	$
2017 (maturity)	$

Unless waived by any holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and,

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

(Remainder of this page left intentionally blank.)

*Preliminary, subject to change.

BOOK-ENTRY ONLY SYSTEM

The Bonds will be available in book-entry form only, in the authorized denominations set forth in the Ordinance. Purchasers of the Bonds will not receive certificates representing the interests in the Bonds purchased.

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Bonds Exchange Act of 1934. DTC holds Bonds that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the settlement among Direct Participants of Bonds transactions, such as transfers and pledges, in deposited Bonds through electronic computerized book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of Bonds certificates. Direct Participants include Bonds brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Bonds Dealers, Inc. Access to the DTC system is also available to others such as Bonds brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (" Indirect Participants"). The Rules applicable to DTC and its Direct and Indirect Participants are on file with the Bonds and Exchange Commission.

3. Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of the Bonds ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividends to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book- entry credit of tendered Bonds to the Trustee's DTC account.

10. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, bond certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book- entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

FINANCIAL GUARANTY INSURANCE POLICY

(To Be Provided by Insurance Company)

THE SYSTEM

General

The Charleston Sanitary Board (the "Board") is a municipal sewer utility created by an ordinance adopted by City Council of the Issuer on March 17, 1952 to serve Charleston and a small portion of the surrounding area. The Board operates the wastewater collection system and treatment plant and provides service for approximately 65,000 people through approximately 24,600 customer accounts. The Board owns, maintains, and operates approximately 248 miles of sewage collections lines, 86 pumping stations, approximately 5,408 manholes and a treatment plant with a capacity of 14 million gallons per day under National Pollutant Discharge Elimination System (NPDES) Permit No. WV0023205. Treated wastewater is discharged to the Kanawha River.

History and Development

The Board obtained a collection system when formed in 1952. This collection system has been extended through private development and construction contracts administered by the Board and funded by federal grants, the Prior Bonds, and revenue generated from sanitary sewer service rates. The collection system includes 53 permitted combined sewer overflows.

The treatment plant was constructed in 1956 with a treatment capacity of 9 mgd. The treatment process consisted of primary treatment with chlorine disinfection and anaerobic sludge digestion. The treatment plant was upgraded in 1969 – the treatment capacity was increased to 12 mgd for average daily flow with a peak hydraulic capacity of 18 mgd. Secondary treatment with conventional activated sludge was added to the treatment process. The most recent plant upgrade was performed in 1985 with construction of improvements to the plant headworks, conversion of the secondary treatment process from conventional activated sludge to high-purity oxygen activated sludge, construction of additional detention basins for chlorine disinfection, construction of a gravity sludge thickener for primary and waste activated sludge, construction of a high-purity oxygen digester, and installation of a belt-filter press for sludge dewatering. The treatment plant is currently rated for 15.4 mgd. Permit discharge limits are based on a maximum flow of 14 mgd.

Properties and Services

The primary function of the Board is to collect and treat wastewater from domestic and industrial customers. The Board bills each domestic customer based on the amount of water used and each industrial customer based on the strength and volume of waste that enters the Board's collection and treatment system. Customers may pay by mail or in person at Charleston City Hall or the Board's administrative office in Charleston. The Board coordinates with the West Virginia American Water Company for the termination of water service for non-payment in accordance with Public Service Commission regulations.

The Board operates through 4 divisions: Administration, Plant Operation and Maintenance, Collection System Operation and Maintenance, and Pumping Station Operation and Maintenance. The Board administers a pre-treatment program for industrial customers and grease-trap program for customers with non-domestic food preparation. These programs are administered in accordance with Charleston Ordinances and federal and state regulations. The Board also reviews and approves building permit applications and subdivision plans prior to construction and installs taps for new customers.

Future Capital Improvements

The Board has contracted with an engineering consultant to perform a Plant Upgrade Study to develop recommendations for treatment plant upgrade construction beginning in 2003. The Board hopes to obtain funds for the pending upgrade from the State Revolving Fund or other State funding sources. The Board anticipates that a rate increase will be required in 2004 to fund a portion of the improvements.

In-house technical staff are designing a pumping station telemetry system and preparing bid documents for advertisement in 2003. The telemetry system will allow Board personnel to monitor pumping station performance from a remote location and immediately identify equipment that fails to operate properly. Current rates are adequate to provide funding to support the bonds to be issued for this project.

The Board has four collection system rehabilitation projects that are in preliminary stages: Porter's Hollow, Lick Branch, Kanawha Two-Mile, and Woodward Branch. Design and construction are scheduled over the next three

years for these projects. The Board anticipates that a rate increase will be required to permanently finance these improvements.

The Board is performing a water quality study to determine the impact of the combined sewer system on the Kanawha and Elk Rivers. As a result of this study, the Board could make capital improvements to the collection and treatment system to collect and treat additional wet-weather flow and decrease the impact of combined sewer overflows to the Rivers.

Service Area

The service area consists of the City and certain adjacent areas of Kanawha County. The retail service area occupies approximately thirty square miles and contains approximately 65,000 people. The Sanitary Board acquired the assets, liabilities and customers of Mt Tyler Public Service District on June 22, 1999. The acquisition resulted in anadditional 580 customers to the system and generated approximately $131,138 in annual revenues. The Sanitary Board merged with the Guthrie Public Service District on May 22, 2001. This acquisition resulted in an additional 414 customers to the System and generates approximately $165,414 in annual revenues. Prior to the acquisition, the Board had treated the wastewater from the Public Service District's under a treatment agreement.

Customer Statistic

The following table indicates the numbers of domestic and industrial customers during each of the past 5 fiscal years and projections for the next 4 fiscal years.

Customer Category Summary
Numbers of Customers

Year Ended June 30*	Domestic	Industrial
1998	24,030	3
1999	23,714	2
2000	24,266	2
2001	24,378	2
2002	24,546	2
2003	24,500	2
2004	24,500	1
2005	24,500	1
2006	24,500	1

* Years ended June 30, 2003 through June 30, 2006 are projections.

Source: Board billing records for historical figures and otherwise projections by the Board.

The following table sets forth the 9 largest customers of the System, their average daily flow and percentages of total average daily flow and total average flow represented by such flow for the fiscal year ended June 30, 2001.

Major Users
Chart 1

Customer	Annual Flow	% of Flow	Total Revenues	% of Total Revenues
CAMC	79,694,140	3.57%	$307,619.38	3.71%
Charleston Housing Authority	49,256,700	2.21%	$190,130.86	2.29%
State of West Virginia	31,280,200	1.40%	$120,741.57	1.45%
United Dairy	27,855,000	1.25%	$107,520.30	1.30%
Forest City Management	26,395,500	1.18%	$101,886.63	1.23%
Spring Hill Apartments	18,978,000	0.85%	$73,255.08	0.88%
Charleston Marriott	16,949,000	0.76%	$65,423.14	0.79%
Univ. of Charleston	13,805,000	0.62%	$53,287.30	0.64%
Charleston Town Center	4,280,000	0.19%	$16,520.80	0.20%

Administration, Organization and Management

The Board is comprised of the Mayor as ex-officio chairman, and two members appointed by City Council to staggered terms. Board members are prohibited from holding other public offices and from employment by the Issuer. Board members are compensated by the Board subject to approval by City Council.

The System is required to be administered by a full time General Manager appointed by the Board to serve in such capacity for an indefinite term. Duties of the General Manager include submission and administration of the budget, enforcement of laws pertaining to the System, collection of revenues, purchase of System equipment and supplies, and performance of all other acts required of the chief executive officer of the Board.

The present Board members and managers of the System are identified below:

Jay Goldman is Mayor of the City of Charleston, and owner of Goldman & Associates Realtors. His present term expires June 2003. As Mayor, Mr. Goldman is ex-officio Chairman of the Board.

John Tinney is an attorney at law and partner in the firm Tinney Law Firm. His present term began March 17, 2000, and expires on March 17, 2003. Mr. Tinney is Secretary/Treasurer of the Board.

Sam Bowling is a Professional Engineer and owner of Dougherty Co. Inc. His present term began on March 2002 and expires on March 17, 2005. Mr. Bowing is Vice-Chairman of the Board.

Kathleen Rushworth, P.E. has been the General Manager of the Sanitary Board since January 2001. Ms. Rushworth received Bachelors of Science Degree in Geology and Civil Engineering from the University of Michigan and a Masters of Science degree in Engineering form the University of Texas. Ms. Rushworth is a Registered Professional Engineer in West Virginia and Ohio and a licensed Land Surveyor in West Virginia.

James Downey has been Operations Manager of the Sanitary Board since April 1993. He holds an Associate in Science Degree in Civil Engineering Technology from West Virginia University Institute of Technology, a Regents Bachelor of Arts Degree form West Virginia University Institute of Technology and is enrolled in the Marshall University Graduate College working on a Master of Science degree in Environmental Engineering.

William Collison has been the Finance Manager of the Sanitary Board since February 1986. He holds a bachelor of Business Administration degree from West Virginia State College.

Rates

Pursuant to the Act, the City Council must fix minimum rates and charges for the use of its municipal sewer system and may increase such rates whenever deemed necessary. Such rates and charges are required by the Act and the Ordinance to be sufficient at all times to provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefore, to provide for the repair, maintenance and operation of the sewer system, to provide an adequate depreciation fund and to make any other payments required or provided for in the applicable bond ordinance.

The Act provides that rates and charges established by municipally operated utilities shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Such rates and charges must be filed with the Public Service Commission of West Virginia (the "PSC") but generally are not subject to regulatory approval. However, any customer of a municipally operated utility aggrieved by a rate change may present to the PSC within 30 days of the adoption of the ordinance providing for the change a petition signed by not less than 25 percent of the customers served by the utility. Within 100 days from the filing of any such petition, a hearing examiner must issue an order approving, disapproving or modifying the rate increase. Such order has the full force and effect of an order issued by the PSC. Also, if a municipally operated utility serves customers outside the boundaries of the municipality, the PSC is empowered to review, approve or modify such rates if, within 30 days of the adoption of the ordinance providing for such rates, a customer (including a wholesale user) alleges that such rates constitute discrimination between customers within and without the municipal boundaries. The PSC may determine the method by which such rates are reviewed and may grant and conduct a new hearing on the matter if the customer or the municipality requests such a hearing.

The following table sets forth the rates and charges effective December 21, 2000.

Rates: - For Sewage that does not contain industrial waste:

$3.86 per thousand gallons in excess of 2,000 gallons used per month

Rates: - For Sewage that contains industrial waste:

Where the character of sewage from any manufacturing or industrial plant, building or premises is such that it imposes a burden upon the sewer system in addition to the burden imposed by the average sewage entering the sewer system, the Sanitary Board may, if it deems advisable to do so, compel the owner, tenant or occupant of such manufacturing or industrial plant, building or premises to treat such sewage in such manner as shall be specified by the Sanitary Board before discharging into the sewer system. In the absence of such treatment sufficient to remove such additional burden, the charges for treatment of such sewage shall be as follows:

Monthly Service Charge	$3,210.00
Volumetric Treatment Charge	$1.750 per thousand gallons
Biochemical Oxygen Demand (BOD) Charge	$0.258 per pound
Total Suspended Solids (TSS) Charge	$0.202 per pound

When an industrial user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Sanitary Board, should not be introduced into the sewer system, need not be handled by it. The result of this preliminary study will be used to determine the feasibility of the proposed sewer service.

Billing and Collections

The Issuer renders monthly billings to its residential customers based upon water usage. Payments are due upon receipt. If a bill remains unpaid beyond the penalty date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the giving of two termination notices and termination of service 20 days after the initial due date. The Board coordinates water disconnection with West Virginia American Water Company in accordance with Public Service Commission regulations. Upon reinstituting service to a previously delinquent account, a disconnect/reconnect charge of $20.00 is required.

Summary of Doubtful Accounts

Year Ended June 30	Gross Revenue	Allowance for Doubtful Accounts*
1997	$6,211,200	$ 551
1998	$5,830,618	$4,000
1999	$6,782,261	$4,700
2000	$7,148,600	$302,004
2001	$8,299,594	$72,000

*For fiscal year ended June 30, 2000 the allowance for doubtful accounts was increased by $297,304. The allowance at June 30, 2000 includes amounts outstanding for greater than twelve months. The previous method used was 0.55% of the accounts receivable at year end. Due to legislation passed disallowing the Board to hold landlords responsible for tenant usage, the amount of outstanding receivables has steadily increased over the past few years. Therefore, the prior method no longer provides an adequate allowance.

Deferred payment plans are available for any residential customer who demonstrates an inability to pay a System bill in full and shows that service termination would endanger such customer's health or safety.

The Ordinance requires that the Issuer prepare and adopt at least 45 days preceding the beginning of each fiscal year, a detailed budget of the estimated expenditures for operation and maintenance of the System during that succeeding fiscal year. The annual budget is prepared by the Finance Manager, approved by the General Manager and then presented to the Board of adoption.

All expenditures are approved through a materials requisition and purchase order system. Each order is reviewed by the Finance Manger, the General Manager, and, prior to disbursement of funds, by the accounting department. Checks are approved by the General Manager and require two signatures from Mayor/Chairman and the system financial advisor.

Public Employees Retirement System

The Board elected to participate in the West Virginia Public Employees Retirement System (the "Retirement System"), a statewide system comprised of the State of West Virginia and such of its political subdivisions as elect participation. Annuity benefits under the Retirement System are financed through employer and member contributions and the investment earnings on such contributions. The Board, as an employer, is obligated to contribute annually to the Retirement System and amount equal to 9.5 percent of its employee payroll for the preceding year. The following table summarizes the contributions made by the Board to the Retirement System during each of past five fiscal years:

Retirement System Contributions

	Fiscal Years Ended June 30				
	2001	**2000**	**1999**	**1998**	**1997**
Employees Covered	71%	73%	73%	63%	66%
Board Contribution rate (%)	9.5%	9.5%	9.5%	9.5%	9.5%
Board Contributions	$214,209	$206,274	$208,365	$175,312	168,286

Source: Compiled by the Finance Manager from the annual audit reports of Grigoraci, Trainer, Wright & Paterno. Certified Public Accountants, for the five fiscal years ended June 30, 1997 through June 20, 2001.

Method of Accounting

The Board maintains its accounts pertaining to the System on an accrual basis and in accordance with generally accepted accounting principles. The accounting records of the Board have been audited annually for the fiscal years ended June 30, 2001, 2000, 1999 and 1998 by Grigoraci, Trainer, Wright & Paterno. See Appendix A-AUDITED FINANCIAL STATEMENTS, regarding the fiscal years ended June 30, 2001 and June 30, 2000. The audited financial statements for fiscal year ended June 30, 2002, are expected to be completed by November 30, 2002.

Summary of Historical and Projected Gross Revenues and Expenses

The following two schedules summarize historical revenues and expenses of the System for the five fiscal years ended June 30, 2002, and projected revenues and expenses of the System for the three fiscal years ending June 30, 2005. The City of Charleston passed an ordinance in June of 1998 approving a 12.59% rate increase effective August 1, 1998 to meet the projected debt service coverage requirement (115%) for fiscal year ended June 30, 1999. Due to extraordinary operating expenses, and the loss of an industrial customer during the fiscal year ended June 30, 2000, and a change in estimate of allowance for doubtful accounts the Board did not meet the debt service minimum of 115% of the maximum amount required in any year of the debt. To correct this shortage a rate ordinance was passed by the City of Charleston on November 6, 2000, which increased sewer fees by $3,350,659, or 61.2% overall. This increase was effective December 21, 2000.

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CHARLESTON SANITARY BOARD
Summary Statement of Income and Expenses
Fiscal Years Ended June 30
Actual Results of Operations ($)

	1998 (1)	1999	2000 (2) (3) (4)	2001 (3) (4)	Unaudited 2002 (3)(4) (5)
Operating Revenues:					
Sewer Sales	$5,824,618	$6,777,261	$7,148,600	$8,167,289	$9,957,110
Rental Income	6,000	5,000	0	0	0
Total Operating Revenues	$5,830,618	$6,782,261	$7,148,600	$8,167,289	$9,957,110
Operating Expenses:					
Collecting Expenses	$511,925	$532,421	$616,634	$662,911	$820,842
Pumping Expense	741,393	705,613	706,283	666,190	734,767
Treatment Expense	1,695,554	1,919,939	1,935,198	2,002,009	2,034,402
Billing and Collecting Expense	594,852	581,713	959,259	862,711	756,808
Administrative and General	1,035,513	1,285,227	1,330,465	1,259,547	1,515,472
Interest Expense on Bank One Equipment Lease/Purchase	0	0	0	35,437	54,163
Total Operating Expenses	$4,579,237	$5,024,913	$5,547,839	$5,488,805	$5,916,454
Operating Income:					
Operating Income	$1,251,381	$1,757,348	$1,600,761	$2,678,484	$4,040,656
Other Income	380,603	347,088	80,597	132,305	99,734
Interest Income	0	0	159,234	204,795	124,163
Income Available for Debt Service	$1,631,984	$2,104,436	$1,840,592	$3,015,584	$4,264,553
Other Expense					
Bond Interest	$773,479	$809,704	$957,304	$851,138	$988,056
Bond Discounts and Issuance Costs Amortized	36,388	35,028	33,588	32,064	30,456
Depreciation Expense	87,895	110,856	1,600,319	1,589,298	1,856,587
Fiscal and Financial Costs	10,230	33,932	62,130	65,258	63,804
Total Other Expense	$907,992	$989,520	$2,653,341	$2,537,758	$2,938,903
Net Income	$723,992	$1,114,916	($812,749)	$477,826	$1,325,650
Debt Service Coverage Factor					
Maximum Annual Debt Service	$1,661,154	$1,790,856	$1,790,856	$1,931,992	$1,931,992
Percent Debt Service Coverage	98%	118%	103%	156%	221%

(1) The City of Charleston passed an ordinance in June of 1998 approving a 12.59% rate increase effective August 1, 1998 to meet the projected debt service coverage requirement (115%) for fiscal year ended June 30, 1999.

(2) Due to extraordinary operating expenses, and the loss of an industrial customer during the fiscal year ended June 30, 2000, and a change in estimate of allowance for doubtful accounts the Board did not meet the debt service minimum of 115% of the maximum amount required in any year of the debt. To correct this shortage an ordinance was passed by the City of Charleston on November 6, 2000, which increased sewer fees by $3,350,659, or 61.2% overall. This increase was effective December 21, 2000.

(3) Per GASB Statement 33, beginning in fiscal year ended 6/30/01, certain non exchange transactions such as sewer taps, main extensions, etc. that were previously recorded in an equity account are now included in income.

(4) During fiscal year ended June 30, 2001, an adjustment was made to record depreciation of the sewer system. The depreciation expense for fiscal year ended June 30 2000 was restated from $92,041 to $1,600,319 resulting in a reported net loss of $812,749 from a reported net income of $695,529. Retained earnings for fiscal year ended June 30, 2000 were decreased from $30,669,899 to $7,602,615 to record depreciation expense for prior years in the amount of $23,067,284.

(5) The audited financial statements for fiscal year ended June 30, 2002, are expected to be completed by November 30, 2002.

CHARLESTON SANITARY BOARD
Summary Statement of Income and Expenses
Fiscal Years Ending June 30
Projected Results of Operations ($)*

	Without Refunding of Series 1992 A Bonds and Series 1992 B Bonds			With Refunding of Series 1992 A and Series 1992 B Bonds		
	2003	2004	2005	2003	2004	2005
Operating Revenues:						
Sewer Sales	9,957,110	10,602,315	10,602,315	9,957,110	10,602,315	10,602,315
Rental Income	0	0	0	0	0	0
Total Operating Revenues	$9,957,110	$10,602,315	$10,602,315	$9,957,110	$10,602,315	$10,602,315
Operating Expenses:						
Collecting Expense	837,259	854,004	871,084	837,259	854,004	871,084
Pumping Expense	749,462	764,451	779,740	749,462	764,451	779,740
Treatment Expense	2,075,090	2,116,592	2,158,924	2,075,090	2,116,592	2,158,924
Billing and collecting expense	771,944	787,383	803,131	771,944	787,383	803,131
Administrative and general	1,545,781	1,576,697	1,608,231	1,545,781	1,576,697	1,608,231
Total operating expenses	$5,979,536	$6,099,127	$6,221,110	$5,979,536	$6,099,127	$6,221,110
Operating income	3,977,574	4,503,188	4,381,205	3,977,574	4,503,188	4,381,205
Other income	99,734	101,729	103,764	99,734	101,729	103,764
Interest income	124,163	126,646	129,179	124,163	126,646	129,179
Income available for debt service	$4,201,471	$4,731,563	$4,614,148	$4,201,471	$4,731,563	$4,614,148
Other expenses:						
Bond interest expense 1992A	111,915	103,318	93,795	0	0	0
Bond interest expense 1992B	317,328	304,638	290,895	0	0	0
Bond interest expense 2002A	0	0	0	31,154	51,658	47,995
Bond interest expense 2002B	0	0	0	107,327	181,089	174,895
Bond interest expense (all other)	535,195	520,475	505,212	535,195	520,475	505,212
Bond discounts and issuance costs amortized	238,447	0	0	238,447	0	0
Depreciation expense	2,026,711	1,900,851	1,868,816	2,026,711	1,900,851	1,868,816
Fiscal and financial costs	63,804	63,804	63,804	63,804	63,804	63,804
Total other expenses	$3,293,400	$2,893,086	$2,822,522	$3,002,638	$2,717,877	$2,660,722
Net income	$908,071	$1,838,477	$1,791,626	$1,198,833	$2,013,686	$1,953,426
Maximum Annual Debt Service	$1,931,992	$1,931,992	$1,931,992	$1,847,700	$1,847,700	$1,847,700
Projected Debt Service Coverage	217%	245%	239%	227%	256%	250%

*All figures are estimates and subject to change. The City anticipates issuing bonds to make additional upgrades to the System. The Maximum Annual Debt Service will increase as a result. See "THE SYSTEM--Future Capital Improvement."

Annual Debt Service Requirements

The following table sets forth for each fiscal year during which the Bonds will be outstanding the amounts payable from Gross Revenues as principal of and interest on the Bonds. (Debt service on the Current Interest Bonds is not included in these aggregate requirements because they will be defeased by the Bonds.)

Debt Service Requirements

Year Ending June 30	Prior Bonds Debt Service	Series 2002 A Principal	Series 2002 A Interest	Series 2002 B Principal	Series 2002 B Interest	Total Debt Service
2003	$1,122,824					
2004	$1,122,825					
2005	$1,122,823					
2006	$1,122,825					
2007	$1,122,824					
2008	$1,122,823					
2009	$1,122,824					
2010	$1,122,824					
2011	$1,122,854					
2012	$1,122,824					
2013	$1,122,824					
2014	$1,109,937					
2015	$1,071,271					
2016	$1,071,270					
2017	$1,071,270					
2018	$1,012,654					
2019	$760,737					
2020	$461,495					
2021	$461,495					
2022	$461,495					
2023	$393,937					
2024	$393,937					
2025	$393,936					
2026	$393,937					
2027	$393,937					
2028	$324,963					
2029	$324,963					
2030	$324,963					
Total	$22,777,291					

RATINGS

_____ and _____ are expected to assign this issue the ratings of "___" and "___", respectively, on the understanding that the standard municipal bond insurance policy of _____ guaranteeing the timely payment of principal of and interest on the Series 2002 A Bonds and Series 2002 B Bonds, will be issued upon delivery of the Bonds. The Issuer has not applied for any other rating.

Such ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained from the respective rating agencies. There is no assurance that such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by any of the issuing agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

TAX EXEMPTION

Jackson Kelly PLLC, Bond Counsel, is of the opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is

excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds, and the interest thereon, are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

NO LITIGATION

There is no litigation or other proceeding pending or, to the knowledge of the Issuer, threatened to restrain or enjoin the issuance, sale, or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds, the proceedings pursuant to which the Bonds are issued, or the collection, application or pledge of the Net Revenues and other moneys purported to be pledged by the Ordinance.

UNDERWRITING

Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. as Underwriters, have agreed, subject to certain conditions, to purchase the Series 2002 A Bonds at a price of $_____ (par amount, less an Underwriters' discount of $_____), plus accrued interest. Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. as Underwriters, have agreed, subject to certain conditions, to purchase the Series 2002 B Bonds at a price of $_____ (par amount, less an Underwriters' discount of $_____), plus accrued interest. The Underwriters will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriters.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Bond Counsel, whose opinion will be delivered concurrently with the delivery, upon original issuance, of the Bonds. Certain legal matters will be passed upon for the Issuer by Goodwin & Goodwin, LLP, Special City Attorney. John T. Poffenbarger, Esq., will pass upon certain matters as counsel for the Underwriters.

EXPERTS

Included in Appendix A are the Audited Financial Statements pertaining to the System as of and for the fiscal years ended June 30, 2001 and 2002, prepared by Grigoraci, Trainer, Wright & Paterno, Certified Public Accountants. Such statements have been included herein in reliance upon the reports of such accountants as experts in auditing and accounting.

CONTINUING DISCLOSURE

The Issuer has agreed for the benefit of the holders of the Bonds to provide each Nationally Recognized Municipal Securities Information Repository and, if established the State Information Depository, on an annual basis on or before 12 months after the end of each fiscal year certain financial and operating data and in a timely

manner, notices of certain material events, in order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities Exchange Commission. A summary of the Continuing Disclosure Certificate is attached hereto as Exhibit F.

MISCELLANEOUS

The foregoing summaries of the Bonds and the Ordinance, and references to the Act, do not purport to be comprehensive and are qualified in their entirety by the exact provisions thereof. Copies of the Ordinance (including the form of the Bonds) and the Act may be obtained from the Issuer or, during the period of offering of the Bonds, from the Underwriters. All estimates and assumptions herein have been made upon the best information available and are believed to be reliable, but no representation whatsoever is made that such estimates or assumptions are correct or will be realized. Statements involving matters of opinion, whether or not so expressly stated, are set forth as opinions and are not presentations of fact.

This Official Statement has been duly approved and its distribution authorized by the Issuer.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

APPENDIX A

Audited Financial Statements of the Charleston Sanitary Board

APPENDIX B

General Information Regarding the City

APPENDIX B

CITY OF CHARLESTON (WEST VIRGINIA)

Introduction

Charleston, located at the convergence of the Kanawha and Elk Rivers in the southwestern part of West Virginia, is the Capital of West Virginia, the county seat of Kanawha County, and the center of the State's greatest concentration of people and commerce. Charleston, which encompasses an area of 29.3 square miles, had a 2000 U.S. Census population of 53,421.

The City's economic base is diversified on the cornerstones of retail and wholesale trade, manufacturing, government and services. The increasing diversity of the area's employment base has been enhanced by tourism, improved transportation facilities, including the interconnection of interstate highways in Charleston.

Principal manufactured products in the Charleston area include a broad range of chemicals, plastics, industrial and mining equipment, petroleum products and steel fabrication.

Government Services

The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Elected officials are the mayor, city treasurer, municipal judge and members of the Council from each of the 20 wards in the City, plus 6 Council persons-at-large, all elected to serve concurrent terms on a quadrennial basis. In addition, the City has certain appointed officials including: city manager, city clerk, director of finance, city auditor, public works director, chief of police, city solicitor, chief of fire department, director of mayor's office of economic and community development, and director of parks, recreation and public grounds. All appointive officers have salaries fixed by the Council.

The mayor is the chief executive officer of the City and the presiding officer and a member of the Council with right to vote on all issues. The mayor, without any requirement or confirmation by Council, has the right of appointment and removal of the director of finance, city auditor, public works director, chief of police, director of finance, chief of fire department, director of mayor's office of economic and community development, and director of parks, recreation, and public grounds.

The mayor also appoints the city manager by and with the consent of Council. The city manager is the chief business and administrative officer of the City under the supervision and direction of the mayor. All real property of the City is under his immediate care and supervision, and he is required to make all contracts for labor and supplies. Custody of all contracts, insurance policies, and papers relating to the business affairs of the City are under the supervision of the city manager who is required to make monthly reports to the Council.

The Council acts as the legislative body for the City and selects one of its members as president pro tempore, to preside in the absence of the mayor. The duties of the Council are primarily carried on through standing and special committees: finance, streets and traffic, planning, parks and recreation, cemetery, ordinance and rules, public safety, special committees of housing and human rights, and a select committee of urban renewal. Council also appoints a city clerk, who in addition to keeping minutes of all meetings, is the custodian of all records and papers of the City for which no other custodian is designated.

Population

	2000	1990	1980	1970
Charleston	53,421	57,287	63,968	71,505
Kanawha County	200,073	207,619	231,414	229,515

Source: U.S. Department of Labor, Bureau of the Census; Charleston Chamber of Commerce

Transportation

The convergence of three interstate highways, I-64, I-77 and I-79, interconnecting Charleston as well as Appalachian Corridor "G," brings the Charleston area within the overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West I-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South I-77 from Cleveland, Ohio to Columbia, South Carolina; Northeast-Southwest I-79 from Erie, Pennsylvania to Charleston, West Virginia; and Appalachian Corridor "G" from Charleston, West Virginia to Pikeville, Kentucky. In addition to the superhighways, three national and several state highways presently serve the SMSA.

The Greyhound Bus Line offers interstate and intrastate service, with both freight and passenger capacity. Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the City and the Kanawha Valley. The system, commonly known as KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1:00 a.m.

Yeager Airport accommodates commercial, general aviation and military air traffic. Major improvements to the airport have been made in the last few years including terminal remodeling, additional parking, and a building within the airport complex to house FAA offices and the National Weather Service. Charter air service and cargo air services are available from several companies at the airport. Charleston was officially designated a "port of entry" by the United States Customs in 1973. Airlines serving Yeager include: US Airways/Express, Delata Connection (ASA and ComAir), Continental Express, Northwest Airlink (Mesaba), United Express (Atlantic Coast).

Three major rail companies, providing passenger as well as freight service, operate within the region: Norfolk Southern, CSX Transportation, and Amtrak.

Telecommunications

The Charleston area has one of the nation's most advanced telecommunications networks, consisting of fiber optic lines, digital switching, dual redundancy and microwave and satellite transmission facilities. The local carrier is Verizon West Virginia. A host of companies, including AT&T, MCI and US Sprint, provide cell, broad band and long distance service to Metro Charleston area customers.

Water

The Kanawha and Elk Rivers, tributaries of the Ohio River system, flow through Charleston. Both rivers are navigable, with the Kanawha River Basin being the largest northwardly flowing river system in the nation. Approximately 69% of the Basin lies within West Virginia. The U.S. Army Corps of Engineers maintains a nine-foot channel for navigation with three locks located on the Kanawha River to accommodate barges. Waterborne commerce has tripled in the last 30 years with commodities transported on the Kanawha River including: coal and coke (35%); sand and gravel (25%); oil and gas (10%); iron, steel and other miscellaneous products (30%).

COUNTY OF KANAWHA

Source: West Virginia Bureau of Employment Program unless otherwise noted.

Introduction

Kanawha County (the "County"), 913.30 square miles in size, is located in the southwestern part of West Virginia. Charleston, is located in the County. The County is located 51 miles from Huntington, WV; 76 miles from Parkersburg, WV; 170 miles from Columbus, Ohio; 237 miles from Pittsburgh, Pennsylvania; and 288 miles from Charlotte, North Carolina.

Population

Year	Kanawha County	West Virginia	United States
1990	207,619	1,793,477	248,710,000
1999	199,263	1,806,928	270,029,000
2000	200,073	1,808,344	281,421,906

Economy

Kanawha County's employment and business structure today reveals a multi-faceted economic base. The most identifiable enterprises, coal and chemical, actually count for a relatively small portion of the region's total economic activity. The relative strength of the economy may be seen by the following:

Year		Kanawha County	West Virginia
2002 (June)	Labor Force	107,110	828,100
	Total Employed	101,510	776,600
	Total Unemployed	5,600	51,500
	Percent Unemployed	5.2%	6.2%
2001	Labor Force	109,110	833,000
	Total Employed	105,460	792,000
	Total Unemployed	4,380	41,000
	Percent Unemployed	4.0%	4.9%
2000	Labor Force	109,360	825,000
	Total Employed	104,690	779,000
	Total Unemployed	4,670	46,000
	Percent Unemployed	4.3%	5.5%
1999	Labor Force	107,450	816,000
	Total Employed	104,370	763,000
	Total Unemployed	5,080	54,000
	Percent Unemployed	4.7%	6.6%
1998	Labor Force	104,200	797,000
	Total Employed	99,300	744,000
	Total Unemployed	4,900	53,000
	Percent Unemployed	4.7%	6.6%

Year		Kanawha County	West Virginia
1997	Labor Force	104,950	803,000
	Total Employed	99,820	748,000
	Total Unemployed	5,130	55,000
	Percent Unemployed	4.9%	6.9%
1996	Labor Force	105,420	808,000
	Total Employed	99,710	747,000
	Total Unemployed	5,710	61,000
	Percent Unemployed	5.4%	7.5%
1995	Labor Force	102,370	785,000
	Total Employed	96,520	723,000
	Total Unemployed	5,850	62,000
	Percent Unemployed	5.7%	7.9%
1994	Labor Force	102,560	787,000
	Total Employed	95,780	717,000
	Total Unemployed	6,780	70,000
	Percent Unemployed	6.6%	8.9%
1993	Labor Force	102,470	789,000
	Total Employed	94,080	703,000
	Total Unemployed	8,390	86,000
	Percent Unemployed	8.2%	10.9%

Source: West Virginia Department of Employment Security, Labor and Economic Research Division

Civilian Labor Force (2001):

	Total Workers	Average Annual Wage
Civilian Labor Force		
Agriculture	400	$19,500
Manufacturing	7,401	56,949
Non Manufacturing		
Mining	2,573	54,625
Construction	4,693	35,531
Transportation & Public		
Utilities	7,029	44,110
Trade- Wholesale	5,671	38,707
Trade- Retail	19,991	16,222
Finance, Insurance &		
Real Estate	6,746	36,672
Services and Health	35,793	27,943

	Total Workers	Average Annual Wage
Government		
Federal	2,398	44,635
State	10,874	33,043
Local	8,001	27,361

Source: West Virginia Department of Employment Security

Top 10 Employers in Kanawha County:

1. Charleston Area Medical Center
2. Kanawha County Board of Education
3. Union Carbide Corporation/Dow Corp.
4. Minneapolis Postal Data Center
5. Wal-Mart Associates, Inc.
6. Herbert J. Thomas Memorial Hospital Assoc.
7. West Virginia Bureau of Employment Programs
8. Ticketmaster, LC
9. West Virginia Dept.of Highways
10. West Virginia Dept. of Health and Human Resoruces

Average Annual Unemployment Rates:

Year	Kanawha County	West Virginia
1992	8.7	11.4
1993	8.2	10.9
1994	6.6	8.9
1995	5.7	7.9
1996	5.4	7.5
1997	4.9	6.9
1998	4.7	6.6
1999	5.1	7.5
2000	4.5	5.6
2001	4.0	4.9
2002	5.2	6.2

Average Annual Nonfarm Payroll Employment by Industry:

Industry	1996	1997	1998	2001
Mining	1,910	1,830	1,870	2,573
Construction	4,700	4,960	4,970	4,693
Manufacturing	8,590	8,700	8,590	7,401
Transportation & Public Utilities	7,810	7,830	7,460	7,029
Wholesale & Retail Trade	26,252	5,760	25,970	31,333
Finance, Insurance & Real Estate	6,740	7,110	7,410	6,746
Services	35,110	36,540	37,190	35,793
Government	20,930	21,370	21,500	21,272
TOTAL	112,040	114,090	114,960	116,840

Average Employment and Annual Wage:

	Average Employment			Average Annual Wage		
	1990	1998	2001	1990	1998	2001
Kanawha County	97,046	112,251	113,019	$22,559	$29,224	$30,155
West Virginia	602,237	680,865	685,771	$20,708	$26,009	$27,981

Per Capita Personal Income:

County	1996	1998	2000	Rank In WV
United States	$24,651	$27,203	$29,469	--
West Virginia	$18,566	$20,185	$21,738	--
Kanawha County	$24,284	$26,421	$28,681	7

Wages Per Industry (2000):

Industry	Total Wages	Average Annual Wage
Agriculture	$ 7,800,188	$ 19,500
Mining	140,551,920	54,625
Construction	166,750,690	35,531
Manufacturing	421,481,262	56,949
Transportation & Public Utilities	310,053,855	44,110
Trade – Wholesale	219,510,795	38,707
Trade - Retail	324,309,649	16,222
Finance, Insurance & Real Estate	247,389,379	36,672
Services	1,000,189,404	27,943
Government	685,269,340	32,214

Total Wages ($Millions):

Year	Kanawha County	West Virginia
1995	2,763	15,367
1996	2,899	15,952
1997	3,031	15,537
1998	3,163	17,153
1999	3,280	17,708
2000	3,408	19,189

Community Data

Educational Facilities:

Public Schools	Facilities
Elementary	59
Middle/Junior High	14
High	8
Vocational	2
Other	3

Colleges
University of Charleston, Charleston (Kanawha)
WV State College, Institute (Kanawha)
Marshall University Graduate College, South Charleston (Kanawha)
WVU Institute of Technology, Montgomery (Fayette)

Recreational Facilities:

Parks	10
Baseball Fields	43
Basketball Courts	
Indoor	42
Outdoor	80
Playgrounds	109
Swimming pools	30
Tennis courts	
Indoor	28
Outdoor	49
Auditoriums	40
Stadiums	11
Theaters	
Gas	
Indoor	14
Outdoor	2D
Country Clubs	4
Golf Courses	9

Medical:

Doctors	675
Dentists	138
Hospitals	8

Transportation:

Highways	
Interstates	64,77,79
WV Routes	622,601,501,214,114 94,62,61,35,25,4
US Routes	119,60,35
Motor Freight	Carriers available
	Parcel service available
Industrial Parks	6
Airports	3
Railroads:	CSXT
	Winifrede
	Kelly's Creek & Northwestern
	Amtrak
	Norfolk & Southern

Communications:

Newspapers	9
TV Stations	1
Telephone	Verizon
Telegraph	Western Union
Radio Stations	16

Utilities:

Electricity	American Electric Power
Natural Gas	Allegheny Power
	Union Oil & Gas
	WV Power Gas
	Southern Public Service
Sewer	City of Charleston
Water	WV America Water Co.

Other:

Child Care-Day Care Centers	54
Financial Institutions-Banks	61
Libraries-Public	12

APPENDIX C

Summary of Certain Provisions of the Ordinance

APPENDIX D

(INSERT SPECIMEN INSURANCE POLICY)

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is made and entered into by The City of Charleston, a municipal corporation of the State of West Virginia (the "Issuer"), in connection with the issuance of $_____* City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 A Bonds (the "2002 A Bonds") and $_____* The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 B Bonds (the "2002 B Bonds") (collectively referred to as the "Bonds"). The Bonds are being issued pursuant to the Issuer's Ordinance enacted on _____ __, 2002, and its Supplemental Resolution adopted on _____ __, 2002 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated November ____, 2002, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Certificate.

"Beneficial Owner" shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 8 months after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2003 Fiscal Year, provide to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within ninety (90) days after the end of its 2003 fiscal year and each subsequent fiscal year, to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 2003 fiscal year-end, and each subsequent fiscal year, to each nationally recognized municipal securities information repository ("National Repository") and to any West Virginia State information repository ("State Repository"), core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in the Official Statement under the caption "Financial Statements of the Issuer":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities; and

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board or the National Repository and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the

opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____ __, 2002

THE CITY OF CHARLESTON

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Charleston

Name of Issue: $_____ The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 A
$_____ The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 B

Date of Issuance: _____ __, 2002

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

THE CITY OF CHARLESTON

By: _____
Mayor

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of November 9, 2001

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Resolution No. 126-02, enacted by the City Council of the City of Charleston on December 2, 2002.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 13th day of December, 2002.

City Clerk

Seal

Resolution No. 126-02

Introduced in Council:

December 2, 2002

Introduced by:

Larry Roller
jrs

Adopted by Council:

December 2, 2002

A resolution supplementing Ordinance No. 6948, which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4828 passed by the Council on April 20, 1992, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, and by Ordinance No. 6777 passed by the Council on March 19, 2001; authorizing the refunding of the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, of The City of Charleston; authorizing the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City" or the "Issuer"), on November 4, 2002, adopted Ordinance No.6948, which Ordinance authorized the issuance of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Series 2002 Bonds"), in an aggregate principal amount not to exceed $7,500,000, to finance the cost of refunding the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), to fund reserve accounts for the Series 2002 Bonds and to pay other costs in connection therewith, and all as more fully set out therein (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance when used herein;

WHEREAS, the Ordinance further provided that additional covenants and provisions relating to the Series 2002 Bonds be provided herein as may be required by any Bond Insurer as a condition to insuring the Series 2002 Bonds;

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 2002 Bonds from MBIA Insurance Corporation (the "Bond Insurer") and has determined that it is advantageous for the Issuer to obtain such Municipal Bond Insurance Policy and provide herein for certain matters required by the Bond Insurer as a condition to issuing such Municipal Bond Insurance Policy;

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that provisions required by the Bond Insurer as a condition to issuing its Municipal Bond Insurance Policy be provided herein, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

Section 1. Pursuant to the Commitment for Municipal Bond Insurance of MBIA Insurance Corporation dated November 15, 2002, heretofore accepted by the Issuer pursuant to a Supplemental Resolution adopted November 18, 2002, and as permitted by Section 6.17of the Ordinance, the following covenants and provisions which are required by the Bond Insurer as a condition precedent to issuance of its Municipal Bond Insurance Policy are hereby set forth, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2002 Bonds:

Section 2. Section 1.04 Definitions. The Ordinance is hereby supplemented with respect to the Series 2002 Bonds by adding thereto and incorporating therein the following definitions:

"Defesance Obligations" means

1. Cash
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government

Series -- " SLGs")

3. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities
4. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FmHA)
Certificates of beneficial ownership

c. Federal Financing Bank

d. General Services Administration
Participation certificates

e. U.S. Maritime Administration
Guaranteed Title XI financing

f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

"Qualified Investments" means

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
Participation certificates

6. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations

(not acceptable for certain cash-flow sensitive issues.)

7. U.S. Maritime Administration
Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to MBIA (Investment Agreement criteria is available upon request).

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

K. Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to MBIA (criteria available upon request)

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm

   a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or

   b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

2. The written repo contract must include the following:

   a. Securities which are acceptable for transfer are:

      (1) Direct U.S. governments, or

      (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

b. The term of the repo may be up to 30 days

c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of Collateral

(l) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the municipal entity:

a. Repo meets guidelines under state law for legal investment of public funds.

L. Any state administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

M. Debt Service Reserve Fund investments should be valued at fair market value and marked to market at least once per year. Debt Service Reserve Fund investments may not have maturities extending beyond 5 years, except for Investment Agreements approved by the Bond Insurer.

Section 3. Article IV of the Ordinance is supplemented by adding thereto and incorporating therein a new section:

Section 4.05. Payments by Bond Insurer; Notices.

A. In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Obligations, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Obligations due on the second following or following, as the case may be, Business Day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

B. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Bond Insurer or its designee.

C. In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal or interest on the Obligation to a trustee in Bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

D. The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Obligations as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Obligations, the Paying Agent shall (a) execute and deliver to State Street Bank and Trust Company, N.A., or its successors under the Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the Bond Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Obligations, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the Bond Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Bond Insurer of any of the Obligation surrendered to the Insurance Paying agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent, and (c) disburse the same to such Holders.

E. Payments with respect to claims for interest on and principal of Obligations disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Obligations, and the Bond Insurer shall become the owner of such unpaid Obligation and claims for the interest in accordance

with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

F. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent hereby agree for the benefit of the Bond Insurer that:

1. They recognize that to the extent the Bond Insurer makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the Obligations, the Bond Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in this Indenture and the Obligations; and

2. They will accordingly pay to the Bond Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Indenture and the Obligation, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Obligations to Holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

G. In connection with the issuance of additional Obligations, the Issuer shall deliver to the Bond Insurer a copy of the disclosure document, if any, circulated with respect to such additional Obligations.

H. Copies of any amendments made to the documents executed in connection with the issuance of the Obligations which are consented to by the Bond Insurer shall be sent to Standard & Poor's Corporation.

I. The Bond Insurer shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

J. The Bond Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and Annual Budget.

Notices: Any notice that is required to be given to a holder of the Obligation or to the Paying Agent pursuant to the Indenture shall also be provided to the Bond Insurer. All notices required to be given to the Bond Insurer under the Indenture shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504 Attention: Surveillance.

K. The Issuer covenants and agrees to reimburse the Bond Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all

reasonable expenses, including attorneys' fees and expenses, incurred by the Bond Insurer in connection with (i) the enforcement by the Bond Insurer of the Issuer's obligations, or the preservation or defense of any rights of the Bond Insurer, under this Resolution and any other document executed in connection with the issuance of the Obligations, and (ii) any consent, amendment, waiver or other action with respect to the Resolution or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Bond Insurer agrees reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved .

Section 4. Article VI of the Ordinance is supplemented by adding thereto and incorporating therein a new section:

Section 6.18. Additional Covenants Regarding Bond Insurer.

A. Notice to the Bond Insurer. The Issuer shall provide the Bond Insurer with any notices required to be given by any party under the Ordinance and such notices shall be mailed to the Bond Insurer, Attn: Insured Portfolio Management.

B. Amendments. The Bond Insurer shall be mailed copies of all amendments which do not require the consent of the bondholders, such as amendments which will cure ambiguities, correct formal defects or add to the security of the financing. Any amendments which require bondholder consent shall also require the Bond Insurer's consent. The Bond Insurer must receive advance written notice of all amendments which require consent. All notices shall be sent to the Bond Insurer. The Issuer shall provide Standard & Poor's Corporation with copies of any amendments which are consented to by the Bond Insurer.

C. Notice of Additional Bonds. The Issuer shall provide the Bond Insurer with written notice of any additional bonds and a copy of the independent certified accountants certificate regarding the parity test.

D. Remedies Regarding Events of Default. The Bond Insurer, acting alone, shall have the right to direct all remedies in the event of a default. The Bond Insurer shall be recognized as the registered owner of each bond which it insures for the purposes of exercising all rights and privileges available to bondholders. For bonds which it insures, the Bond Insurer shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a bondholder in accordance with applicable provisions of the governing documents. Other than the usual redemption provisions, any acceleration of principal payments must be subject to the Bond Insurer's prior written consent.

Section 5. This Supplemental Resolution shall take effect immediately upon adoption hereof.

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B BONDS

CERTIFICATE OF DETERMINATION

The undersigned, Jay Goldman, Mayor of The City of Charleston (the "City"), in accordance with Section 2 of the Supplemental Resolution adopted by the Council of the City on November 18, 2002 (the "Supplemental Resolution"), with respect to The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Series 2002 Bonds"), hereby finds and determines as follows:

1. The Series 2002 Bonds shall be dated December 1, 2002 and shall bear interest on January 1 and July 1 of each year commencing July 1, 2003.

2. The Series 2002 A Bonds shall be issued in the aggregate principal amount of $1,755,000 and a true interest cost of 3.5708%. Such principal amount and true interest cost do not exceed $2,000,000 and 5%, respectively, being the maximum principal amount and true interest cost authorized by the Supplemental Resolution. The net present value benefit is 8.724% of the Series 2002 A Bonds principal amount which exceeds the 3% required by the Supplemental Resolution.

3. The Series 2002 B Bonds shall be issued in the aggregate principal amount of $5,160,000 and a true interest cost of 4.0767%. Such principal amount and true interest cost do not exceed $5,500,000 and 5%, respectively, being the maximum principal amount and true interest cost authorized by the Supplemental Resolution. The net present value benefit is 11.111% of the Series 2002 B Bonds principal amount which exceeds the 3% required by the Supplemental Resolution.

4. The Series 2002 Bonds shall mature in the amounts and on the dates and shall be subject to mandatory sinking fund redemption in the amounts and on the dates set forth on Schedule 1 attached hereto and incorporated herein.

5. The Series 2002 Bonds shall bear interest at the rates and produce the yields set forth on Schedule 1 attached hereto and incorporated herein.

6. The Series 2002 Bonds shall be subject to optional and mandatory redemption as set forth on Schedule 2 attached hereto and incorporated herein.

7. (a) The Series 2002 A Bonds shall be sold to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Underwriters"), pursuant to the terms of the Bond Purchase Contract by and between the Underwriters and the City, at an aggregate purchase price of $1,729,693.20 (representing par value less an Underwriters' discount of $26,325.00 and a net original issue premium of $1,018.20), plus interest accrued of $436.69 on the Series 2002 A Bonds from December 1, 2002 to December 4, 2002 (the "Closing Date").

(B) The Series 2002 B Bonds shall be sold to the Underwriters, pursuant to the terms of the Bond Purchase Contract by and between the Underwriters and the City, at an aggregate purchase price of $5,071,595.95 (representing par value less an Underwriters' discount of $77,400.00 and a net original issue discount of $11,004.05), plus interest accrued of $1,497.53 on the Series 2002 B Bonds from December 1, 2002 to December 4, 2002 (the "Closing Date").

8. Based upon the actual principal amount, maturity schedule and interest rates for the Series 2002 Bonds, attached hereto, it is hereby determined that the Series 2002 Bonds show a net savings to the Issuer after deducting all expenses of the refunding.

9. The forms of the Bond Purchase Contract, the Continuing Disclosure Certificate, the Escrow Agreement, the Registrar Agreement and Official Statement attached hereto are hereby approved.

The undersigned hereby certifies that the foregoing terms and conditions of the Series 2002 Bonds are within the parameters prescribed by the Supplemental Resolution, and the Series 2002 Bonds may be issued with such terms and conditions as authorized by the Supplemental Resolution.

WITNESS my signature this 21st day of November, 2002.

THE CITY OF CHARLESTON

Mayor

Schedule 1

Maturity Schedule

SERIES 2002 A BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Yield
AR-1	January 1, 2004	170,000	2.000%	1.720%
AR-2	January 1, 2005	180,000	2.000	2.050
AR-3	January 1, 2006	185,000	2.375	2.400
AR-4	January 1, 2007	185,000	3.000	2.720
AR-5	January 1, 2008	195,000	3.000	3.030
AR-6	January 1, 2009	200,000	3.250	3.240
AR-7	January 1, 2010	205,000	3.500	3.480
AR-8	January 1, 2011	215,000	3.625	3.650
AR-9	January 1, 2012	220,000	3.700	3.750

SERIES 2002 B BOND TERMS

Bond No.	Maturity Date	Principal Amount	Interest Rate	Yield
BR-1	January 1, 2004	$290,000	2.000%	1.720%
BR-2	January 1, 2005	310,000	2.000	2.050
BR-3	January 1, 2006	315,000	2.375	2.400
BR-4	January 1, 2007	325,000	3.000	2.720
BR-5	January 1, 2008	335,000	3.000	3.030
BR-6	January 1, 2009	345,000	3.250	3.240
BR-7	January 1, 2010	355,000	3.500	3.480
BR-8	January 1, 2011	365,000	3.625	3.650
BR-9	January 1, 2012	380,000	3.700	3.750
BR-10	January 1, 2013	395,000	3.800	3.900
BR-11	January 1, 2015	835,000	4.125	4.210
BR-12	January 1, 2017	910,000	4.400	4.430

Schedule 2

Optional Redemption

The Series 2002 B Bonds maturing on and after January 1, 2014, are subject to redemption, at the option of the Issuer on or after January 1, 2013, in whole or in part, at any time in inverse order of maturity by lot within a maturity, at the following redemption prices expressed as percentages of the principal amount, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	Price
January 1, 2013 through December 31, 2013	101%
January 1, 2014 through December 31, 2014	100.5%
January 1, 2015 and thereafter	100%

Mandatory Sinking Fund Redemption

The Series 2002 B Bonds maturing on January 1, 2015 and January 1, 2017 ("Term Bonds") are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

2015 Terms Bonds

Year	Amount
2014	$410,000
2015*	$425,000

2017 Terms Bonds

Year	Amount
2016	$445,000
2017*	$465,000

*Stated maturity.

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Council Journal for November 4, 2002, enacted by the City Council of the City of Charleston on November 4, 2002.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 2nd day of December, 2002.

City Clerk

Seal

JOURNAL

OF THE

COUNCIL

CITY OF CHARLESTON

WEST VIRGINIA

NOVEMBER 4, 2002

THE COUNCIL MET IN CHAMBERS OF THE CITY BUILDING AT 7:00 P.M., FOR THE FIRST MEETING IN THE MONTH OF NOVEMBER ON THE 4TH DAY, IN THE YEAR 2002, AND WAS CALLED TO ORDER BY THE HONORABLE MAYOR, JAY GOLDMAN, AT 7:00 P.M. THE INVOCATION WAS DELIVERED BY BILL KIMBERLING, AND THE PLEDGE OF ALLEGIANCE WAS LEAD BY SHARON KING.

THE CLERK CALLED THE ROLL AND THE FOLLOWING MEMBERS ANSWERED TO THEIR NAMES:

CHARNOCK	CRICKENBERGER	DAVIS
FOUTY-YOUNG	HAAS	HARRIS
WEINTRAUB	JONES	KIMBERLING
KNAUFF	LANE	DAVID LANHAM
JAMES LANHAM	LOEB	LOPEZ
MARKHAM	MCKNIGHT	MOLGAARD
MORTON	NIELSEN	
PRUNTY	TALKINGTON	QUICK
REISHMAN	ROLLER	MAYOR GOLDMAN

TWENTY-SIX MEMBERS BEING PRESENT, THE MAYOR DECLARED A QUORUM.

PENDING THE READING OF THE JOURNAL OF THE PREVIOUS MEETING, THE READING THEREOF WAS DISPENSED WITH AND THE SAME DULY APPROVED.

CHARLESTON CITY COUNCIL JOURNAL NOVEMBER 4, 2002

PUBLIC SPEAKERS

1. NONE

SWEARING IN OF THE NEW COUNCIL MEMBER FOR WARD 11.

The Mayor announced that Ryan Henry Councilman for the 11th ward had resigned. Therefore, the seat was now vacant. With a motion made by Charlie Loeb, and second by Howard Quick. Marc Weintraub was nominated for the seat of the 11th Ward. A vote was taken there being no dissent the Mayor declared Marc Weintraub as the new Councilman for the 11th Ward.

CLAIMS

1. A claim of Mark Jarrett, 119 Dry Branch Dr., Charleston, WV; alleges damage to vehicle;
Refer to City Solicitor.

2. A claim of Elco Mechanical Contractors, 1510 Coonskin Dr., Charleston, WV; alleges damage to vehicle;
Refer to City Solicitor.

COMMUNICATIONS

PROCOLAMATIONS

ONE FOLLOWING

MISCELLANEOUS RESOLUTIONS

NONE

RULES AND ORDINANCE

Councilman Charlie Loeb, Chairman of the Rules and Ordinance Committee, submitted the following reports.

Bill No. 6936, Committee Substitute, as amended, - - A Bill amending and reenacting Chapter two (2) of the Code of the City of Charleston, as amended, by adding thereto a new Division, designated Division eight (8) relating to the Wayfinding Commission; and by adding thereto four new sections, designated sections one hundred eighty-two (182), one hundred eighty-three (183), one hundred eighty-four(184), and one hundred eight-five (185) all relating to the creation, organization, duties and finances of the Wayfinding Commission.

Be it ordained by the Council of the City of Charleston, West Virginia: That Chapter two (2) of the Code of the City of Charleston, as amended, be further amended by adding thereto a new division, designated Division eight (8), and four new sections, designated sections one hundred eighty-two (182), one hundred eighty-three (183), one hundred eighty-four(184), and one hundred eight-five (185), and as so further amended be reenacted to read as follows:

CHAPTER 2. ADMINISTRATION

Article VII. Boards and Commissions

Division 8. Wayfinding Commission

Sec. 2-181. Creation, composition, term of members, vacancies, compensation.

There is hereby created the Wayfinding Commission. The Commission shall consist of nine voting members who shall be appointed by the Mayor and confirmed by City Council. Of these nine members, at least three shall be selected from the City Beautification Commission, but none of whom shall reside in the same ward; at least one shall be selected from the Charleston Renaissance Corporation; and at least one shall be selected from the Charleston Convention and Visitor's Bureau. In addition, the Commission shall include a representative of the City of South Charleston, who shall serve as a non-voting, ex officio member. Three of the voting members first appointed shall serve for a term of one year, three for a term of two years, and three for a term of three years. Vacancies shall be filled by appointment for the unexpired term. Members of the Commission shall serve without compensation and, as to those members representing the Beautification Commission, Charleston Renaissance Corporation and the Charleston Convention and Visitor's Bureau, so long as they are acting members of such organizations.

Sec. 2-182. Organization

The Commission shall select annually from its membership a chairman and vice chairman and other officers as it determines necessary for the performance of its duties. A majority of the members of the Commission will constitute a quorum. No action of the Commission shall be official, unless authorized by a majority of the Commission.

The Commission shall adopt such rules and hold such meetings as shall be necessary or convenient for the transaction of its business.

Sec. 2-183. Duties and Powers

The purpose of the Commission is to create, oversee and review a sign system to direct residents and visitors to major public areas and places in the City and its environs, (herein the "Wayfinding System"). The Commission shall have the authority to create, use and develop the following:

(a) Geographic Districts and their boundaries included in the Wayfinding System;
(b) Destination and Attraction signs included in the Wayfinding System;
(c) Added amenities to the Wayfinding System, such as banners within Districts;
(d) District colors;
(e) Graphic logos for the Districts;
(f) A Charleston Area Wayfinding Map;
(g) Along-term maintenance program for sustaining the signs; and
(h) Policies and Procedures regarding licensure and/or fair use of registered, copywrited, or otherwise legally protected designs, logos, maps sign or other intellectual property of the Wayfinding Commission

The Commission shall report to the City Council following the design of signs, the identification of geographic districts, and the assignment of district colors. Additionally, the Commission shall submit an annual report to the City Council and Mayor, generally outlining its program and progress during the previous year.

Sec. 2-184. Finances

City Council may appropriate funds as it deems necessary to finance the activities and expenses of the Commission. Members of the Commission may seek reimbursement by the Commission for their reasonable actual expenses incurred in connection with the performance of their duties.

The City of Charleston shall not otherwise obligate itself to fund the activities or expenses of the Commission.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6936 committee substitute, as amended, adopted unanimously.

PUBLIC SAFETY

Councilman Kenneth McKnight, Chairman of the Rules and Ordinance Committee, submitted the following reports.

Resolution No. 69-02, "Authorizing the Mayor to enter into an Agreement with the Kanawha County Commission for the City of Charleston to participate in the planning process and creation of a multi-jurisdictional Disaster Mitigation Plan. The Plan, which when complete, will meet the requirements of Section 322 of the Disaster Mitigation Act of 2000, and upon approval by the Federal Emergency Management Agency (FEMA) and adoption by the City of Charleston, will allow the City to receive grant funding from FEMA in the event of a natural disaster."

Be it Resolved by the Council for the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign a "Letter of Agreement" for the City of Charleston to participate in the planning process and creation of a multi-jurisdictional Disaster Mitigation Plan with the Kanawha County Commission. The approved plan, once adopted, will allow the City to receive grant funding from FEMA in the event of a natural disaster.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 69-02 adopted unanimously

STREETS AND TRAFFIC

Councilwoman Beth Fouty Young, Chairman of the Council Committee on Streets and Traffic, submitted the following reports.

1. Your committee on Streets and Traffic has had under consideration Bill No. 6937, and reports the same to Council with the recommendation that the bill do pass.

Bill No. 6937 – to establish a **No Parking In Turn Around Anytime-Tow Away** zone on Pinnacle Way and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, to conform therewith.

Be it Ordained by the Council of the City of Charleston, West Virginia

Section 1. A No Parking In Turn Around Anytime-Tow Away zone on Pinnacle Way is hereby established.

Section 2. The Traffic Control Map and Traffic Control File, established by the code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, shall be and hereby are amended, to conform to this Ordinance.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6937, adopted unanimously.

2. Your committee on Streets and Traffic has had under consideration Bill No. 6938, and reports the same to Council with the recommendation that the bill do pass.

Bill No. 6938 – to establish a **No Parking Anytime Tow-Away** zone on the southerly side of Costello Street from Grove Avenue to a point 260 feet west of Grove Avenue and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, to conform therewith.

Be it Ordained by the Council of the City of Charleston, West Virginia

Section 1. A No Parking Anytime Tow-Away zone on the southerly side of Costello Street from Grove Avenue to a point 260 feet west of Grove Avenue is hereby established.

Section 2. The Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, shall be and hereby are amended, to conform to this Ordinance.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6938, adopted unanimously.

3. Your committee on Streets and Traffic has had under consideration Bill No. 6939, as amended, and reports the same to Council with the recommendation that the bill do pass.

Bill 6939, as amended – to establish a vehicular parking zone for the exclusive use of the **physically disabled** during ~~**Church Services**~~ **Sundays** on the westerly side of Hendrix Avenue

from a point 15 feet north of Frame Street to a point 65 feet north of Frame Street and amending the Traffic Control Map and Traffic Control File, established by the code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, to conform therewith.

Be it Ordained by the Council of the City of Charleston, West Virginia

Section 1. A vehicular parking zone for the exclusive use of the **physically disabled** during ~~**Church Services**~~ **Sundays** on the westerly side of Hendrix Avenue from a point 15 feet north of Frame Street to a point 65 feet north of Frame Street is hereby established.

Section 2. The Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one Article three, shall be and hereby are, amended to conform to this Ordinance.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6939, as amended, adopted unanimously.

4. Your committee on Streets and Traffic has had under consideration Bill No. 6940, and reports the same to Council with the recommendation that the bill do pass.

Bill No. 6940 – to establish a **20 Mile Per Hour** speed limit on Brookstone Road and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, to conform therewith.

Be it Ordained by the Council of the City of Charleston, West Virginia

Section 1. A **20 Mile Per Hour** speed limit on Brookstone Road is hereby established.

Section 2. The Traffic Control Map and Traffic Control File, established by the code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, shall be and hereby are amended, to conform to this Ordinance.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:

YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6940, adopted unanimously.

5. Your committee on Streets and Traffic has had under consideration Bill No. 6942, and reports the same to Council with the recommendation that the bill do pass.

Bill No. 6942 – to establish a **20 Mile Per Hour** speed limit on Temple Street and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, to conform therewith.

Be it Ordained by the Council of the City of Charleston, West Virginia

Section 1. A **20 Mile Per Hour** speed limit on Temple Street is hereby established

Section 2. The Traffic Control Map and Traffic Control File, established by the code of the City of Charleston, West Virginia, one thousand nine hundred seventy-five, as amended, Traffic Law, Chapter thirty-one, Article three, shall be and hereby are amended, to conform to this Ordinance.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6942, adopted unanimously.

FINANCE

Councilman Larry Roller, Chairman of the Council Committee on Finance, submitted the following reports.

1. Your Committee on Finance has had under consideration Resolution No. 102-02 and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 102-02 – "Authorizing the Finance Director to make revisions to the 2002-2003

General Fund budget as indicated on the attached list of account."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to make revisions to the 2002-2003 General Fund budget as indicated on the attached list of accounts; and be it
FURTHER RESOLVED that this budgetary revision is being made prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No.102-02, passed unanimously.

2. Your Committee on Finance has had under consideration Resolution No. 103-02 and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 103-02 – "Authorizing the Mayor to enter into a contract with Lilly's Landscaping & Greenhouses for leasing of a designated area of the parking lot at Watt Powell Park for the sale of Christmas trees, at a cost of $1,201.01, for the period November 18, 2002 to December 31, 2002."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Lilly's Landscaping & Greenhouses for leasing of a designated area of the parking lot at Watt Powell Park for the sale of Christmas trees, at a cost of One Thousand Two Hundred One Dollars and One Cent ($1,201.01), for the period November 18, 2002 to December 31, 2002.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 103-02 adopted unanimously

3. Your Committee on Finance has had under consideration Resolution No. 104-02 and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 104-02 – "Authorizing a contribution to the Patriot Foundation, Inc., in the amount of $25,000, to assist in the construction of the Fitness Center at George Washington High School."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That a contribution to the Patriot Foundation, Inc., in the amount of Twenty-five Thousand Dollars ($25,000), to assist in the construction of the Fitness Center at George Washington High School is hereby approved.

Councilman Jim Harris, made motion to refer the Resolution to the Parks and Recreation Committee, before the final vote. Councilman David Molgaard seconded this motion.

A roll call vote was taken on the motion:
YEAS: Fouty-Young, Harris, Weintraub, Jones, Kimberling, Knauff, James Lanham, Markham, McKnight, Molgaard, Morton, Prunty, Quick.
NAYS: Charnock, Crickenberger, Davis, Haas, Lane, David Lanham, Loeb, Lopez, Nielsen, Reishman, Roller, Talkington, Mayor Goldman.
ABSENT: Pettry
With a tie vote the Mayor declared the motion failed.

A roll call vote was taken on Resolution104-02:

YEAS: Charnock, Crickenberger, Davis, Haas, Fouty-Young, Harris, Weintraub, Knauff, Lane, James Lanham, David Lanham, Lopez, Molgaard, Morton, Nielsen, Prunty, Quick, Reishman, Roller, Talkington and Mayor Goldman.
NAYS: Jones, Markham, McKnight, Loeb, Kimberling.
ABSENT: Pettry

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No.104-02, passed.

4. Your Committee on Finance has had under consideration Resolution No. 105-02 and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 105-02 – "Authorizing the Finance Director to allocate funds in the amount of $35,976 from Account No. 009-000-00-014-0-999 for the rehabilitation of five (5) homes in the City of Charleston."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That Finance Director to allocate funds in the amount of Thirty-five Thousand Nine Hundred Seventy-six Dollars ($35,976) from Account No. 009-000-00-014-0-999 for the rehabilitation of five (5) homes in the City of Charleston.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No.105-02, passed unanimously.

5. Your Committee on Finance has had under consideration Resolution No. 106-02 and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 106-02 – "Authorizing the Mayor to sign Change Order No., in the amount of $47,061, with Appalachian Power Company, d/b/a American Electric Power, for additional work in connection with Kanawha Boulevard Walkway Project. To change order increases the contract price from $1,416,560.62 to $1,465,781.62."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign Change Order No., in the amount of $47,061, with Appalachian Power Company, d/b/a American Electric Power, for additional work in connection with Kanawha Boulevard Walkway Project. To change order increases the contract price from $1,416,560.62 to $1,465,781.62, and provides for the following:

Re-attach conduit to Elk River Bridge $4,900

Provide power to Clendenin Street by
Moving service to Goshorn 37,501

Move meter base due to inadequate
Space behind switchgear..... 2,500

18 Gray Granite markers..... 2,160

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Resolution No.106-02, passed unanimously.

6. Your Committee on Finance has had under consideration Resolution No. 107-02 and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 107-02 – "Authorizing the Mayor to enter into a contract with the Charleston Housing Authority for the employment of a Section 8 Housing Inspector."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with the Charleston

Housing Authority for the employment of a Section 8 Housing Inspector.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 107-02 adopted unanimously.

7. Your Committee on Finance has had under consideration a bid submitted by Lloyd's Electronics, in the total amount of $9,626.50, for purchase and installation of a base station repeater ($8,675) and base station radio unit ($951.50), with accessories, for the Charleston Police Department. To be charged to Account No. 094-976-00-000-4-459, police –Local Law Enforcement Grant 2001, and reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

8. Your Committee on Finance has had under consideration a bid submitted by Rescue phone, Inc., in the amount of $5,000, for purchase of a hostage negotiator phone for the Charleston Police Department. To be charged to Account No. 094-976-00-000-4-459, Police—Local Law Enforcement Grant 2001, and reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

9. Your Committee on Finance has had under consideration a bid submitted by Electronic Communications of West Virginia, Inc., in the amount of $4,170, for purchase of six (6) radios and accessories to be used by the Charleston Fire Department. To be charged to Account No. 001-976-00-706-4-459, Fire –Capital Outlay, Equipment, and reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

10. Your Committee on Finance has had under consideration a bid submitted by Lesco, Inc., in the amount of $5,454.40, for purchase of fertilizer and grass seed for the Cato Park Golf Course. To be charged to Account NO. 002-900-00-000-3-341, P&R—Materials & Supplies, and reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

11. Your Committee on Finance has under consideration Bill No. 6946, and reports the same to Council with the recommendation that the Bill do pass.

Bill No. 6946 – A Bill authorizing and directing the Mayor of the City of Charleston to purchase private property located in a flood prone area from Fred L. Turnes and Berthel M. Turnes,

pursuant to a cooperative grant agreement between the City and the State Office of Emergency Services, dated May 12, 2000, for the purposes of demolishing structures located on the property and restricting the use of said property to be only for the purposes compatible with flood prone property.

WHEREAS, the City Council of the City of Charleston, West Virginia adopted Resolution No. 833-01 on September 4, 2001, wherein it authorized the Mayor to accept a Hazard Mitigation Grant in the amount of $422,897.00, for the acquisition of six structures located in the flood prone area along Kanawha Two Mile Creek for the purposes of demolishing said structures on said properties;

WHEREAS, the City of Charleston, acting by and through its City Council, has entered into a cooperative grant agreement with the state dated May 12, 2000;

WHEREAS, the City of Charleston and Fred L. Turnes have negotiated a purchase price of $49,500.00 for this property more fully described as being the same property being conveyed to Fred L. Tunes and Berthal M. Turnes by H. D. Turnes and Grace E. Turnes, by deed dated August 8, 1977, of the record in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Deed Book 1838, at 477;

WHEREAS, said $49,500.00 is available within the City budgets pursuant to grant monies received from the Hazard Mitigation Grant and the City would like to expend $49,500.00 of such to purchase the property.

Be it Ordained by the Council of the City of Charleston, West Virginia That the Mayor of the City of Charleston will purchase private property located in a flood prone area from Fred L. Tunes, pursuant to a cooperative grant agreement between the City and the State Office of Emergency Services, dated May 12, 2000, for the purposes of demolishing structures located on the property and restricting the use of said property to be only for purposes compatible with flood prone property.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6946, adopted unanimously.

12. Your Committee on Finance has under consideration Bill No. 6947 and reports the same to Council with the recommendation that the Bill do pass.

Bill No. 6947 - A Bill authorizing and directing the Mayor of the City of Charleston to purchase private property located in a flood prone area from Jacob D. Hersman and Sharon K. Hersman, pursuant to a cooperative grant agreement between the City and the State Office of Emergency Services, dated May 12, 2000, for the purposes of demolishing structures located on the property and restricting the use of said property to be only for the purposes compatible with flood prone property.

WHEREAS, the City Council of the City of Charleston, West Virginia adopted Resolution No. 833-01 on September 4, 2001, wherein it authorized the Mayor to accept a Hazard Mitigation Grant in the amount of $422,897.00, for the acquisition of six structures located in the flood prone area along Kanawha Two Mile Creek for the purposes of demolishing said structures on said properties;

WHEREAS, the City of Charleston, acting by and through its City Council, has entered into a cooperative grant agreement with the state dated May 12, 2000;

WHEREAS, the City of Charleston and Jacob D. Hersman and Sharon Hersman have negotiated a purchase price of $61,000.00 for this property more fully described as being the same property being conveyed to Jacob D. Hersman and Sharon K. Hersman by Michael Lee Haynes and Mary Surrett Haynes, by deed dated August 14, 1985, of the record in the office of the Clerk of the County Commission of Kanawha County, West Virginia, in Deed Book 2100, at 521;

WHEREAS, said $61,000.00 is available within the City budgets pursuant to grant monies received from the Hazard Mitigation Grant and the City would like to expend $61,000.00 of such to purchase the property.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-, and absent-, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6947, adopted unanimously.

13. Your Committee on Finance has under consideration Bill No. 6948, and reports the same to Council with the recommendation that the Bill do pass.

Bill No. 6948, authorizing the refunding of the City's outstanding Sewer Refunding Revenue Bonds, Series 1992-A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1192-B, of the City of Charleston; authorizing the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage system Refunding Revenue Bonds, Series 2002-A and Series 2002-B, of the City of Charleston, the proceeds of which shall be used, along with other

funds and moneys of, or available to, The City of Charleston, which may be lawfully expended for such purposes, to finance the cost in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

The question being on the passage of the Bill a roll call was taken and there were; yeas-25, nays-, and absent-, abstain- 1, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT Pettry.
ABSTAIN: Loeb.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared Bill No.6948, adopted unanimously.

REPORTS OF OFFICERS

1. Report of the City of Charleston, Municipal Court Financial Statements; October 2002; Received and Filed.

2. Report of the City of Charleston Payroll Variance Analysis; October 2002; Received and Filed.

3. City of Charleston Financial Statements for the Fiscal Year Ended June 30, 2002; Received and Filed.

NEW BILLS INTRODUCED

NONE.

UNFINISHED OR MISCELLANEOUS BUSINESS

NONE.

ROLL CALL

The Clerk called the roll and the following members were in attendance:

YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez, Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
ABSENT: Pettry.

At 8:30 p.m., on motion of Councilman Loeb, Council adjourned until 7:00 p.m., Monday, November 18, 2002.

Jay Goldman, Honorable Mayor

James M. Reishman, City Clerk

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Council Journal for November 18, 2002, enacted by the City Council of the City of Charleston on November 18, 2002.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 2nd day of December, 2002.

James M Gaughan

City Clerk

Seal

JOURNAL

OF THE

COUNCIL

CITY OF CHARLESTON

WEST VIRGINIA

NOVEMBER 18, 2002

THE COUNCIL MET IN CHAMBERS OF THE CITY BUILDING AT 7:00 P.M., FOR THE SECOND MEETING IN THE MONTH OF NOVEMBER ON THE 18TH DAY, IN THE YEAR 2002, AND WAS CALLED TO ORDER BY THE HONORABLE MAYOR, JAY GOLDMAN, AT 7:00 P.M. THE INVOCATION WAS DELIVERED BY HENRY KNAUFF, AND THE PLEDGE OF ALLEGIANCE WAS LEAD BY BETH FOUTY YOUNG.

THE CLERK CALLED THE ROLL AND THE FOLLOWING MEMBERS ANSWERED TO THEIR NAMES:

CHARNOCK		DAVIS
FOUTY-YOUNG	HAAS	HARRIS
JONES	KIMBERLING	KNAUFF
LANE	JAMES LANHAM	DAVID LANHAM
LOEB	LOPEZ	MARKHAM
MCKNIGHT	MOLGAARD	MORTON
NIELSEN	PETTRY	PRUNTY
QUICK	REISHMAN	ROLLER
TALKINGTON	WEINTRAUB	MAYOR GOLDMAN

TWENTY-SIX MEMBERS BEING PRESENT, THE MAYOR DECLARED A QUORUM.

PENDING THE READING OF THE JOURNAL OF THE PREVIOUS MEETING, THE READING THEREOF WAS DISPENSED WITH AND THE SAME DULY APPROVED.

PUBLIC SPEAKERS

1. NONE

PUBLIC HEARING

AFTER DULY BEING PUBLISHED AS REQUIRED, I NOW DECLARE THE FLOOR OPEN FOR A PUBLIC HEARING ON RESOLUTION NO. 120-02, A RESOLUTION SUPPLEMENTING ORDINANCE NO. 6948, AUTHORIZING THE ISSUANCE OF SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002-A AND SERIES 2002-B.

THE CHAIR SEES NO ONE FROM THE PUBLIC.

THE CHAIR HEARS NO ONE FROM THE PUBLIC.

THE CHAIR DECLARES PUBLIC HEARING ON RESOLUTION NO. 120-02 CLOSED.

CLAIMS

1. A claim of Rose M. Cupp, RR 4 Box 62, St. Albans, WV; alleges personal injury;
Refer to City Solicitor.

2. A claim of Frankie Hall, 107 Bream St., Charleston, WV; alleges damage to property;
Refer to City Solicitor.

3. A claim of Dannie and Tia Terrell, 2324 Washington St. E., Charleston, WV; alleges damage to property;
Refer to City Solicitor.

4. A claim of James Burdette, 1726 Woodbine Ave., Charleston, WV; alleges damage to vehicle;
Refer to City Solicitor.

COMMUNICATIONS

The Clerk read the following communications.

Honorable J. Crawford Goldman
and Member of City Council
Charleston, WV 25301

Dear Mayor Goldman and Councilmember's:

On November 6, 2002, the Municipal Planning Commission held public hearings and its regular monthly meeting. The following cases were heard by the Commission:

Bill No. 6943 – Petition of Sumeat Namsupak to rezone the property located at 3112 Chesterfield Avenue from I-2, Light Industrial District to C-10, General Commercial District in order to remodel the existing restaurant building and to construct a new building for office space. The Commission recommended passage of the bill.

Resolution No. 100-02 – A resolution petitioning the City of Charleston to grant limited air rights over the alley in the 200 block of Brooks Street to the Public Service Commission of West Virginia for the purpose of constructing a connecting skyway parking structure between the buildings located at 201 Brooks Street. The Commission recommended passage of the resolution.

Special Permit #1091 – Application of Raymond Zando, on behalf of Catering Unlimited, Inc., requesting a special permit to serve alcoholic beverages in an Urban Renewal Zone accessory to the catering business located at 217 Hale Street. The Commission recommended approval of the special permit.

The cases should be referred to the Planning Committee of Council

Sincerely,
Municipal Planning Commission

Phyllis White, Administrative Assistant

The Mayor referred the cases to the Planning Committee of Council.

The Clerk Read the following Resolution, Introduced by Councilwoman Crickenberger;

Resolution No. 121-02_ - "Declaring a need and authorizing Charleston Urban Renewal Authority to develop and implement a workable plan of action for elimination, prevention, or spread of deteriorated or deteriorating conditions, and for conservation and rehabilitation within a certain area of the Community, pursuant to the provision of Chapter 16, Article 18 of the Code of West Virginia."

WHEREAS, Chapter 16, Article 18, section 29, of the Code of West Virginia authorizes the governing body of the community, or such public officer or public body as it may designate, to prepare a workable program, which may include an official plan of action, for the establishment and preservation of a well-planned community with well-organized residential neighborhoods of decent homes and suitable living environmental for adequate family life, for utilizing appropriate private and public resources to eliminate and prevent the development or spread of deterioration, to encourage needed urban rehabilitation, to provide for the redevelopment of deteriorated areas, and for the undertaking of feasible activities to achieve the objectives of such a program;

WHEREAS, Chapter 16, Article 18, Section 25, of the Code of West Virginia specifically provides that urban renewal projects may include undertakings and activities for the elimination of deteriorated or deteriorating areas, or to otherwise prevent an area from becoming deteriorated;

WHEREAS, Chapter 16, Article 18, Section 27, of the Code of West Virginia eliminated the requirement of Chapter 16, Article 18, Section 4, of the Code of West Virginia, that an area must first be declared "blighted" before authorizing an urban renewal authority to exercise powers, function and duties permitted under said Article, and additionally amends and redefines the terms "slum" and "blighted" as used throughout the Article to also mean and include deteriorated or deteriorating areas for the purpose of urban renewal plans and projects.

WHEREAS, the area addressed by this resolution abuts the Boundaries of the Washington Street, East Urban Renewal Plan Area which was first declared slum or blighted on January 2, 1990; and

WHEREAS, City Council is cognizant of certain factors that warrant a plan of action and exercise of the powers, functions, and duties of the Urban Renewal Authority for the elimination, prevention, and spread of deteriorated or deteriorating conditions and to otherwise implement conservation and rehabilitation with respect to the area so designated herein,

Resolved by the Council of the City of Charleston, West Virginia

1. That the City Council hereby finds and declares that the requisite condition exist to make it necessary, in the interest of the public health, safety, moral or welfare of the residents of that certain area of the Community shown in Exhibit 1A attached hereto, to designate and authorized the Charleston Urban Renewal Authority to develop a workable plan and project for

implementing action as contemplated and authorized by Chapter 16, Article 18, of the Code of West Virginia for said Area as may be necessary for the elimination, prevention, or spread of deteriorated or deteriorating conditions within the Community of said Area and for the conservation and rehabilitation of Community within said Area.

The Mayor referred the Resolution to Urban Renewal.

MISCELLANEOUS RESOLUTIONS

NONE.

PLANNING

Councilperson Mary Jean Davis, Chairperson of the Planning Committee, submitted the following reports.

1. Bill No. 6919, A Bill amending the Zoning Ordinance of the City of Charleston, West Virginia enacted the 7th day of March 1983, as amended, and the map made a part thereof, by rezoning from an R-2 district those certain parcels of land at the corner of Glen and Forest Roads, Charleston, West Virginia, and restricting the use thereof.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA

1) The Zoning Ordinance of the City of Charleston, West Virginia enacted the 7th day of March 1983, as amended, is hereby amended by rezoning from an R-2 district to an R-6 district the whole of the following described parcels of land:

> Parcels 195 and 196 as shown on 15th Ward Tax Map Number 5. Said pa4rcels were once known as 1060 and 1050 Glen Road and are located at the corner of Glen and Forest Roads, Charleston, Kanawha County, West Virginia.

2) The use of the above-described property is hereby restricted to not more than one duplex per lot and subject to protective covenants negating further subdivision of the property.

3) The Zoning Map, attached to and made a part of said Zoning Ordinance, is hereby amended in accordance with Section 1 and 2 above.

4) All ordinances, or parts of ordinances, inconsistent with this ordinance are hereby repealed to the extent of such inconsistency.

The question being on the passage of the Bill a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:

YEAS: Charnock, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Crickenberger.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Bill No. 6919 passed.

2. Your committee on Planning has had under consideration renaming of Welford Way to Patterson Lane attached hereto and made a part thereof.

The question being on the new Street Name a vote was taken. There being no dissent the Mayor declared Welford Way accepted.

3. Your committee on Planning has had under consideration naming of Courtney Drive attached hereto and made a part thereof.

The question being on the new Street Name a vote was taken. There being no dissent the Mayor declared Courtney Lane accepted.

FINANCE

Councilman Larry Roller, Chairman of the Council Committee on Finance, submitted the following reports.

1. Your Committee on Finance has had under consideration Resolution No. 108-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 108-02 – "Authorizing the Finance Director to make revisions to the 2002-2003 General Fund budget as indicated on the attached list of accounts."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Finance Director is hereby authorized and directed to make revisions to the 2002-2003 General Fund budget as indicated on the attached list of accounts; and be it

FURTHER RESOLVED, that his budgetary revisions are being made prior to the expenditure or obligation of funds for which no appropriation or insufficient appropriation currently exists.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez ,

Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Crickenberger.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Resolution No. 108-02 adopted.

2. Your Committee on Finance has had under consideration Resolution No. 109-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 109-02 – "Authorizing the Mayor to enter into an contract with Astech Corporation, in the amount of $96,480, for site preparation for construction of the new fire station at Orchard Manor."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Astech Corporation, in the amount of Ninety-six Thousand Four Hundred Eighty Dollars ($96,480), for site preparation for construction of the new fire station at Orchard Manor.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 109-02 adopted unanimously

3. Your Committee on Finance has had under consideration Resolution No. 110-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 110-02 – "Authorizing the Mayor to sign a Space Utilization Grant Application for the City Hall Building in the amount of $17,886 for evaluation of existing building facilities, utilization of space, evaluation of historical spaces, drawings to depict new plans for the building, including the area to be vacated by Metro Emergency Services, and a construction cost estimate for the project."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to sign a Space Utilization Grant Application for the City Hall Building in the amount of Seventeen Thousand Eight Hundred Eighty-six Dollars ($17,886) for evaluation of existing building facilities, utilization of space, evaluation of historical spaces, drawings to depict new plans for the building, including the area to be vacated by Metro Emergency Services, and a construction cost estimate for the project.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 110-02 adopted unanimously

4. Your Committee on Finance has had under consideration Resolution No. 111-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 111-02 – Authorizing the Finance Director to amend the 1998, 2001 & 2002 CDBG budget.

Account #	Description	Increase/ (Decrease)	
009-001-00-014	South Park Court	$32,943.60	(Decrease)
009-002-01-199	Contingencies	$32,943.60	Increase
009-002-01-199	Contingencies	$162,385.60	(Decrease)
009-002-00-029	Daisy Drive Slip Repair	$35,385.60	Increase
009-98-00-027	Parsons Ct/5th Ave Flood Drain	$127,000.00	Increase

- An estimated $35,385.60 is needed to repair a slip on Daisy Drive. The road is the sole ingress/egress for about five households, and as of November 4, 2002 (and now) there is only about 9-10 feet of roadway width remaining due to the slip. This project qualifies as an emergency repair.
- An estimated $127,000 is needed to complete the Parsons Court/Fifth Avenue Flood Drain Project. Funds will be used to connect the lines, which include those serving the Family Enrichment Center, and to repave section of the street(s) dug up during the project.
- Excess funds ($32,943.60) in the South Park Court line-item will be transferred to Contingencies, but will be subsequently withdrawn to apply to the Daisy Drive Slip Repair Project. Sufficient funds ($39.606.40) will remain in the South Park Court line-item to complete that project.

These fund transfers and project are contingent upon no adverse citizen comments being received during the 30-day comment period required by the MOECD Citizen Participation Plan.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 111-02 adopted unanimously

5. Your Committee on Finance has had under consideration Resolution No. 112-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 112-02 – as amended, in view of the public safety issue emergency due to the slips at Daisy Drive and South Park Court, authorizing the Mayor to enter into a contract with B.B.R. Drilling Company, in the amount of $74, 992, for the Daisy Drive and South Park Court Retaining Wall Project.

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed, in view of the public safety issue emergency due to the slips and Daisy Drive and South Park Court, to enter into a contract with B.BR. Drilling Company, in the amount of Seventy-four Thousand Nine Hundred Ninety-two Dollars ($74,992), for the Daisy Drive and South Park Court Retaining Wall Project.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Crickenberger.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Resolution No. 112-02, as amended, adopted.

6. Your Committee on Finance has had under consideration Resolution No. 113-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 113-02 – "Authorizing the Mayor to enter into a contract with Renaissance, in the amount of $27,550, for installation of a new roofing system at the Child Enrichment Center, located at 201 Donnally Street."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Renaissance, in the amount of Twenty-seven Thousand Five Hundred Fifty Dollars ($27,550), for installation of a new roofing system at the Child Enrichment Center, located at 201 Donnally Street.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Crickenberger.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Resolution No. 113-02, adopted.

7. Your Committee on Finance has had under consideration Resolution No. 114-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 114-02 – "Authorizing the Mayor to enter into an agreement with Lloyd Hoff Holding Corporation, dba Portapage, whereby the Charleston Police Department will lease space at the 160 foot level on a tower owned by Portapage. The rate for the lease will be at $85.00 per month for one (1) year beginning December 1, 2002, and continuing through November 30, 2003."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into an agreement with Lloyd Hoff Holding Corporation, dba Portapage, whereby the Charleston Police Department will lease space at the 160 foot level on a tower owned by Portapage. The rate for the lease will be at Eighty-five Dollars ($85.00) per month for one (1) year beginning December 1, 2002, and continuing through November 30, 2003.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, Weintraub, and Mayor Goldman.
NAYS: None.
ABSENT: Crickenberger.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Resolution No. 114-02, adopted.

8. Your Committee on Finance has had under consideration Resolution No. 116-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 116-02 – "Authorizing a donation to the City of Huntington of two (2) surplus salt spreaders to assist that city with additional equipment for snow and ice removal in case of inclement weather."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That a donation to the City of Huntington of two (2) surplus salt spreaders to assist that city with additional equipment for snow and ice removal in case of inclement weather is hereby approved.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 116-02 adopted unanimously

9. Your Committee on Finance has had under consideration Resolution No. 118-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 118-02 – as amended, "Authorizing "Citizen Appreciation Parking" for the last Saturday in November (30th) and for each specified Saturday during the month of December 2002 (7th, 14th, 21st, 28th). "Citizen Appreciation Parking" shall include the waving of hourly parking fees at all City- Operated facilities, (excluding Parking Building No. 2), and all metered on-street parking spaces. If ratified by full Council, the revenue losses will be paid from General Revenue funds, as amended by Resolution No. 401-99, adopted December 6, 1999 ($1,000 per Saturday)."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That "Citizen Appreciation Parking" for the last Saturday in November (30th) and for each specified Saturday during the month of December 2002 (7th, 14th, 21st, 28th) is hereby approved.). "Citizen Appreciation Parking" shall include the waving of hourly parking fees at all City-Operated facilities, (excluding Parking Building No. 2), and all metered on-street parking spaces. If ratified by full Council, the revenue losses will be paid from General Revenue funds, as amended by Resolution No. 401-99, adopted December 6, 1999 ($1,000 per Saturday).

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 118-02 adopted unanimously

10. Your Committee on Finance has had under consideration Resolution No. 119-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 119-02 – "Authorizing the Mayor to enter into a contract with Superior Office Service, in the amount of $67,870 and Dell Marketing, in the amount of $19,045, for an Electronic Image Management System, for a total price of $86,915."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Superior Office Service, in the amount of Sixty-seven Thousand Eight Hundred Seventy Dollars ($67,870) and Dell Marketing, in the amount of Nineteen Thousand Forty-five Dollars ($19,045), for an Electronic Image Management System, for a total price of Eighty-six Thousand Nine Hundred Fifteen Dollars ($86,915), with the following breakdown:

Superior:	Image Software	$48,490
	Scanners	13,390
	Optical Drivers	5,990
		$67,870
Dell Marketing:	Server/PCs	$19,045

The question being on the adoption of the Resolution a vote was taken. There being no dissent

the Mayor declared Resolution No. 119-02 adopted unanimously

11. Your Committee on Finance has had under consideration Resolution No. 119-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 120-02, as amended, supplementing Ordinance No. 6948, authorizing the issuance of Sewerage System Refunding Bonds, Series 202-A and Series 202-B.

The question being on the adoption of the Resolution a vote was taken. There being one abstain from Charlie Loeb, the Mayor declared Resolution No. 120-02 adopted.

12. Your Committee on Finance has had under consideration a bid submitted by Stephens Auto Center, in the amount of $81,085, for purchase of five (5) Model 2003 Ford Taurus vehicles to be used in the Criminal Investigation Division of the Charleston Police Department. To be charged to the following Accounts: $75,694 – 001-976-00-700-4-461, Police –Capital Outlay, Lease Purchase. $5, 391 – 043-299-00-976-4-459, Police –Forfeited Funds, reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

13. Your Committee on Finance has had under consideration a proposal submitted by St. Mary's Ford & Mercury, in the total amount of $99, 005, for purchase of four vehicles to be used at various City departments as follows: 1 Dump Truck- Refuse Collection ($33,357); 1 Dump Truck - Public Grounds ($29,431); 1 Pick-up Truck – Street Department ($17,900); 1 Jeep Liberty – Street department ($18,317). To be charged to the following accounts: $33,357 – 001-978-00-800-4-461, Refuse Collection –Capital Outlay, Lease/Purchase; $29,431 – 001-975-00-567-4-461, Public Grounds—Capital Outlay, Lease/Purchase; $36,217 – 001-977-00-750-4-461, Street – Capital Outlay, Lease/Purchase, reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

14. Your Committee on Finance has had under consideration a payment of two invoices from Bailey & Wyant, in the total amount of $4,195.65, for professional services rendered during the month of August and September 2002 in the claim, City of Charleston v. Bayliss and Ramey and Appalachian Power Company, dba American Electric Power. To be charged to Account No. 001-417-00-000-2-223, Legal Department –Professional Services, reports the same to Council with the recommendation that the committee report be adopted.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

REPORTS OF OFFICERS

1. City of Charleston Financial Statements for the One-Month Period Ended July 31, 2002;
Received and Filed.

2. City Treasurer'S Report to City Council Month Ending October 2002;
Received and Filed.

NEW BILLS INTRODUCED

Introduced by Councilman Fred Pettry on November 18, 2002:
Bill No. 6951, A Bill to establish a No Parking Anytime Tow-Away zone on the easterly side of Mary Street from Crescent Road to Piccadilly Street and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand none hundred seventy-five, as amended, Traffic Law, Chapter thirty-one Article three, to conform therewith.
Refer to Council Committee on Streets and Traffic.

Introduced by Councilman Henry Knauff on November 18, 2002:
Bill No. 6952, a Bill amending and reenacting Sec. 4 of the Charter of the City of Charleston to eliminate one (1) of the six (6) council at large seats, directing the Clerk to publish a legal advertisement regarding the proposed amendment, establishing a date for a public hearing on the proposed amendment, and establishing when the proposed amendment will become effective if no objections are filed thereto.
Refer to the Committee on Redistricting.

UNFINISHED OR MISCELLANEOUS BUSINESS

1. Linda Mallet with the WV. Citizen Action Group addressed Council with a 10 minute presentation concerning the WV. Bottle bill.

2. The Mayor invited Council to the Holiday Lighting Ceremony at Haddad Riverfront Park, Thursday, November 21, 2002 at 5:30 p.m.

3. The Mayor announced a Special Meeting of Council to be on December 19, 2002 at 12:00p.m. This meeting is to have a public hearing on Bill no. 6952.

ROLL CALL

The Clerk called the roll and the following members were in attendance:

YEAS: Charnock, Davis, Haas, Harris, Henry, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, and Mayor Goldman.
ABSENT: Crickenberger.

At 8:30p.m., on motion of Councilman Loeb, Council adjourned until 7:00 p.m., Monday, December 2, 2002.

Jay Goldman, Honorable Mayor

James M. Reishman, City Clerk

CITY OF CHARLESTON
P.O. BOX 2749
CHARLESTON, WEST VIRGINIA 25330

I, the undersigned City Clerk of Charleston, do hereby certify that the foregoing is a true, correct and complete copy of Council Minutes for December 2, 2002, enacted by the City Council of the City of Charleston on December 2, 2002.

Witness the signature of the undersigned City Clerk of the City of Charleston, West Virginia, and the seal of the City, this 3th day of December, 2002.

James M. Brookman

City Clerk

Seal

JOURNAL

OF THE

COUNCIL

CITY OF CHARLESTON

WEST VIRGINIA

DECEMBER 2, 2002

THE COUNCIL MET IN CHAMBERS OF THE CITY BUILDING AT 7:00 P.M., FOR THE FIRST MEETING IN THE MONTH OF DECEMBER ON THE 2ND DAY, IN THE YEAR 2002, AND WAS CALLED TO ORDER BY THE HONORABLE MAYOR, JAY GOLDMAN, AT 7:00 P.M. THE INVOCATION WAS DELIVERED BY HENRY KNAUFF, AND THE PLEDGE OF ALLEGIANCE WAS LEAD BY DAVID LANHAM.

THE CLERK CALLED THE ROLL AND THE FOLLOWING MEMBERS ANSWERED TO THEIR NAMES:

CHARNOCK	CRICKENBERGER	DAVIS
FOUTY-YOUNG	HAAS	HARRIS
JONES	KIMBERLING	KNAUFF
LANE	JAMES LANHAM	DAVID LANHAM
LOEB	LOPEZ	MARKHAM
MCKNIGHT	MOLGAARD	MORTON
NIELSEN	PETTRY	PRUNTY
QUICK	REISHMAN	ROLLER
TALKINGTON		MAYOR GOLDMAN

TWENTY-SIX MEMBERS BEING PRESENT, THE MAYOR DECLARED A QUORUM.

PENDING THE READING OF THE JOURNAL OF THE PREVIOUS MEETING, THE READING THEREOF WAS DISPENSED WITH AND THE SAME DULY APPROVED.

PUBLIC SPEAKERS

1. NONE

PUBLIC HEARING

AFTER DULY BEING PUBLISHED AS REQUIRED, I NOW DECLARE THE FLOOR OPEN FOR A PUBLIC HEARING ON RESOLUTION NO. 122-02, A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH KANAWHA VALLEY ROWING CLUB.

THE CHAIR SEES NO ONE FROM THE PUBLIC.

THE CHAIR HEARS NO ONE FROM THE PUBLIC.

THE CHAIR DECLARES PUBLIC HEARING ON RESOLUTION NO. 122-02 CLOSED.

CLAIMS

1. A claim of Catherine Peters, 2099 Superior Ave., South Charleston, WV; alleges damage to vehicle;
Refer to City Solicitor.

COMMUNICATIONS

None.

MISCELLANEOUS RESOLUTIONS

None.

FINANCE

Councilman Larry Roller, Chairman of the Council Committee on Finance, submitted the following reports.

1. Your Committee on Finance has had under consideration Resolution No. 77-02 as amended, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 77-02 as amended – "Authorizing the Mayor to enter into a contract with Benatec Associated, in the amount of $66,3000, for professional planning services for updating the City's zoning and subdivision ordinances."

Be it Resolved by the Council of the City of Charleston, West Virginia

That the Mayor is hereby authorized and directed to enter into a contract with Benatec Associated, in the amount of Ninety-six Thousand Four Hundred Dollars ($66,3000), for professional planning services for updating the City's zoning and subdivision ordinances.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, and Mayor Goldman.
NAYS: None.
ABSENT: Weintraub.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Resolution No. 77-02 as amended, adopted.

2. Your Committee on Finance has had under consideration Resolution No. 100-02 as amended, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 100-02, as amended– "Granting limited air rights over the alley in the 200 block of Brooks Street, Charleston, West Virginia, between the land owned by Public Service Commission of West Virginia, between the land owned by Public Service Commission of West Virginia (201 Brooks Street, Charleston, West Virginia), on the South side of said alley, and the land owned by Public Service Commission of West Virginia (201 Brooks Street, Charleston, West Virginia), on the North side of the alley."

WHEREAS, a connecting Parking Structure between the land owned by Public Service Commission of West Virginia on the South Side of the alley in the 200 block of Brooks Street, Charleston, West Virginia, and land owned by Public Service Commission of West Virginia on the North side of said alley is necessary in order to connect these structures for coordinated utilization of buildings; and

WHEREAS, it is considered by Council that granting limited air rights over the alley in 200 block of Brooks Street and 201 Brooks Street is reasonable and necessary and the granting of said air rights will facilitate utilization of the buildings by a single entity, now, therefore,

Be it Resolved by the Council of the City of Charleston, West Virginia:

(1) That the owners and their lessees, successors or assigns are hereby granted limited air rights over the alley in the 200 block of Brooks Street, Charleston, West Virginia, between the land owned by Public Service Commission of West Virginia, (201 Brooks Street, Charleston, West Virginia) on the south said of said alley, and the land owned by Public Service Commission of West Virginia (201 Brooks Street, Charleston, West Virginia), on the North side of said alley. In accordance with the drawing which are attached hereto, incorporated herein, and made a part hereof. Said air rights were hereby limited to a minimum of 16 feet and a maximum of 90 feet wide.

(2) The City shall have the right to request inspection, at the cost of the owner, by qualified personnel in accordance with American Association of State Highway Transportation Officials (AASHTO) requirements. The City shall get copies of the inspection report to assure the City that the structure is safe in regard to the public traveling on the road and sidewalk under the Parking Structure. That the connecting Parking Structure access construction and maintenance by owners shall be enclosed and conform to applicable State and City laws.

(3) That the owners and their lessees, successors or assigns shall indemnify and save the City harmless from any damages to any person or property by reason of maintenance or existence of said connecting Parking Structure access over said alley.

(4) That the Mayor of the City of Charleston be and hereby is authorized and directed to execute a Deed granting the limited air rights, subject to and conditioned upon the owners complying with paragraphs 1, 2, and 3 of this Resolution, and the payment of a total of $1.00 to the City of Charleston, and to make the grant of the right-of-way subject to reverting to the City if and when the air space no longer is used as a Parking Structure between the two lands.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 100-02, as amended, adopted unanimously.
ABSTAIN: Mayor Goldman

3. Your Committee on Finance has had under consideration Resolution No. 117-02 as amended, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 117-02 as amended – "Authorizing the Mayor to sign an amendment to the lease agreement with the Greater Huntington Theatre Corporation for an increase in the discount parking rates at Cinema VII to seventy-five cents (75¢) instead of sixty-five cents (65¢), which is

due to become effective December 1, 2002 (approved by Council August 6, 2001, Resolution No. 802-01); increase the parking time limit for movie patrons to four hours by moving the start time to 11:00 a.m. from the previous start time of 12 noon; and change the exit gate hours from noon to 1:00 a.m. to 1:30 p.m. to 12:30 p.m."

Be it Resolved by the Council of the City of Charleston, West Virginia

That the Mayor is hereby authorized and directed to sign an amendment to the lease agreement with the Greater Huntington Theatre Corporation for an increase in the discount parking rates at Cinema VII to seventy-five cents (75¢) instead of sixty-five cents (65¢), which is due to become effective December 1, 2002 (approved by Council August 6m 2001, Resolution No. 802-01); increase the parking time limit for movie patrons to four hours by moving the start time to 11:00 a.m. from the previous start time of 12 noon; and change the exit gate hours from noon to 1:00 a.m. to 1:30 p.m. to 12:30 p.m.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 117-02, as amended, adopted unanimously

4. Your Committee on Finance has had under consideration Resolution No. 124-02 as amended, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 124-02 as amended – "Authorizing the Mayor to enter into a contract with Wiseman construction Company, in the amount of $1,056,772, fir the Bridge Road Retaining Wall project.

Be it Resolved by the Council of the City of Charleston, West Virginia

That the Mayor is hereby authorized and directed to enter into a contract with Wiseman construction Company, in the amount of One Million One Hundred Sixty-seven Thousand Seven Hundred Seventy-two Dollars ($1,056,772), for the Bridge Road Retaining Wall project.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 124-02, as amended, adopted unanimously

5. Your Committee on Finance has had under consideration 125-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 125-02 – "Authorizing the Finance Director to amend the 2002 CDBG budget.

AMENDMENT TO THE 2002 CDBG BUDGET

ACCOUNT	DESCRIPTION	INCREASE/DECREASE
009-002-00-011	Daymark, Inc./New Connections	$9,508.77 (Decrease)

009-002-00-199	Contingencies	$9,508.77 Increase
009-002-00-199	Contingencies	$9,508.77 (Decrease)
009-002-00-011	Daymark, Inc. /Patchwork	$9,508.77 Increase

Daymark requested funds from their New Connections Case Manager activity be redirected to their Patchwork Residential Counselors activity, where funding is more critically needed.

This is contingent upon no adverse citizen comments being received during the 30-day comment period required through the MOECD Citizen Participation Plan.

The question being on the adoption of the Resolution a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, and Mayor Goldman.
NAYS: None.
ABSENT: Weintraub.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Resolution No. 125-02, adopted.

6. Your Committee on Finance has had under consideration Resolution No. 126-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 126-02

Resolution No. 126-02

Introduced in Council:

December 2, 2002

Introduced by:

Larry Roller
jrs

Adopted by Council:

December 2, 2002

A resolution supplementing Ordinance No. 6948, which supplemented Ordinance No. 4423 passed by the Council of The City of Charleston, West Virginia, on March 6, 1989, as supplemented by Ordinance No. 4506 passed by the Council on November 6, 1989, by Ordinance No. 4828 passed by the Council on April 20, 1992, by Ordinance No. 4954 passed by the Council on May 3, 1993, by Ordinance No. 6276 passed by the Council on September 3, 1996, by Ordinance No. 6349 passed by the Council on June 2, 1997, by Ordinance No. 6532 passed by the Council on November 16, 1998, by Ordinance No. 6544 passed by the Council on February 1, 1999, by Ordinance No. 6670 passed by the Council on February 5, 2001, and by Ordinance No. 6777 passed by the Council on March 19, 2001; authorizing the refunding of the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, of The City of Charleston; authorizing the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B, of The City of Charleston, the proceeds of which, shall be used, along with other funds and moneys of, or available to, The City of Charleston which may be lawfully expended for such purposes, to finance the cost of such refunding, to fund reserve accounts for such bonds and to pay other costs in connection therewith; providing for the rights and remedies of and security for the registered owners of such bonds; and adopting other provisions related thereto.

WHEREAS, the Council (the "Council") of The City of Charleston, West Virginia (the "City" or the "Issuer"), on November 4, 2002, adopted Ordinance No.6948, which Ordinance authorized the issuance of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Series 2002 Bonds"), in an aggregate principal amount not to exceed $7,500,000, to finance the cost of refunding the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), to fund reserve accounts for the Series 2002 Bonds and to pay other costs in connection therewith, and all as more fully set out therein (said Ordinance is hereinafter referred to as the "Ordinance");

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance when used herein;

WHEREAS, the Ordinance further provided that additional covenants and provisions relating to the Series 2002 Bonds be provided herein as may be required by any Bond Insurer as a condition to insuring the Series 2002 Bonds;

WHEREAS, the Issuer has obtained a commitment for Municipal Bond Insurance for the Series 2002 Bonds from MBIA Insurance Corporation (the "Bond Insurer") and has determined that it is advantageous for the Issuer to obtain such Municipal Bond Insurance Policy and provide herein for certain matters required by the Bond Insurer as a condition to issuing such Municipal Bond Insurance Policy;

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that provisions required by the Bond Insurer as a condition to issuing its Municipal Bond Insurance Policy be provided herein, all in accordance with the Ordinance.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

Section 1. Pursuant to the Commitment for Municipal Bond Insurance of MBIA Insurance Corporation dated November 15, 2002, heretofore accepted by the Issuer pursuant to a Supplemental Resolution adopted November 18, 2002, and as permitted by Section 6.17of the Ordinance, the following covenants and provisions which are required by the Bond Insurer as a condition precedent to issuance of its Municipal Bond Insurance Policy are hereby set forth, such covenants and provisions to be supplemental and amendatory of, and controlling with respect to the Ordinance and applicable to the Series 2002 Bonds:

Section 2. Section 1.04 Definitions. The Ordinance is hereby supplemented with respect to the Series 2002 Bonds by adding thereto and incorporating therein the following definitions:

"Defesance Obligations" means

1. Cash
2. U.S. Treasury Certificates, Notes and Bonds (including State and Local Government

Series -- " SLGs")

3. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities
4. Resolution Funding Corp. (REFCORP) Only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable.
5. Pre-refunded municipal bonds rated "Aaa" by Moody's and "AAA" by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody's rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations, or AAA rated pre-refunded municipals to satisfy this condition.

6. Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.:

a. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

b. Farmers Home Administration (FmHA)
Certificates of beneficial ownership

c. Federal Financing Bank

d. General Services Administration
Participation certificates

e. U.S. Maritime Administration
Guaranteed Title XI financing

f. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

"Qualified Investments" means

A. Direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

B. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

1. U.S. Export-Import Bank (Eximbank)
Direct obligations or fully guaranteed certificates of beneficial ownership

2. Farmers Home Administration (FmHA)
Certificates of beneficial ownership

3. Federal Financing Bank

4. Federal Housing Administration Debentures (FHA)

5. General Services Administration
Participation certificates

6. Government National Mortgage Association (GNMA or "Ginnie Mae")
GNMA - guaranteed mortgage-backed bonds
GNMA - guaranteed pass-through obligations

(not acceptable for certain cash-flow sensitive issues.)

7. U.S. Maritime Administration
Guaranteed Title XI financing

8. U.S. Department of Housing and Urban Development (HUD)
Project Notes
Local Authority Bonds
New Communities Debentures - U.S. government guaranteed debentures
U.S. Public Housing Notes and Bonds - U.S. government guaranteed public housing notes and bonds

C. Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

1. Federal Home Loan Bank System
Senior debt obligations

2. Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
Participation Certificates
Senior debt obligations

3. Federal National Mortgage Association (FNMA or "Fannie Mae")
Mortgage-backed securities and senior debt obligations

4. Student Loan Marketing Association (SLMA or "Sallie Mae")
Senior debt obligations

5. Resolution Funding Corp. (REFCORP) obligations

6. Farm Credit System
Consolidated systemwide bonds and notes

D. Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAm-G; AAA-m; or AA-m and if rated by Moody's rated Aaa, Aa1 or Aa2.

E. Certificates of deposit secured at all times by collateral described in (A) and/or (B) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks. The collateral must be held by a third party and the bondholders must have a perfected first security interest in the collateral.

F. Certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF.

G. Investment Agreements, including GIC's, Forward Purchase Agreements and Reserve Fund Put Agreements acceptable to MBIA (Investment Agreement criteria is available upon request).

H. Commercial paper rated, at the time of purchase, "Prime - 1" by Moody's and "A-1" or better by S&P.

I. Bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies.

J. Federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime - 1" or "A3" or better by Moody's and "A-1" or "A" or better by S&P.

K. Repurchase Agreements for 30 days or less must follow the following criteria. Repurchase Agreements which exceed 30 days must be acceptable to MBIA (criteria available upon request)

Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to a municipal entity (buyer/lender), and the transfer of cash from a municipal entity to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the municipal entity in exchange for the securities at a specified date.

1. Repos must be between the municipal entity and a dealer bank or securities firm

   a. Primary dealers on the Federal Reserve reporting dealer list which are rated A or better by Standard & Poor's Corporation and Moody's Investor Services, or

   b. Banks rated "A" or above by Standard & Poor's Corporation and Moody's Investor Services.

2. The written repo contract must include the following:

   a. Securities which are acceptable for transfer are:

      (1) Direct U.S. governments, or

      (2) Federal agencies backed by the full faith and credit of the U.S. government (and FNMA & FHLMC)

b. The term of the repo may be up to 30 days

c. The collateral must be delivered to the municipal entity, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificated securities).

d. Valuation of Collateral

(l) The securities must be valued weekly, marked-to-market at current market price plus accrued interest

(a) The value of collateral must be equal to 104% of the amount of cash transferred by the municipal entity to the dealer bank or security firm under the repo plus accrued interest. If the value of securities held as collateral slips below 104% of the value of the cash transferred by municipality, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the municipal entity:

a. Repo meets guidelines under state law for legal investment of public funds.

L. Any state administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

M. Debt Service Reserve Fund investments should be valued at fair market value and marked to market at least once per year. Debt Service Reserve Fund investments may not have maturities extending beyond 5 years, except for Investment Agreements approved by the Bond Insurer.

Section 3. Article IV of the Ordinance is supplemented by adding thereto and incorporating therein a new section:

Section 4.05. Payments by Bond Insurer; Notices.

A. In the event that, on the second Business Day, and again on the Business Day, prior to the payment date on the Obligations, the Paying Agent has not received sufficient moneys to pay all principal of and interest on the Obligations due on the second following or following, as the case may be, Business Day, the Paying Agent shall immediately notify the Bond Insurer or its designee on the same Business Day by telephone or telegraph, confirmed in writing by registered or certified mail, of the amount of the deficiency.

B. If the deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent shall so notify the Bond Insurer or its designee.

C. In addition, if the Paying Agent has notice that any Bondholder has been required to disgorge payments of principal or interest on the Obligation to a trustee in Bankruptcy or creditors or others pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Bondholder within the meaning of any applicable bankruptcy laws, then the Paying Agent shall notify the Bond Insurer or its designee of such fact by telephone or telegraphic notice, confirmed in writing by registered or certified mail.

D. The Paying Agent is hereby irrevocably designated, appointed, directed and authorized to act as attorney-in-fact for Holders of the Obligations as follows:

1. If and to the extent there is a deficiency in amounts required to pay interest on the Obligations, the Paying Agent shall (a) execute and deliver to State Street Bank and Trust Company, N.A., or its successors under the Policy (the "Insurance Paying Agent"), in form satisfactory to the Insurance Paying Agent, an instrument appointing the Bond Insurer as agent for such Holders in any legal proceeding related to the payment of such interest and an assignment to the Bond Insurer of the claims for interest to which such deficiency relates and which are paid by the Bond Insurer, (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from the Insurance Paying Agent with respect to the claims for interest so assigned, and (c) disburse the same to such respective Holders; and

2. If and to the extent of a deficiency in amounts required to pay principal of the Obligations, the Paying Agent shall (a) execute and deliver to the Insurance Paying Agent in form satisfactory to the Insurance Paying Agent an instrument appointing the Bond Insurer as agent for such Holder in any legal proceeding relating to the payment of such principal and an assignment to the Bond Insurer of any of the Obligation surrendered to the Insurance Paying agent of so much of the principal amount thereof as has not previously been paid or for which moneys are not held by the Paying Agent and available for such payment (but such assignment shall be delivered only if payment from the Insurance Paying Agent is received), (b) receive as designee of the respective Holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefor from the Insurance Paying Agent, and (c) disburse the same to such Holders.

E. Payments with respect to claims for interest on and principal of Obligations disbursed by the Paying Agent from proceeds of the Policy shall not be considered to discharge the obligation of the Issuer with respect to such Obligations, and the Bond Insurer shall become the owner of such unpaid Obligation and claims for the interest in accordance

with the tenor of the assignment made to it under the provisions of this subsection or otherwise.

F. Irrespective of whether any such assignment is executed and delivered, the Issuer and the Paying Agent hereby agree for the benefit of the Bond Insurer that:

1. They recognize that to the extent the Bond Insurer makes payments, directly or indirectly (as by paying through the Paying Agent), on account of principal of or interest on the Obligations, the Bond Insurer will be subrogated to the rights of such Holders to receive the amount of such principal and interest from the Issuer, with interest thereon as provided and solely from the sources stated in this Indenture and the Obligations; and

2. They will accordingly pay to the Bond Insurer the amount of such principal and interest (including principal and interest recovered under subparagraph (ii) of the first paragraph of the Policy, which principal and interest shall be deemed past due and not to have been paid), with interest thereon as provided in this Indenture and the Obligation, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Obligations to Holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

G. In connection with the issuance of additional Obligations, the Issuer shall deliver to the Bond Insurer a copy of the disclosure document, if any, circulated with respect to such additional Obligations.

H. Copies of any amendments made to the documents executed in connection with the issuance of the Obligations which are consented to by the Bond Insurer shall be sent to Standard & Poor's Corporation.

I. The Bond Insurer shall receive notice of the resignation or removal of the Paying Agent and the appointment of a successor thereto.

J. The Bond Insurer shall receive copies of all notices required to be delivered to Bondholders and, on an annual basis, copies of the Issuer's audited financial statements and Annual Budget.

Notices: Any notice that is required to be given to a holder of the Obligation or to the Paying Agent pursuant to the Indenture shall also be provided to the Bond Insurer. All notices required to be given to the Bond Insurer under the Indenture shall be in writing and shall be sent by registered or certified mail addressed to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504 Attention: Surveillance.

K. The Issuer covenants and agrees to reimburse the Bond Insurer immediately and unconditionally upon demand, to the extent permitted by law, for all

reasonable expenses, including attorneys' fees and expenses, incurred by the Bond Insurer in connection with (i) the enforcement by the Bond Insurer of the Issuer's obligations, or the preservation or defense of any rights of the Bond Insurer, under this Resolution and any other document executed in connection with the issuance of the Obligations, and (ii) any consent, amendment, waiver or other action with respect to the Resolution or any related document, whether or not granted or approved, together with interest on all such expenses from and including the date incurred to the date of payment at Citibank's Prime Rate plus 3% or the maximum interest rate permitted by law, whichever is less. In addition, the Bond Insurer agrees reserves the right to charge a fee in connection with its review of any such consent, amendment or waiver, whether or not granted or approved .

Section 4. Article VI of the Ordinance is supplemented by adding thereto and incorporating therein a new section:

Section 6.18. Additional Covenants Regarding Bond Insurer.

A. Notice to the Bond Insurer. The Issuer shall provide the Bond Insurer with any notices required to be given by any party under the Ordinance and such notices shall be mailed to the Bond Insurer, Attn: Insured Portfolio Management.

B. Amendments. The Bond Insurer shall be mailed copies of all amendments which do not require the consent of the bondholders, such as amendments which will cure ambiguities, correct formal defects or add to the security of the financing. Any amendments which require bondholder consent shall also require the Bond Insurer's consent. The Bond Insurer must receive advance written notice of all amendments which require consent. All notices shall be sent to the Bond Insurer. The Issuer shall provide Standard & Poor's Corporation with copies of any amendments which are consented to by the Bond Insurer.

C. Notice of Additional Bonds. The Issuer shall provide the Bond Insurer with written notice of any additional bonds and a copy of the independent certified accountants certificate regarding the parity test.

D. Remedies Regarding Events of Default. The Bond Insurer, acting alone, shall have the right to direct all remedies in the event of a default. The Bond Insurer shall be recognized as the registered owner of each bond which it insures for the purposes of exercising all rights and privileges available to bondholders. For bonds which it insures, the Bond Insurer shall have the right to institute any suit, action, or proceeding at law or in equity under the same terms as a bondholder in accordance with applicable provisions of the governing documents. Other than the usual redemption provisions, any acceleration of principal payments must be subject to the Bond Insurer's prior written consent.

Section 5. This Supplemental Resolution shall take effect immediately upon adoption hereof.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 126-02 adopted unanimously.
ABSTAIN: Loeb

7. You Committee on Finance has had under consideration Resolution No. 127-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 127-02 – "Authorizing the Mayor to enter into a contract with Central Masonry, in the amount of $149,484, for Masonry Services associated with construction of the new fire station at Orchard Manor."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with Central Masonry, in the amount of One Hundred Forty-nine Thousand Four Hundred Eighty-four Dollars ($149,484), for Masonry Services associated with construction of the new fire station at Orchard Manor.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 127-02, adopted unanimously

8. Your Committee on Finance has had under consideration Resolution No. 128-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 128-02 – "Authorizing the Mayor to enter into a contract with RC General Contractors, in the amount of $195.481, for General Trades Services associated with construction of the new fire station at Orchard Manor."

Be it Resolved by the Council of the City of Charleston, West Virginia:

That the Mayor is hereby authorized and directed to enter into a contract with RC General Contractors, in the amount of One Hundred Ninety-five Thousand Four Hundred Eighty-one Dollars ($195.481), for General Trades Services associated with construction of the new fire station at Orchard Manor.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 128-02 adopted unanimously.
ABSTAIN: Loeb

9. Your Committee on Finance has had under consideration Resolution No. 129-02, and reports the same to Council with the recommendation that the committee report be adopted.

Resolution No. 129-02 – Authorizing the disposition of certain real property; authorizing an Agreement and Lease with the Charleston Building Commission; authorizing the execution and delivery of the Agreement and Lease, Deed and related documents; authorizing the Mayor to execute the Agreement and Lease and Deed taking all other actions relating to such transactions.

WHEREAS, the City of Charleston, West Virginia (the "City") and its council (the "Council") are permitted or required, as the case may be, by Section 8-12-5-(36) and Articles 15 and 16 of Chapter 8 of the Code of West Virginia of 1931, as amended, to expend public funds for acquiring, constructing and equipping fire stations; and

WHEREAS, the Council desires to acquire, construct and equip a new fire station (the "Project") on certain real property located in Orchard Manor (the "Site"; the Cite prior, during and after improvement by, and including the Project, is referred to as the "Facilities") and has requested that the Charleston Building Commission (the "Commission) issue facilities revenue bonds (the "Bonds") to finance all or a portion of the cost of the Project; and

WHEREAS, in connection with and inconsideration for the issuance of the Bonds, the Council desires to transfer to the Commission, by deed, all of its right, title and interest in the Site; and

WHEREAS, the Council desires to lease the Facilities from the Commission and to acquire, construct and equip the Project on behalf of the Commission, and the Commission is willing to lease the Facilities to the City and to authorize the City to acquire, construct and equip the Project on its behalf, including for rentals sufficient to pay the principal of and interest on the Bonds when due; and

WHEREAS, the Council does hereby find and determine, that (i) the disposition of the Site by the Deed to the Commission, attached hereto as Exhibit A (the "Deed"); (ii) the acquisition , construction and equipping of the Project on the Commission's behalf; (iii) the leasing of the Facilities from the Commission pursuant to the Agreement and Lease, attached hereto as Exhibit B (the "Lease"); and (iv) all other things contemplated by or contained in the Deed and the Lease are necessary, proper and appropriate to accomplish the public purpose of providing a new fire station as necessary, appropriate and required for the City.

NOW, THEREFORE, THE COUNCIL OF THE CITY OF CHARLESTON, WEST VIRGINIA, HEREBY RESOLVES:

Section 1. Findings. (a) It is hereby found and determined that (i) the disposition of the Site by the Deed to the Commission; (ii) the acquisition, construction and equipping of the Project on the Commission's behalf; (iii) the leasing of the Facilities from the Commission pursuant to the Lease; and (iv) all other things contemplated by or contained in the Deed and the Lease are necessary, proper and appropriate to accomplish the public purpose of providing a new

fire station as necessary, appropriate and required for the City.

(b) It is hereby found and determined that title to the Site is vested with the City, and that pursuant to Section 8-33-9 of the Code of West Virginia of 1931, as amended, the City has the power and authority to transfer such real property to the Commission.

Section 2. Transfer of the Site. To provide for the acquisition, construction and improvement of the Facilities, the transfer of the Site to the Commission is hereby authorized. The Mayor of the City is hereby authorized and directed to execute and deliver the Deed to the Commission.

Section 3. Agreement and Lease. The Council hereby authorized the Mayor to enter into the Agreement and Lease with the Commission for the Facilities on behalf of the City.

Section 6. Incidental Actions. The Mayor is hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificated and to take such other action as may be necessary or appropriate in order to effectuate the execution and delivery of the Deed and Lease. The execution, delivery and due performance of documents are herby in all respects approved, authorized, ratified and confirmed, including all acts heretofore taken in connection with the transfer of the Site and the leasing of the Facilities.

Section 7. Formal Actions. The Council hereby finds and determines that all formal action relative to the adoption of this Resolution were taken in an open meeting of the Council, notice of which was duly given and that all deliberations of the Council which resulted in formal action, were meetings open to the public, in full compliance with all applicable legal requirements.

Section 8. Effective Date. This Resolution shall take effect immediately upon adoption, and all prior resolution or parts thereof inconsistent herewith are hereby repealed.

The question being on the adoption of the Resolution a vote was taken. There being no dissent the Mayor declared Resolution No. 129-02 adopted unanimously.
ABSTAIN: Loeb

10. A bid submitted by West Virginia Tractor Company, in the amount of $17,654, for purchase of a chipper to be used by the Street Department. To be charged to Account No. 001-977-00-750-4-461, Street—Capital Outlay, Lease/Purchase.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

11. A proposal submitted by General Truck, Inc., in the amount of $19,867.29, for one (1) pickup truck to be used by the Equipment Maintenance Department. To be charged to Account No. 001-977-00-754-4-461, Equipment Maintenance—Capital outlay, Lease/Purchase.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

12. A bid submitted by Kerstein Heating & Air Conditioning, in the amount of $4,540, for purchase of two (2) overhead gas heaters for Fire Station No. 2, located at 808 Virginia Street, West. To be charged to Account No. 001-706-00-000-2-216, Fire Department—Maintenance and Repair, Equipment.

The question being on the adoption of the committee report a vote was taken. There being no dissent the Mayor declared the committee report adopted unanimously.

13. Payment of an invoice from Kanawha Dental Health Council, in the amount of $7,500, for reimbursement of salaries for dental health educators. To be charged to Account No. 009-001-00-011-0-999, CDBG—Public Services.

The question being on the adoption of the Committee Report a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, and Mayor Goldman.
NAYS: None.
ABSENT: Weintraub.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Committee Report adopted.

14. A payment of an invoice from Asbestos Consulting, Inc., in the amount of $7,805.25, for asbestos abatement of the structure located at 1201 Crescent Road (2,601.75 square feet @ $3.00/sf, pursuant to a contract approved by Council April 1, 2002). To be charged to Account No. 009-002-00-006-0-999, CDBG –Acquisition.

The question being on the adoption of the Committee Report a roll call was taken and there were; yeas-26, nays-0, absent-1, as follows:
YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, and Mayor Goldman.
NAYS: None.
ABSENT: Weintraub.

With a majority of members elected recorded thereon as voting in the affirmative the Mayor declared the Committee Report adopted.

REPORTS OF OFFICERS

1. Report of the City of Charleston Payroll Variance Analysis; November 2002;
Received and Filed.

2. City of Charleston Financial Statements for the Two-Month Period Ended August 31, 2002;
Received and Filed.

3. City of Charleston Financial Statements for the Three-Month Period Ended September 30, 2002;
Received and Filed.

NEW BILLS INTRODUCED

Introduced by Councilwoman Mary Jean Davis on December 2, 2002:
Bill No. 6950, A Bill amending the Zoning Ordinance of the City of Charleston by creating "Group recreational or sports facility, commercial" as a special permit use in all residential districts and establishing spacing provisions and performance standards for commercial group recreational or sports facilities.
Refer to Municipal Planning Commission.

Introduced by Councilwoman Linda Nielsen on December 2, 2002:
Bill No. 6953, a Bill fixing the number of wards in the City of Charleston; fixing the number of persons to be elected from such wards; and fixing the boundaries of such wards.
Refer to the Committee on Redistricting.

Introduced by Councilman Larry Roller on December 2, 2002:
Bill No. 6954, A Bill to establish a 25 Mile Per Hour speed limit on Rosewood Road and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand none hundred seventy-five, as amended, Traffic Law, Chapter thirty-one Article three, to conform therewith.
Refer to Council Committee on Streets and Traffic.

Introduced by Councilman Larry Roller on December 2, 2002:
Bill No. 6955, A Bill to establish a 25 Mile Per Hour speed limit on Sierra Road and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand none hundred seventy-five, as amended, Traffic Law, Chapter thirty-one Article three, to conform therewith.
Refer to Council Committee on Streets and Traffic.

Introduced by Councilman Ed Talkington on December 2, 2002:
Bill No. 6956, A Bill to repeal Ordinance No. 6520 passed by Council on September 21, 1998, relating to a two hour parking on the southerly side of Central Avenue from the intersection of Central Avenue and Park Avenue to a point 173 feet east of the intersection of Central Avenue and Park Avenue and amending the Traffic Control Map and Traffic Control File, established by the Code of the City of Charleston, West Virginia, one thousand none hundred seventy-five, as amended, Traffic Law, Chapter thirty-one Article three, to conform therewith.
Refer to Council Committee on Streets and Traffic.

Introduced by Councilwoman Sara Crickenberger on December 2, 2002:
Bill No. 6957, A Bill adopting the Urban Renewal Plan for demolishing substandard residential structures for the purpose of acquiring and demolishing sub-standard residential structures and in turn, providing sites for new housing located within the incorporated areas of the City of Charleston pursuant to Chapter 16, Article 18 of the West Virginia Code.
Refer to Urban Renewal.

UNFINISHED OR MISCELLANEOUS BUSINESS

None.

ROLL CALL

The Clerk called the roll and the following members were in attendance:

YEAS: Charnock, Crickenberger, Davis, Haas, Harris, Jones, Knauff, Lane, James Lanham, Lopez , Kimberling, Loeb, Markham, McKnight, Molgaard, Morton, Nielsen , Pettry, Quick, Reishman, Roller, Talkington, David Lanham, Fouty-Young, Prunty, and Mayor Goldman.
ABSENT: Weintraub.

At 7:35p.m., on motion of Councilman Loeb, Council adjourned until 7:00 p.m., Monday, December 16, 2002.

Jay Goldman, Honorable Mayor

James M. Reishman, City Clerk

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ISSUE DATE	AD TYPE	PUB	DESCRIPTION / REFERENCE NBR / PURCHASE ORDER #	AD NUMBER	AD SIZE / TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
			LEGAL DISCOUNT 25%				38.98-	116.94
			TOTAL INVOICE AMOUNT					276.32

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sandra Kiger of

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER,
THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,
published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the attached notice of

ABSTRACT OF BOND

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County West Virginia, on the 8TH day of NOVEMBER 2002. Published during the following dates: 11/07/02-11/14/02

Subscribed and sworn to before me this 18 day of November.

Printers fee $ 276.32

Lynn R. Fielder
Notary Public of Kanawha County, West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
253 FRAZIER WAY
SCOTT DEPOT, WV 25560
My commission expires December 11, 2006

THE CITY OF CHARLESTON, WEST VIRGINIA
NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on November 4, 2002, the Council of The City of Charleston, West Virginia (the "City") adopted an ordinance which, among other things:

1. Authorized the refunding of the City's Sewerage System Refunding Revenue Bonds, Series 1992 A and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (the "Series 1992 Bonds") through the issuance of not more than $7,500,000 in aggregate principal amount of Sewerage System Refunding Revenue Bonds, Series 2002, in one or more series (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest at such rate or rates not exceeding the then legal maximum rate, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution.

3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a Sinking Fund and a Reserve Account for the Bonds and continuation of the Renewal and Replacement Fund; and provided for the use of excess funds of the System.

4. Directed the payment of the Series 1992 Bonds with proceeds of the Bonds.

5. Provided that the Bonds shall not be or constitute a corporate indebtedness of City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenue of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of teh Registered Owners of the Bonds to teh Net Revenues of the System.

6. Provided certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the System; provided for the enforcement of collection of fees, rates or other charges for the System and other convenants in favor of the Registered Owners.

8. Established the events of default and the remedies of the Registered Owners.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in and under the conditions set forth in teh Ordinance abstracted above. Any person interested may appear before the Council of The City of Charleston at a regular meeting on November, 2002, at 7:00 p.m., in the Council Chambers, City Hall, Charleston, West Virginia and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council of City on November 4, 2002, is on file with the City Clerk for review by interested persons at the City Hall during regular office hours, to-wit: 8:00 a.m. to 4:00 p.m., Monday through Friday.

/S/ James Reishman
City Clerk–
City of Charleston,
West Virginia
(450920)

NUMBER

AR-1

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-1 $170,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	January 1, 2004	December 1, 2002	160609JB0

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: ONE HUNDRED SEVENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

SPECIMEN

above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2003 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the same meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by Bank One, West Virginia, National Association, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of a series of bonds, in the aggregate principal amount of $1,755,000 (the "Bonds"), of like date, tenor and effect, except as to number, denomination, date of maturity and interest rate, the proceeds of which are to be used, together with other funds of the Issuer, to currently refund in full the Sewerage System Refunding Revenue Bonds, Series 1992 A, of the Issuer (the "Series 1992 Bonds"), which were heretofore issued to finance or refinance the cost of acquisition and construction of certain additions, betterments and improvements to the sewerage system of the Issuer (the "System"). The 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 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly passed by the City Council of the Issuer

SPECIMEN

on November 4, 2002, effective November 18, 2002, and supplemented by supplemental resolutions duly adopted by the City Council of the Issuer on November 18, 2002 and December 2, 2002 and a Certificate of Determination dated November 21, 2002 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance 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 Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S FIRST LIEN BONDS AND THE SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 B, ISSUED CONCURRENTLY HEREWITH (THE "SERIES 2002 B BONDS") AND SENIOR TO THE SECOND LIEN BONDS (THE FIRST LIEN BONDSAND THE SECOND LIEN BONDS ARE COLLECTIVELY, THE "PRIOR BONDS"), ALL AS DEFINED IN THE ORDINANCE.

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by MBIA Insurance Corporation.

The Bonds and the interest hereon are payable only from and are secured by (1) the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the First Lien Bonds and the Series 2002 B Bonds, (2) all moneys in the Series 2002 A Bonds Sinking Fund and the Series 2002 A Bonds Reserve Account established under the Ordinance, and (3) the 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 shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation, 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 2002 A Bonds Sinking Fund and the Series 2002 _A Bonds Reserve Account and any unexpended Bond proceeds. Pursuant to the Ordinance, 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 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2002 B Bonds; provided however, that so long as there exists in the Series 2002 A Bonds Reserve Account an amount 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 obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2002 B Bonds, an amount 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 Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to refund the Series 1992 Bonds and pay all costs in connection therewith and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond 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 the Bonds of which this Bond is one.

This Bond, under the provisions 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, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

SPECIMEN

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the 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 CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

ASSIGNMENT

SPECIMEN

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STATEMENT OF INSURANCE SPECIMEN

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at the West Virginia Municipal Bond Commission, Charleston, West Virginia.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to the West Virginia Municipal Bond Commission, Charleston, West Virginia, or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$1,755,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 A

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such

SPECIMEN

owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-2 $180,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	January 1, 2005	December 1, 2002	160609JC8

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: ONE HUNDRED EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

AR-3

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-3 $185,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.375%	January 1, 2006	December 1, 2002	160609JD6

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

AR-4

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-4 $185,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	January 1, 2007	December 1, 2002	160609JE4

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: ONE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

AR-5

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-5 $195,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	January 1, 2008	December 1, 2002	160609JF1

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: ONE HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-6 $200,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.250%	January 1, 2009	December 1, 2002	160609JG9

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: TWO HUNDRED THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

AR-7

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-7 $205,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.500%	January 1, 2010	December 1, 2002	160609JH7

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: TWO HUNDRED FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

AR-8

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-8 $215,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.625%	January 1, 2011	December 1, 2002	160609JJ3

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: TWO HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

ATTEST:

City Clerk

SPECIMEN
SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

AR-9

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. AR-9 $220,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 A

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.700%	January 1, 2012	December 1, 2002	160609JK0

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: TWO HUNDRED TWENTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-1

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-1 $290,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	January 1, 2004	December 1, 2002	160609JL8

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

SPECIMEN

above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on January 1 and July 1, in each year, beginning July 1, 2003 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not defined herein shall have the same meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by Bank One, West Virginia, National Association, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the office of the Paying Agent, in Charleston, West Virginia.

This Bond is one of a series of bonds, in the aggregate principal amount of $5,160,000 (the "Bonds"), of like date, tenor and effect, except as to number, denomination, date of maturity and interest rate, the proceeds of which are to be used, together with other funds of the Issuer, to currently refund in full the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, of the Issuer (the "Series 1992 Bonds"), which were heretofore issued to finance or refinance the cost of acquisition and construction of certain additions, betterments and improvements to the sewerage system of the Issuer (the "System"). The 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 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly

SPECIMEN

passed by the City Council of the Issuer on November 4, 2002, effective November 18, 2002, supplemented by supplemental resolutions duly adopted by the City Council of the Issuer on November 18, 2002 and December 2, 2002 and a Certificate of Determination dated November 21, 2002 (collectively, the "Ordinance"), and is subject to all the terms and conditions of the Ordinance. The Ordinance 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 Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk of the Issuer.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S FIRST LIEN BONDS AND THE SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 A, ISSUED CONCURRENTLY HEREWITH (THE "SERIES 2002 A BONDS") AND SENIOR TO THE SECOND LIEN BONDS (THE FIRST LIEN BONDS AND SECOND LIEN BONDS, COLLECTIVELY, THE "PRIOR BONDS"), ALL AS DEFINED IN THE ORDINANCE.

This Bond is additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by MBIA Insurance Corporation.

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Series 2002 B Bonds maturing on and after January 1, 2014, are subject to redemption, at the option of the Issuer on or after January 1, 2013, in whole or in part, at any time in inverse order of maturity by lot within a maturity, at the following redemption prices expressed as percentages of the principal amount, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period	Price
January 1, 2013 through December 31, 2013	101%
January 1, 2014 through December 31, 2014	100.5%
January 1, 2015 and thereafter	100%

(B) Mandatory Sinking Fund Redemption. The Series 2002 B Bonds maturing on January 1, 2015 and January 1, 2017 ("Term Bonds") are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account at a Redemption Price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

2015 Terms Bonds

Year	Amount
2014	$410,000
2015*	$425,000

2017 Terms Bonds

Year	Amount
2016	$445,000
2017*	$465,000

*Stated maturity.

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest hereon are payable only from and are secured by (1) the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the registered owners of the First Lien Bonds and the Series 2002 A Bonds, (2) all moneys in the Series 2002 B Bonds Sinking Fund and the Series 2002 B Bonds Reserve Account established under the Ordinance, and (3) the 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 shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation, 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 2002 B Bonds Sinking Fund and the Series 2002 B Bonds Reserve Account and any unexpended Bond proceeds. Pursuant to the Ordinance, 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 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 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all obligations secured by a lien on or payable from such revenues on a parity with the Bonds, including the Prior Bonds and the Series 2002 A Bonds; provided however, that so long as there exists in the Series 2002 B Bonds Reserve Account an amount 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 obligations outstanding on a parity with the Bonds, including the Prior Bonds and the Series 2002 A Bonds, an amount 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 Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to refund the Series 1992 Bonds and pay all costs in connection therewith and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and at the issuance of this Bond 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 the Bonds of which this Bond is one.

This Bond, under the provisions 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, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond has been designated a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

All provisions of the Ordinance, and the 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 CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

NUMBER

BR-1

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorie B. Mullins
Its Authorized Officer

SPECIMEN

ASSIGNMENT SPECIMEN

Social Security or Other Identifying Number of Assignee _____

_____

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

_____

_____

_____ the within Bond and does hereby irrevocably constitute and appoint _____

_____ to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

STATEMENT OF INSURANCE SPECIMEN

MBIA Insurance Corporation (the "Insurer") has issued a policy containing the following provisions, such policy being on file at the West Virginia Municipal Bond Commission, Charleston, West Virginia.

The Insurer, in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to the West Virginia Municipal Bond Commission, Charleston, West Virginia , or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$5,160,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 B

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such

SPECIMEN

owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

MBIA INSURANCE CORPORATION

NUMBER

BR-2

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-2 $310,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.000%	January 1, 2005	December 1, 2002	160609JM6

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-3

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-3 $315,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
2.375%	January 1, 2006	December 1, 2002	160609JN4

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED FIFTEEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-4

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-4 $325,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	January 1, 2007	December 1, 2002	160609JP9

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-5

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-5 $335,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.000%	January 1, 2008	December 1, 2002	160609JQ7

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor SPECIMEN

ATTEST:

City Clerk SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorena D. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-6

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-6 $345,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.250%	January 1, 2009	December 1, 2002	160609JR5

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED FORTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-7 $355,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.500%	January 1, 2010	December 1, 2002	160609JS3

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED FIFTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-8

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-8 $365,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.625%	January 1, 2011	December 1, 2002	160609JT1

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-9 $380,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.700%	January 1, 2012	December 1, 2002	160609JU8

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED EIGHTY THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorine B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-10

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-10 $395,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
3.800%	January 1, 2013	December 1, 2002	160609JV6

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: THREE HUNDRED NINETY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene L. Mullins
Its Authorized Officer

SPECIMEN

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-11 $835,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.125%	January 1, 2015	December 1, 2002	160609JX2

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: EIGHT HUNDRED THIRTY-FIVE THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN

NUMBER

BR-12

SPECIMEN

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. BR-12 $910,000

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 2002 B

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.
4.400%	January 1, 2017	December 1, 2002	160609JW4

REGISTERED OWNER: Cede & Co.

PRINCIPAL AMOUNT: NINE HUNDRED TEN THOUSAND DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF CHARLESTON (WEST VIRGINIA), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified

IN WITNESS WHEREOF, THE CITY OF CHARLESTON (WEST VIRGINIA) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

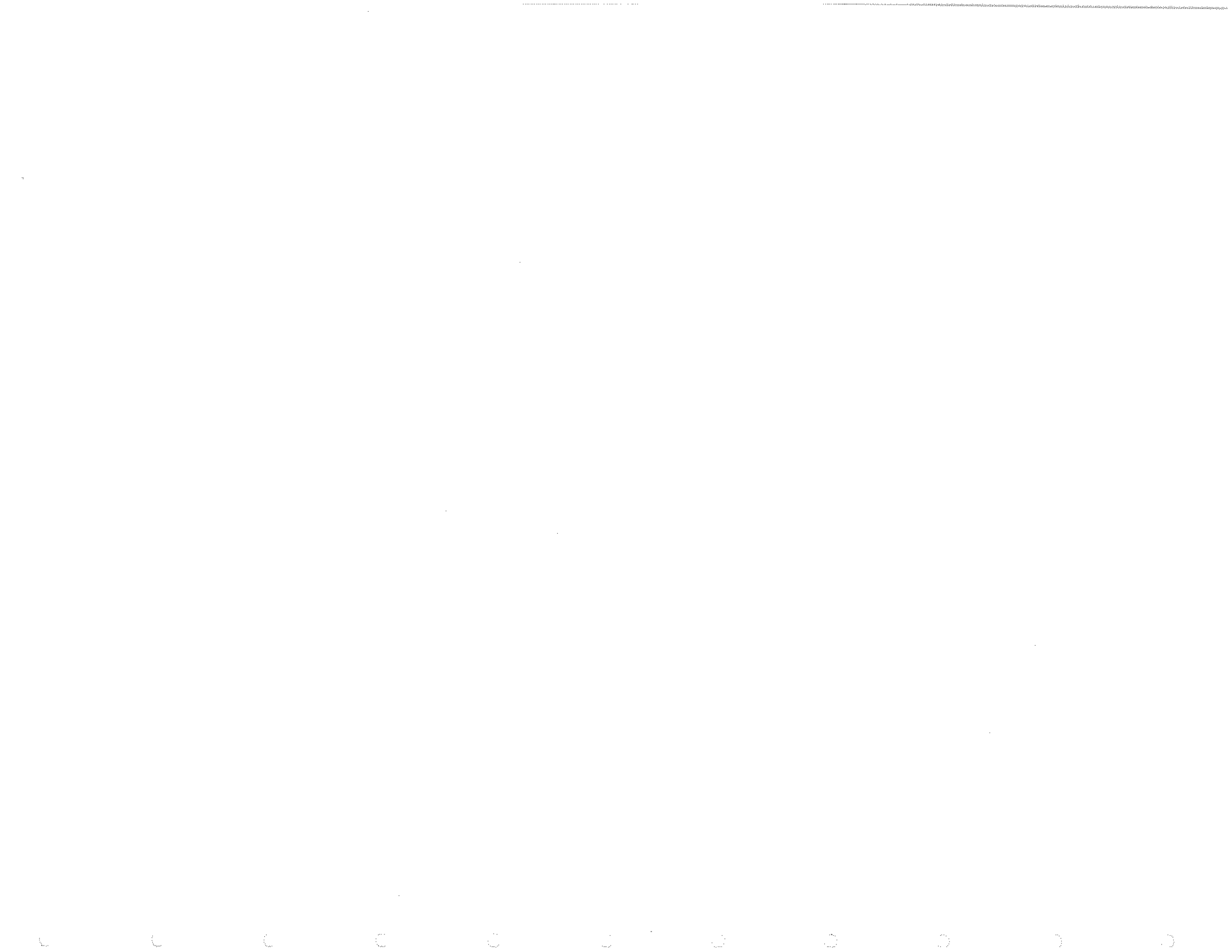
This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Jackson Kelly PLLC, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: December 4, 2002.

BANK ONE, WEST VIRGINIA
NATIONAL ASSOCIATION,
as Registrar

By Lorene B. Mullins
Its Authorized Officer

SPECIMEN



State of West Virginia
WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of the Issuer's certified public accountant stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the $1,755,000 Sewerage System Refunding Revenue Bonds, Series 2002 A and $5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B (collectively, the "Bonds") by The City of Charleston (the "Issuer"), under the terms of the Bond Ordinance authorizing the Bonds, on a parity as to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bonds, Series 1989 A; Sewer Revenue Bonds, Series 1989 C; Sewerage System Revenue Bonds, 1993 Series A; Sewerage System Revenue Bonds, Series 1996 A; Sewerage System Revenue Bonds, Series 1996 B; Sewerage System Revenue Bonds, Series 1997 A; Sewerage System Revenue Bonds, Series 1997 B; Sewerage System Revenue Bonds, 1998 Series A; Sewerage System Revenue Bonds, 1999 Series A; Sewerage System Revenue Bonds, Series 2001 A; and Sewerage System Revenue Bonds, 2001 Series B, and senior and prior as to liens, pledge and source of and security for payment to the Issuer's Supplemental Sewer Revenue Bonds, Series 1989 B; Supplemental Sewer Revenue Bonds, Series 1989 D; Sewerage System Revenue Bonds, 1999 Series B; and Sewerage System Revenue Bonds, 2001 Series C (collectively, the "Prior Bonds").

WITNESS my signature on this 4th day of December, 2002.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

THE CITY OF CHARLESTON (WEST VIRGINIA) SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 A AND SERIES 2002 B

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS
4. SIGNATURES
5. DELIVERY AND PAYMENT
6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
7. MEETINGS
8. INCUMBENCY AND OFFICIAL NAME
9. RATES
10. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
11. INSURANCE
12. INVESTMENT OF ESCROW FUND AND DEFEASANCE OF SERIES 1992 BONDS
13. OFFICIAL STATEMENT CERTIFICATION
14. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 8(c)(6)
15. DESIGNATION OF REGISTRAR, PAYING AGENT, ESCROW AGENT AND DEPOSITORY BANK
16. IRS INFORMATION RETURN
17. SPECIMEN BONDS
18. RELIANCE
19. CONFLICTS OF INTEREST
20. COUNTERPARTS

We, the undersigned Mayor and City Clerk of The City of Charleston, West Virginia (the "Issuer"), and the undersigned Special Counsel to the Issuer, hereby certify in connection with The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds"or individually, the "Series 2002 A Bonds" and the "Series 2002 B Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance duly passed on November 4, 2002, effective November 18, 2002, as supplemented by Supplemental Resolutions duly adopted on November 18, 2002 and December 2, 2002 and a Certificate of Determination dated November 21, 2002 (collectively, the "Ordinance"), and the Bond Purchase Agreement dated November 21, 2002 (the "Bond Purchase Agreement"), by and between the Issuer and Ferris, Baker Watts, Incorporated on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriter").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining, or affecting in any manner the issuance and delivery of the Bonds, or the collection of the Gross Revenues of the System or the pledge of the Net Revenues to the payment of the principal of and interest on the Bonds, nor in any manner questioning the proceedings and authority by which the Issuer authorized the issuance and sale of the Bonds, nor in any manner affecting the validity or enforceability of the Bonds, the Ordinance, the Escrow Agreement, the Undertaking or the Bond Purchase Contract or any agreement or instrument relating thereto, used or contemplated by the Bond Purchase Contract or any provisions made or authorized for the payment of the Bonds; nor in any manner questioning the valid existence of the Issuer, the City Council or the Sanitary Board or the authority or titles of the Mayor, City Clerk, and the council members of the Issuer to their respective offices; nor in any manner questioning any proceeding, procedure, action or thing followed, taken or done in connection with the issuance, sale and delivery of the Bonds, nor the refunding and payment of the Series 1992 Bonds, which is not set forth in the Official Statement relating to the Bonds.

3. GOVERNMENTAL APPROVALS: All applicable and necessary approvals and certificates required by law for the refunding of the Series 1992 Bonds, the operation of the System, and the issuance of the Bonds have been or will be duly and timely obtained and remain in full force and effect.

4. SIGNATURES: As of the date hereof, the Bonds were duly signed by the manual signature of the Mayor and the official seal of the Issuer, which seal is impressed upon this Certificate, was impressed thereon and attested by manual signature of the City Clerk of the Issuer.

5. DELIVERY AND PAYMENT: The undersigned Mayor did, on the date hereof, deliver to the Underwriters, the entire issue of the Series 2002 A Bonds, in various denominations and numbered AR-1 to AR-9, inclusive and the entire issue of the Series 2002 B Bonds, in various denominations and numbered BR-1 to BR-12, inclusive. At the time of delivery of the Bonds, there was paid to the Issuer (or others, on behalf of the Issuer) the agreed price therefor as follows:

Par Amount of Series 2002 A Bonds	$	1,755,000.00
Less: Underwriter's Discount		26,325.00
Plus: Net Original Issue Premium		1,018.20
Plus: Accrued Interest (December 1 to December 4)		436.69
Total	$	1,730,129.89
Par Amount of Series 2002 B Bonds	$	5,160,000.00
Less: Underwriter's Discount		77,400.00
Less: Net Original Issue Discount		11,004.05
Plus: Accrued Interest (December 1 to December 4)		1,497.53
Total	$	5,073,093.48

6. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer or the System of the Issuer since June 30, 2002. The Issuer has obtained (i) a certificate from an independent certified public accountant stating that the coverage and parity tests of the First Lien Bonds have been met; and (ii) the written consent of the Registered Owners of the Prior Bonds to the issuance of the Bonds on a parity with the First Lien Bonds and senior and prior to the Second Lien Bonds. The Bonds shall be issued with a lien on the Net Revenues on a parity with the lien held by the registered owners of the First Lien Bonds, but the lien of the Bonds shall be senior and superior to the lien of the registered owners of the Second Lien Bonds. Upon the defeasance of the Series 1992 Bonds on the date hereof and 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.

7. 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 Bonds, the operation of the System and the refunding of the Series 1992 Bonds, including without limitation, the imposition of rates and charges, were authorized or enacted at meetings of the Council of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Council of the Issuer and all applicable statutes, including without limitation, Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected, appointed, qualified and acting members of the Council 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.

8. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Charleston." The Issuer is a municipal corporation of the State of West Virginia in Kanawha County of said State. The Governing Body of the Issuer is its Council, consisting of twenty-six Council members, the Mayor and the City Clerk, all duly elected or appointed, qualified and acting, whose names and dates of commencement and termination of their current terms of office are listed below:

Office	Name	Date Of Commencement Of Office	Date Of Termination Of Office
Mayor	Jay Goldman	June 22, 1999	June 16, 2003
Recorder	James M. Reishman	June 22, 1999	June 16, 2003
Council Member	Patrick Jones	June 22, 1999	June 16, 2003
Council Member	Bobby Haas	June 22, 1999	June 16, 2003
Council Member	James "Moses" Lanham	June 22, 1999	June 16, 2003
Council Member	Kenneth McKnight	June 22, 1999	June 16, 2003
Council Member	David Molgaard	June 22, 1999	June 16, 2003
Council Member	Edward Talkington	June 22, 1999	June 16, 2003
Council Member	Henry Knauff	June 22, 1999	June 16, 2003
Council Member	Fred Petry	June 22, 1999	June 16, 2003

Council Member	Sara M. Crickenberger	June 22, 1999	June 16, 2003
Council Member	Marc Weintraub	November 4, 2002	June 16, 2003
Council Member	Jim Harris, Jr.	June 22, 1999	June 16, 2003
Council Member	Linda M. Nielsen	June 22, 1999	June 16, 2003
Council Member	Larry L. Roller	June 22, 1999	June 16, 2003
Council Member	John Charnock	June 22, 1999	June 16, 2003
Council Member	Bobby Reishman	June 22, 1999	June 16, 2003
Council Member	Donna Prunty	June 22, 1999	June 16, 2003
Council Member	William Kimberling	June 22, 1999	June 16, 2003
Council Member	Ditty L. Markham	June 22, 1999	June 16, 2003
Council Member	David Lanham	February 20, 2001	June 16, 2003
Council Member	Mary Jean Davis	June 22, 1999	June 16, 2003
Council Member	J. Thomas Lane	June 22, 1999	June 16, 2003
Council Member	Charles W. Loeb, Jr.	June 22, 1999	June 16, 2003
Council Member	Mary Jane Lopez	June 22, 1999	June 16, 2003
Council Member	Y. Howard Quick, Jr.	June 22, 1999	June 16, 2003
Council Member	Beth Fouty-Young	June 22, 1999	June 16, 2003

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman:	Jay Goldman, Mayor
Member:	John Tinney
Member:	Sam Bowling, P.E.

The duly appointed and acting Assistant City Attorney for the Issuer is Jill Harlan, Esquire, of Charleston, West Virginia and the Special Attorney for the Issuer is Goodwin & Goodwin LLP, Charleston, West Virginia.

9. RATES: The current rate ordinance was enacted on November 6, 2000. The Issuer has complied with all requirements of the Public Service Commission of West Virginia to make the rates valid and effective and such rates are in full force and effect. The time for appeal of such ordinance has expired and there has been no appeal thereof.

10. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for two successive weeks, with not less than six full days between each publication, the first such publication occurring not less than ten days before the date stated below for the public hearing, in the Charleston Gazette and the Charleston Daily Mail, two qualified newspapers published and of general circulation in the Issuer, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in the Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on November 18, 2002, at 7:00 p.m., prevailing time, in the council chambers of the City Hall in Charleston, West Virginia, and present protests, and

stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing and remains in full force and effect.

11. INSURANCE: The Issuer will maintain all insurance required under the Ordinance.

12. INVESTMENT OF ESCROW FUNDS AND DEFEASANCE OF SERIES 1992 BONDS: The funds on deposit in the Escrow Fund established by the Escrow Agreement between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent, dated as of the date hereof, are sufficient to fully pay the principal of, redemption premium and interest on the Series 1992 Bonds to their first redemption date, being January 1, 2003. As of the date hereof, the Series 1992 Bonds have been currently refunded, and the liens and pledges securing the Series 1992 Bonds have been discharged and defeased.

13. OFFICIAL STATEMENT CERTIFICATION: At and since the date of the Official Statement nothing has come to the attention of any signer hereof which would lead any such signer to believe that the Official Statement contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

14. CERTIFICATIONS UNDER BOND PURCHASE AGREEMENT SECTION 8(c)(6): In addition to the foregoing, the undersigned hereby certifies, as of the date hereof, that: (i) the representations and warranties of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (ii) (a) except as set forth in the Official Statement, no litigation is pending or, to their knowledge, threatened in any court to restrain or enjoin the issuance or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Ordinance, or the Bond Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance of the Bonds or the Ordinance, and (b) except as set forth in the Official Statement, there is no litigation pending, or, to the knowledge of the Mayor, threatened against the Issuer in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of revenues and assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or the Bond Purchase Agreement, or contesting the powers of the Issuer with respect to the Bonds, the Ordinance or the Bond Purchase Agreement or any transaction described in or contemplated by the Official Statement, which certificates shall be in form and substance acceptable to us; and (iii) to the best of our knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect.

15. DESIGNATION OF REGISTRAR, PAYING AGENT, ESCROW AGENT AND DEPOSITORY BANK: The Issuer hereby confirms the appointment of Bank One, West Virginia, National Association, Charleston, West Virginia, as the Registrar and the Depository Bank, and the West Virginia Municipal Bond Commission as Paying Agent and Escrow Agent.

16. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G for each series of the Bonds and will cause such executed Form 8030-G to be filed in a timely manner with the applicable Internal Revenue Service Center. The information set forth in such Form 8038-G is true, correct and complete in all respects.

17. SPECIMEN BONDS: Attached hereto as Exhibit A is a specimen of the Series 2002 A Bonds and the Series 2002 B Bonds which, except as to execution and authentication, is identical in all respects with the form attached to the Ordinance.

18. RELIANCE: The undersigned acknowledge that it is intended that interest on the Bonds be exempt from federal income tax in the hands of the owners thereof, that the firm of Jackson Kelly PLLC is rendering opinions on the date hereof to said effect and with respect to other matters, and that, in rendering such opinions, said firm is relying, among other things, upon the statements made herein. Said firm is entitled to rely upon such statements.

19. CONFLICT OF INTEREST: No member, officer or employee of the Issuer, the City Council or the Sanitary Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer to any contractor supplying the Issuer, relating to the Bonds or the Ordinance, 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.

20. COUNTERPARTS: This Certificate may be executed in counterparts and all such parts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of The City of Charleston, West Virginia, on this 4th day of December, 2002.

[SEAL]

Signature	Official Title
_____	Mayor
_____	City Clerk
_____	Special City Attorney

EXHIBIT A

See Specimen Series 2002 A Bond and Series 2002 B Bond (Tab No. 13 and 14).

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 A AND SERIES 2002 B

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of Charleston (the "Issuer"), being an official of the Issuer duly charged with the responsibility for the issuance of the Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B, dated December 1, 2002 (collectively, the "Bonds" or individually, the "Series 2002 A Bonds" and the "Series 2002 B Bonds"), hereby certify as follows, all capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance passed on November 4, 2002, effective November 18, 2002, as supplemented by Supplemental Resolutions adopted on November 18, 2002 and December 2, 2002 (collectively, the "Ordinance"), pursuant to which the Bonds are issued:

A. DEFINITIONS

The following words and phrases shall have the following meanings or such meanings required under the Code or the Regulations. Any capitalized word or term used herein but not defined herein shall have the same meaning set forth in the Ordinance.

"Bona Fide Debt Service Fund" means a fund, which may include proceeds of an issue, that:

(a) Is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; and

(b) Is depleted at least once each Bond Year, except for a reasonable carryover amount not to exceed the greater of:

(i) the earnings on the fund for the immediately preceding Bond Year; or

(ii) one-twelfth of the principal and interest payments on the Bonds for the immediately preceding Bond Year.

"Bond Insurer" means MBIA Insurance Corporation as the issuer of a policy of municipal bond insurance insuring the payment of the principal of and interest on the Bonds as they come due.

"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.

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

"Computation Date" means each date on which the Rebate Amount for the Bonds is computed under Section 1.148-3(e) of the Regulations.

"Computation Date Credit" means $1,000 for each Bond Year during which there are Gross Proceeds subject to rebate, or such other amount as may then be permitted by the Regulations.

"Computation Period" means the period between computation dates. The first computation period begins on the issue date and ends on the first computation date. Each succeeding computation period begins on the date immediately following the computation date and ends on the next computation date.

"Cost of Issuance" means costs to the extent incurred in connection with, and allocable to, the issuance of the Bonds within the meaning of Section 147(g) of the Code. For example, issuance costs include the following costs but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; rating agency fees; trustee fees; paying agent fees; bond registrar, certification, and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than for qualified guarantees (as defined in Section 1.148-4(f) of the Regulations); and similar costs.

"Date of Issue" means December 4, 2002.

"Discharged" means, with respect to any Bond, the date on which all amounts due with respect to such Bond are actually and unconditionally due if cash is available at the place of payment for such Bond and no interest accrues with respect to such Bond after such date.

"Fair Market Value" means fair market value as defined in Section 1.148-5(d)(6) of the Regulations.

"Final Computation Date" means the date on which the last Bond is Discharged.

"Future Value" means the future value of a payment or receipt at the end of any period, determined using the economic accrual method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the yield on the issue, using the same compounding interval and financial conventions used to compute that yield as provided under Section 1.148-3(c) of the Regulations.

"Gross Proceeds" means any Proceeds and Replacement Proceeds of the Bonds, all as defined in the Regulations.

"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.

"Investment Proceeds" means any amounts actually or constructively received from investing proceeds of the Bonds.

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in Section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"IRS" means the Internal Revenue Service.

"Issue Price" means, with respect to the Bonds, $6,906,511.68 (par amount, plus original issue premium, less original issue discount, plus accrued interest) or $6,905,014.15, if accrued interest is excluded.

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

"Nonpurpose Investment" means any Investment Property, as defined in Section 148(b) of the Code, that is not a Purpose Investment.

"Payment" means a payment as defined in Section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a payment as defined in Section 1.148-5(b) of the Regulations for purposes of computing the Yield on an Investment.

"Proceeds" means any Sale Proceeds, Investment Proceeds, and Transferred Proceeds of the Bonds. Proceeds do not include, however, amounts actually or constructively received with respect to a Purpose Investment that are properly allocable to the immaterially higher yield under Section 1.148-2(d) of the Regulations or Section 143(g) of the Code or to qualified administrative costs recoverable under Section 1.148-5(e) of the Regulations.

"Purpose Investment" means an Investment that is acquired to carry out the governmental purpose for which the Bonds were issued.

"Rebate Amount" means 100% of the amount owed to the United States under Section 148(f)(2) of the Code, as further described in Section 1.148-3 of the Regulations.

"Rebate Analyst" means the entity or person chosen by the Issuer in accordance with Section E(6) hereof to determine the Rebate Amount.

"Rebate Payment Date" means the date following a Computation Date on which the Rebate Amount is mailed or otherwise filed with the IRS. The Rebate Payment Date cannot be a date which is more than 60 days after a Computation Date.

"Receipt" means a receipt as defined in Section 1.148-3(d) of the Regulations for purposes of computing the Rebate Amount, and a receipt as defined in Section 1.148-5(b) for purposes of computing Yield on an Investment.

"Regulation" or **"Regulations"** means the temporary, proposed or final Income Tax Regulations promulgated by the Department of the Treasury that are applicable to the Bonds.

"Replacement Proceeds" means replacement proceeds as defined in Section 1.148-1(c) of the Regulations.

"Sale Proceeds" means any amounts actually or constructively received from the sale of the Bonds, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest. Sale proceeds also include but are not limited to, amounts derived from the sale of a right that is associated with a bond, and that is described in Section 1.148-4(b)(4) of the Regulations.

"Series 1992 Bonds" means, collectively, the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, to be currently refunded by the Bonds.

"Tax-Exempt Bond" means any bond the interest on which is excludable from gross income under Section 103(a) of the Code. For purposes of Section 148 of the Code, tax-exempt bond includes:

(1) An interest in a regulated investment company to the extent that at least 95% of the income to the holder of the interest is interest that is excludable from gross income under Section 103 of the Code; and

(2) A certificate of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 CFR part 344.

"Transferred Proceeds" means transferred proceeds as defined in Section 1.148-9 of the Regulations.

"Underwriter" means, collectively, Ferris, Baker Watts, Incorporated, Charleston, West Virginia and Crews & Associates, Inc., Charleston, West Virginia.

"Value" means value determined under Section 1.148-4(e) of the Regulations for the Bonds, and value determined under Section 1.148-5(d) for an Investment.

"Yield" or **"yield"** means the yield computed under Section 1.148-4 of the Regulations for the Bonds, and the yield computed under Section 1.148-5 of the Regulations for an Investment.

"Yield Restricted" means required to be invested at a Yield that is not materially higher than the Yield on the Bonds under Section 148(a) of the Code and Section 1.148-2 of the Regulations.

B. GENERAL

1. This certificate is being executed and delivered pursuant to Section 148 of the Code. The undersigned officer of the Issuer is charged with the responsibility of issuing the Bonds, is familiar with the facts, circumstances, and estimates herein certified and is duly authorized to execute and deliver this certificate on behalf of the Issuer.

2. This certificate may be relied upon as the certificate of the Issuer.

3. The Issuer has not been notified by the IRS of any listing or proposed listing of it as an issuer that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the IRS because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on December 4, 2002, the date on which the Bonds are to be physically delivered in exchange for the purchase price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Issuer has covenanted in the Ordinance that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, so that the Series 2002 Bonds will not constitute "arbitrage bonds" within the meaning of Section 148 of the Code, 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 Bonds) so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

6. The Bonds were sold on December 4, 2002, to the Underwriter for a purchase price of $6,801,289.15 (face amount of $6,915,000, less underwriter's discount of $103,725.00, less net original issue discount of $9,985.85, plus interest accrued thereon in the amount of $1,934.22 (total of $6,803,223.37).

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of providing moneys, together with the moneys transferred from the Series 1992 Bonds sinking funds and reserve accounts, necessary (i) to currently refund the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), of the Issuer; (ii) to fund a reserve fund for the Bonds; and (iii) to pay costs of issuance of the Bonds and related costs.

8. The Series 1992 Bonds were issued for the purpose of providing funds to finance or refinance the costs of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the Issuer.

9. The face amount of the Bonds is $6,915,000. The sources and uses of the proceeds of the Bonds and the moneys transferred from the Series 1992 Bonds sinking funds and reserve accounts in connection with the refunding of the Series 1992 Bonds are as follows:

Series 2002 A Bonds Sources

Principal Amount of the Series 2002 A Bonds	$ 1,755,000.00
Net Original Issue Premium	1,018.20
Accrued Interest	436.69
Transfer from the Series 1992 A Bonds Sinking Fund	197,970.00
Transfer from the Series 1992 A Bonds Reserve Account	$ 263,745.00
Total Sources	$ 2,218,169.89

Series 2002 A Bonds Uses

Escrow Fund	$	1,982,970.00
Series 2002 A Bonds Reserve Account		175,500.00
Costs of Issuance[1]		32,938.20
Underwriters' Discount		26,325.00
Deposit to Series 2002 A Bonds Sinking Fund		$ 436.69
Total Uses		$ 2,218,169.89

Series 2002 B Bonds Sources

Principal Amount of the Series 2002 B Bonds	$ 5,160,000.00
Accrued Interest	1,497.53
Transfer from Series 1992 B Bonds Sinking Fund	381,688.75
Transfer from Series 1992 B Bonds Reserve Account	$ 545,423.00
Total Sources	$ 6,088,609.28

Series 2002 B Bonds Uses

Escrow Fund	$	5,410,288.75
Series 2002 B Bonds Reserve Account		485,472.50
Costs of Issuance[1]		102,946.45
Underwriters' Discount		77,400.00
Deposit to Series 2002 B Bonds Sinking Fund		$ 1,497.53
Total Uses		$ 6,088,609.28

10. The Underwriter has stated, in its certificate, a copy of which is attached hereto as EXHIBIT A - CERTIFICATE OF UNDERWRITER (the "Underwriter's Certificate") that the Bonds have been reoffered, and a substantial amount thereof sold, to purchasers other than bond houses, brokers or other intermediaries, at the initial offering prices not greater than the respective prices shown on the cover page of the Official Statement of the Bonds, including interest accrued on the Bonds. The computation of the yield on the Bonds has been determined by the Underwriter, using the present value method in accordance with Section 1.148-5 of the Regulations and using a 360-day year, compounding interest semiannually. The Yield on the Bonds, as so computed, has been determined to be 3.8818566%, based on a "purchase price" equal to the Issue Price for the Bonds (including accrued interest thereof).

[1]Representing legal and financing fees, bond insurance premium, printing costs and other miscellaneous expenses relating to the issuance of the Bonds.

C. THE REFUNDING

The Issuer has entered into an Escrow Agreement (the "Escrow Agreement"), dated December 4, 2002, by and between the Issuer and the West Virginia Municipal Bond Commission, as Escrow Agent. Provision will be made for the payment of the Series 1992 Bonds by placing into the Escrow Fund established under the Escrow Agreement, cash sufficient to provide for the payment of the principal of, redemption premium, and interest on the Series 1992 Bonds on January 1, 2003, being the first permitted redemption date of the Series 1992 Bonds.

D. THE BONDS

1. Using the initial offering price of the Bonds as the "purchase price" and taking into account accrued interest as described below, the yield on the Bonds is computed to be 3.8818566% (the "Bond Yield").

2. The Series 2002 A Bonds Sinking Fund and the Series 2002 B Bonds Sinking Fund (collectively, the "Sinking Funds") have been created under the Ordinance. Moneys deposited to the Sinking Funds (other than the Reserve Accounts therein), including subsequent deposits thereto, will be spent within a 13-month period beginning on the date of deposit and will be depleted at least once a year, except for a reasonable carryover amount not in excess of 1/12 of the annual debt service with respect to the Bonds. The Bonds all bear interest at a fixed rate and the average maturity of the Bonds is in excess of 5 years. The Sinking Funds are designed to achieve a proper matching of the Issuer's revenues and debt service on the Bonds within each Bond year. All moneys held in the Sinking Funds will be used to pay debt service on the Bonds. All Sale Proceeds of the Bonds deposited in the Sinking Funds will constitute accrued interest on the Bonds and will be applied to pay interest on the Bonds on the first Interest Payment Date, being July 1, 2003. The Sinking Funds qualify as Bona Fide Debt Service Funds and all moneys in the Sinking Funds will be invested without restriction as to yield and are not subject to rebate.

3. The Series 2002 A Bonds Reserve Account and the Series 2002 B Bonds Reserve Account (collectively, the "Reserve Accounts") have been created under the Ordinance in an amount equal to the Reserve Requirement of the Bonds (the "Reserve Requirement"). The Series 2002 A Bonds Reserve Account is being funded with proceeds of the Series 2002 A Bonds in the amount of $175,500.00. The Series 2002 B Bonds is being funded with proceeds of the Series 2002 B Bonds in the amount of $485,472.50. The Reserve Requirement for each series of Bonds is equal to the lesser of (i)10% of the original stated principal amount of the Bonds; (ii) the maximum amount of principal and interest which will become due on the Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Bonds. The moneys in the Reserve Accounts will be invested without restriction as to yield. All earnings on amounts deposited in the Reserve Accounts will, to the extent the yield thereon exceeds the yield on the Bonds, be subject to rebate.

4. A Renewal and Replacement Fund is created under the Ordinance, to be funded through monthly deposits of Revenues in an amount equal to 2 1/2% of the Gross Revenues of the System. Absent an Event of Default on the Bonds, and depletion in full of the Reserve Accounts, the Renewal and Replacement Fund is not expected to be used for the purpose of paying Debt Service on the Bonds. Such moneys will be invested without restriction as to yield and are not subject to rebate.

5. A Costs of Issuance Fund is created under the Ordinance, to be funded from proceeds of the Bonds in the amount of $135,884.65 to pay costs of issuance. All such amounts shall be fully expended within 6 months from the date hereof. Pending such disbursement, such moneys will be invested without restriction as to yield and are not subject to rebate.

6. Other than the funds and accounts described above, there are no other funds or accounts of the Issuer which (i) are reasonably expected to be used to pay debt service on the Bonds or which are pledged as collateral to secure repayment of debt service on the Bonds and (ii) for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds.

7. Accrued interest with respect to the Bonds in an amount less than 6 month's interest on the Bonds will be applied within one year from the date hereof toward the payment of interest first due on the Bonds. Pending such disbursement, such monies will be invested without restriction as to yield.

8. Upon the advice of the Underwriters, the Issuer has obtained a bond insurance policy. In reliance on the Underwriters, the present value of the bond insurance premium to be paid to the Bond Insurer in connection with the issuance of the Bonds is less than the present value of the interest to be saved as a result of such credit enhancement, in each case using as a discount rate the yield of maturity on the Bonds, giving effect to credit enhancement fee payments in computing Yield (as determined for applicable federal income tax purposes as set forth herein).

E. REBATE

1. Arbitrage Compliance. The Issuer acknowledges that the continued exclusion of interest on the Bonds from gross income of the recipients thereof for purposes of federal income taxation depends, in part, upon compliance with the arbitrage limitations imposed by Section 148 of the Code, including the rebate requirements described below. The Issuer hereby agrees and covenants that it shall not permit at any time or times any of the Gross Proceeds of the Bonds nor other funds of the Issuer to be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code. The Issuer further agrees and covenants that it shall do and perform all acts and things necessary in order to ensure that the requirements of Section 148 of the Code are met. To that end, the Issuer will take all actions described below with respect to the investment of Gross Proceeds of the Bonds. The procedures set forth below are subject to revision if necessary to comply with any additional

rebate requirements of the Code or the Regulations. The Issuer hereby agrees and covenants to take all actions necessary to comply with these requirements.

2. Rebate Fund. (a) Section 148(f) of the Code requires that certain earnings on Nonpurpose Investments allocable to the Gross Proceeds of the Bonds be paid to the United States to prevent the Bonds from being arbitrage bonds. The arbitrage that must be rebated is based on the difference between the amount actually earned on Nonpurpose Investments and the amount that would have been earned if those investments had a Yield equal to the Yield on the Bonds.

(b) The Issuer has created the Series 2002 A Bonds Rebate Fund and the Series 2002 B Bonds Rebate Fund (collectively, the "Rebate Fund") in the Ordinance.

(c) On or before 45 days following each Computation Date, the Issuer shall deposit in the Rebate Fund, an amount such that the balance held in the Rebate Fund equals the aggregate Rebate Amount due as of the Rebate Payment Date following such Computation Date. The moneys so deposited may be derived from the Issuer's own funds or from funds or accounts created by the Ordinance (to the extent that such transfers are permitted under the Ordinance), at the option of the Issuer.

3. Calculation of Rebate Amount. For each Computation Date, the Rebate Analyst shall calculate the Rebate Amount by the appropriate method described in the Code and Regulations applicable or which may become applicable to the Bonds.

4. Payment to United States. (a) The first rebate installment payment must be made for a Computation Date that is not later than 5 years after the Date of Issue and subsequent rebate installment payments must be made for a Computation Date that is not later than 5 years after the previous Computation Date for which an installment payment was made, as required under Section 1.148-3(f)(l) of the Regulations.

(b) A rebate installment payment must be in an amount that, when added to the Future Value, as of the Computation Date, of previous rebate payments made for the issue, equals at least 90% of the Rebate Amount as of that date, as required under Section 1.148-3(f)(1) of the Regulations.

(c) For the Final Computation Date, a final rebate payment must be paid in an amount that, when added to the Future Value of previous rebate payments made for the issue, equals 100% of the Rebate Amount as of that date, as required under Section 1.148-3(f)(2) of the Regulations.

(d) Each rebate payment must be paid no later than 60 days after the Computation Date to which the payment relates, as required under Section 1.148-3(g) of the Regulations.

(e) Each rebate payment shall be mailed to the then applicable Internal Revenue Service Center. Each rebate payment shall be accompanied by a properly completed IRS Form 8038-T or other form provided by the IRS for this purpose.

(f) If on the Rebate Payment Date the balance on deposit in the Rebate Fund is in excess of the Rebate Amount attributable to the Bonds, to the extent that such excess is attributable to amounts provided by the Issuer and not derived from any funds or accounts (other than the Rebate Fund) held under the Ordinance, such excess may be withdrawn from the Rebate Fund and paid to the Issuer. The Issuer may recover any overpayment of rebate in accordance with Section 1.148-3(i) of the Regulations.

5. Recordkeeping. In connection with the rebate requirement, the Issuer shall maintain (or cause to be maintained) the following records:

(a) The Issuer shall record all Rebate Amounts paid to the United States.

(b) The Issuer shall retain records of the rebate calculations until six years after the Final Computation Date.

(c) The Issuer shall keep and record the data pertaining to the investment of the proceeds of the Bonds until six years after the Final Computation Date.

6. Rebate Analyst. (a) The Issuer shall appoint a Rebate Analyst to perform the rebate calculations as required herein.

(b) The Issuer may rely conclusively upon the opinions, calculations, determinations, directions and advice of the Rebate Analyst. The charges and fees for such Rebate Analyst shall be paid by the Issuer upon presentation of an invoice for services rendered in connection therewith. The Issuer hereby agrees to pay the fees of the Rebate Analyst.

7. Failure to Pay Rebate Amounts. In the event the Issuer fails to pay at the proper time and in the proper amount the Rebate Amount, it will pay the Rebate Amount plus interest within 180 days after discovery of such failure as set forth in Section 1.148-3(h)(3) of the Regulations. Notwithstanding the foregoing, in the event the Issuer fails to pay at the proper time and in the proper amount any Rebate Amount, it hereby covenants and agrees to pay any penalty required by IRS in lieu of a declaration of taxability on the Bonds.

E. BANK QUALIFIED

The Issuer does not reasonably expect to issue more than $10,000,000 of tax-exempt obligations (other than private activity bonds and bonds issued to currently refund any obligation of the Issuer) during the calendar year 2002 and in the Ordinance designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. The Series 2002 A Bonds and Series 2002 B Bonds are the only bonds issued by the Issuer during calendar year 2002. The Charleston Building Commission, a subordinate entity,

has or will issue three series of bonds during calendar year 2002. The first Building Commission issue was covered by the current refunding exemption. The second issue of $945,000 issued on October 30, 2002, and the third issue of $1,300,000 anticipated to be issued on December 6, 2002, along with the Series 2002 A and Series 2002 B Bonds do not exceed in the aggregate $10,000,000, being a total of $9,160,000.

G. EXCESS MONEYS.

All excess moneys held in the Series 1992 Bonds sinking funds and reserve account held at the West Virginia Municipal Bond Commission will be transferred to the Charleston Sanitary Board, on behalf of the Issuer, and said funds will be applied to the payment of capital expenses related to the Issuer's upgrade of its wastewater treatment plant. Such money shall be expended within six months of the date hereof and pending expenditure shall be invested at a yield not to exceed the yield as the Bonds.

H. MISCELLANEOUS

1. The amount designated as "Cost of Issuance" of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds and refunding of the Series 1992 Bonds.

2. The Issuer shall file Form 8038-G in a timely fashion with the applicable Internal Revenue Service Center.

3. None of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, or will be used to make or finance loans to, any person who is not a governmental unit.

4. The original proceeds of the Bonds will not exceed the amount necessary for the purpose of the issue, except to the extent any such proceeds are required for rebate to the United States.

5. The Issuer shall use the proceeds of the Bonds solely to accomplish the current refunding of the Series 1992 Bonds, to fund the Reserve Accounts, and to pay costs of issuance.

6. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder.

7. The Bonds are not, and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

8. The Issuer has not entered and will not enter into any transaction to reduce the Yield on an investment of the Gross Proceeds of the Bonds so as to cause the amount to be rebated to the United States Treasury to be less than it would have been had the transaction been at arm's length and the Yield on the Bonds not been relevant to either party to the transaction, and that all investments of Gross Proceeds will be made on an arm's length, Fair Market Value basis. In regard to the Investments acquired for the Escrow Fund, the Underwriter acting on behalf of the Issuer subscribed, on the date of the Bond Purchase Contract, with the Bureau of Public Debt for the purchase of the Government Securities. The Government Securities, described in the subscription, were purchased on the Issue Date and deposited into the Escrow Fund.

9. The Issuer shall comply with the general allocation and accounting rules set forth in Section 1.148-6 of the Regulations and the special arbitrage rules for refunding issues set forth in Section 1.148-9 of the Regulations.

10. No portion of the proceeds of the Bonds will be used directly or indirectly to acquire securities or obligations which may reasonably be expected, on the date hereof, to produce a yield materially higher that the Yield on the Bonds.

11. In connection with the Bonds, there has not been created or established, and the Issuer does not expect that there will be created or established, any sinking fund, pledged fund or similar fund (other than as specifically identified in this certificate), including, without limitation, any arrangement under which money, securities, or obligations are pledged directly or indirectly to secure the Bonds or any contract securing the Bonds or any arrangements providing for compensation or minimum balances to be maintained by the Issuer or related governmental agencies with any registered owner of the Bonds.

12. The Bonds are not and will not be part of a transaction or series of transactions that (i) attempt to circumvent the provisions of Section 148 of the Code, or any successor thereto, and the Regulations promulgated thereunder which enable the Issuer to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (ii) increase the burden on the market for tax-exempt obligations in any manner, including, without limitation, by selling obligations that would not otherwise be sold or selling a larger amount of obligations, or issuing them sooner, or allowing them to remain outstanding longer, that would otherwise be necessary.

13. No other obligations are being issued by the Issuer or any related entity at substantially the same time and sold pursuant to a common plan of financing and which will be paid out of substantially the same source of funds (or which will have substantially the same claim to be paid out of substantially the same source of funds) as the Bonds or which will be paid directly or indirectly from proceeds of the sale of the Bonds.

14. Gross Proceeds of the Bonds, other than gross proceeds that are allocable to:

(a) the payment of principal of, premium, if any, and interest on the Series 1992 Bonds;

(b) the payment of pre-issuance accrued interest on the Bonds from December 1, 2002, to December 4, 2002;

(c) the payment of the Costs of Issuance of the Bonds;

(d) the payment of administrative costs allocable to repaying the Series 1992 Bonds, or carrying and repaying the Bonds, or the reasonable investments of proceeds of the Bonds;

(e) transferred proceeds allocable to expenditures for governmental purposes of the Series 1992 Bonds;

(f) amounts deposited in the Sinking Funds (including investment earnings thereon) to pay debt service on the Bonds; and

(g) qualified guarantee fees (within the meaning of the Regulations) for the Bonds or the Series 1992 Bonds;

will not exceed 1% of the Sale Proceeds from the Bonds.

15. The issuance of the Bonds will not involve the use of a "device" or an "abusive transaction" within the meaning of Section 149(d)(4) of the Code and the Regulations thereunder.

16. The Issuer covenants to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be and continue to be excludable from gross income for federal income tax purposes.

17. The Issuer will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the IRS, if necessary, and take all other actions required of it in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

18. The Issuer has retained the right to amend the Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Bonds from the gross income of the owners thereof.

19. The Issuer shall comply with all yield restrictions on Bond proceeds as set forth in the Code.

20. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Ordinance.

21. The Bonds are a fixed yield issue. No interest or other amount payable on any of the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

22. Under Section 1.148-2(b) of the Regulations, an officer of the Issuer must certify the Issuer's expectations as of the issue date. In accordance therewith, the undersigned Mayor of the Issuer hereby in good faith certified that the representations and covenants set forth in this certificate constitute the reasonable expectations of the Issuer as of the Issue Date. Accordingly, the representations and covenants set forth herein are intended and may be relied upon as the certification described in Section 1.148-2(b) of the Regulations and are being delivered as part of the record of proceedings in connection with the issuance of the Bonds.

23. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

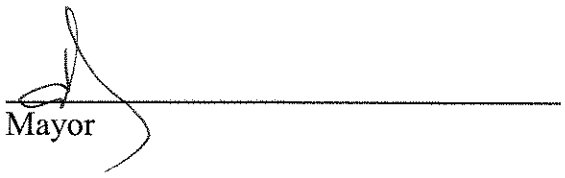
24. Jackson Kelly PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinion regarding the tax-exempt status of interest on the Bonds.

25. Notwithstanding any other provision hereof, any provision of this certificate shall be amended at any time and such amendment shall be complied with, upon receipt by the Issuer of an opinion of Bond Counsel that such amendment is necessary or permissible under the then current Code and Regulations and is either necessary to or will not adversely affect the excludability of interest on the Bonds from gross income of the recipients thereof for federal income tax purposes.

26. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature this 4th day of December, 2002.

THE CITY OF CHARLESTON



Mayor

EXHIBIT A

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

CERTIFICATE OF UNDERWRITER

The undersigned, on behalf of itself and Crews & Associates, Inc., hereby certifies the following as of the date of this certificate, relating to the sale and delivery of the above-captioned bonds (collectively, the "Bonds") by The City of Charleston (the "Issuer").

I. THE BONDS

1.1. The Bonds have been purchased for reoffering by, and are being delivered on this date to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Underwriter"). The Bonds have been reoffered, and a substantial amount (at least 10 percent of each maturity) thereof sold to purchasers other than bond houses, brokers or other intermediaries at initial offering prices (net of accrued interest) not exceeding the respective prices of or, in the case of obligations sold on a yield basis, at yields (net of accrued interest) no lower than the respective yields on the Bonds set forth on the cover of the Official Statement, dated November 21, 2002, relating to the Bonds.

1.2. The undersigned certifies that, calculated in the manner provided by the Code and the Regulations thereunder, and on the basis of the Issue Price, the Yield on the Series 2002 A Bonds is 3.4255931% per annum and the Yield on the Series 2002 B Bonds is 3.9891572% per annum and a Composite Yield of 3.88186% per annum. The foregoing yield refers to the discount rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Bonds, produces an amount equal to the Issue Price of the Bonds. The calculation of the foregoing yield is made on the basis of semi-annual compounding using a 360-day year and upon the assumption that payments are made on the last day of each semi-annual interest period ending January 1 and July 1. The calculation of the foregoing yield has been made assuming no optional redemption of the Bonds prior to the maturity date thereof.

1.4 The undersigned further represents that the present value of the bond insurance premium to be paid to the Bond Insurer (defined in the Certificate as to Arbitrage dated the date hereof), in connection with the issuance of the Bonds is less than the present value of the interest to be saved as a result of such credit enhancement, in each case using as a discount rate the yield of maturity on the Bonds, giving effect to credit enhancement fee payments in computing Yield (as determined for applicable federal income tax purposes as set forth in the Certificate as to Arbitrage).

1.5 The undersigned further represents that, based upon our participation in the procurement of the bond insurance policy and our experience with other similar credit enhancement arrangements, the payment for the bond insurance policy does not exceed a reasonable charge for the transfer of credit risk and does not include any direct or indirect payment for a cost risk or other element not customarily borne by credit enhancers of tax-exempt bonds, taking into account payments charged by credit enhancers in comparable transactions including transactions in which the credit enhancer has no involvement other than as a credit enhancer. Attached hereto is a Certificate of the Bond Insurer.

II. MISCELLANEOUS

2.1. To the best of the knowledge and belief of the undersigned, no other governmental obligations are being issued by the Issuer, or any related entity, at substantially the same time and pursuant to a common plan of financing and which will be paid out of substantially the same source of funds or which will have substantially the same claim to be paid out of substantially the same source of funds as the Bonds or which will be paid directly or indirectly from proceeds derived from the sale of the Bonds.

2.2. In our opinion, the Reserve Accounts of the Bonds funded with proceeds of the Bonds and other available funds of the Issuer are reasonably required and provide a source of security that facilitates the marketing of the Bonds at the interest rates provided thereon which rates are comparable to those of a bond issuer of a similar character. In determining that the aforesaid funds are "reasonably required" we have considered comparable issues sold within the last six months and current market conditions for the Bonds.

2.3. To the best knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations set forth herein, and in the Certificate as to Arbitrage of the Issuer, and said expectations are reasonable.

WITNESS my signature on this 4th day of December, 2002.

FERRIS, BAKER WATTS, INCORPORATED

_____

Senior Vice President

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

CERTIFICATE OF CITY CLERK AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

The undersigned duly elected City Clerk of The City of Charleston, West Virginia (the "Issuer"), hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds") are, as of the date hereof, true, complete and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted, enacted or entered by the Council of the Issuer, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter.

2. Oaths of Office of Mayor, City Clerk and Council Members.

3. Ordinance Creating Sanitary Board.

4. Oaths of Office of Sanitary Board Members.

5. Petition of Sanitary Board.

6. Bond Ordinance.

7. Supplemental Resolutions dated November 18, 2002 and December 2, 2002.

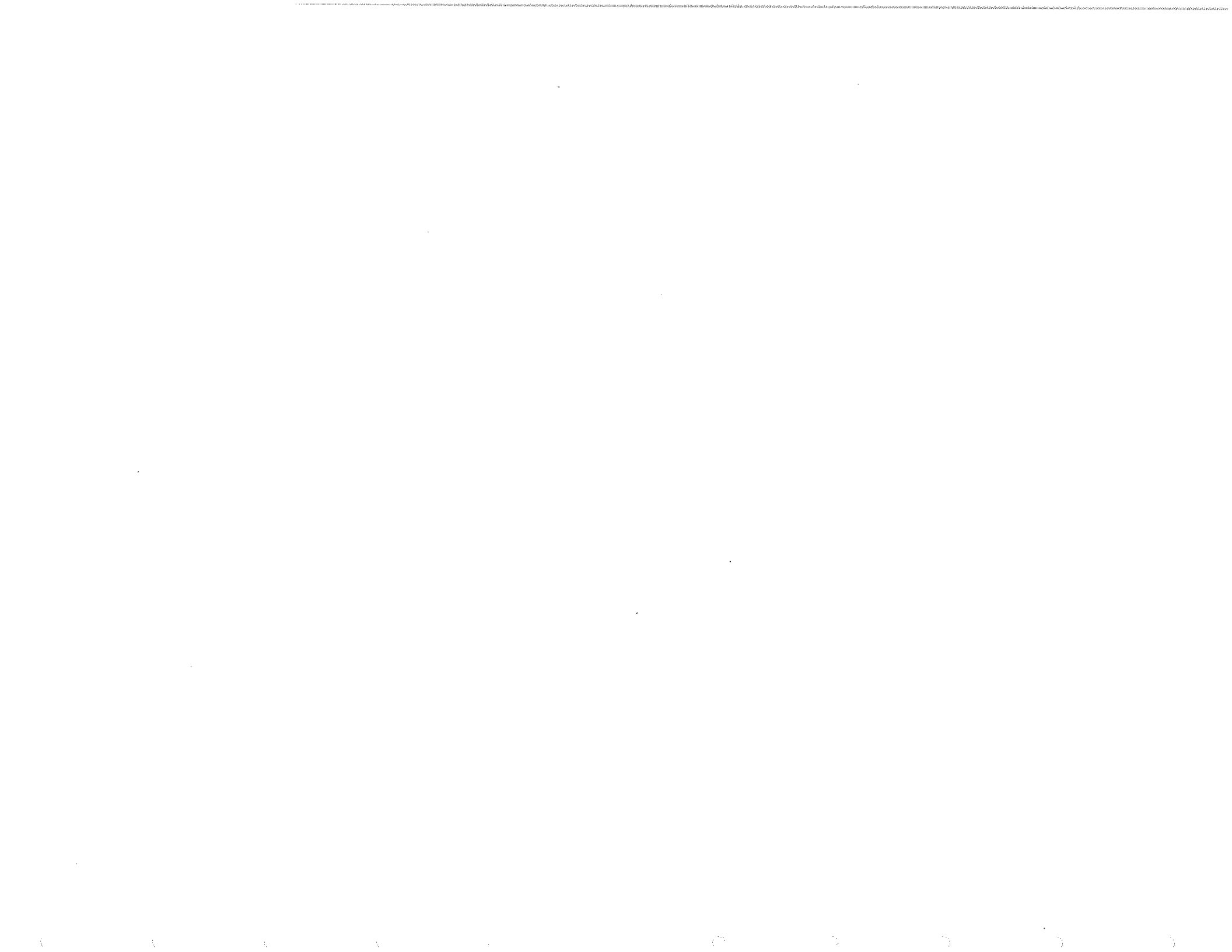
8. Minutes of Council Meetings regarding All Readings and Public Hearing of the Bond Ordinance and Adoption of the Supplemental Resolutions.

9. Affidavit of Publication of the Notice of Public Hearing and Abstract of Bond Ordinance.

WITNESS my signature and the official seal of The City of Charleston, West Virginia, on this 4th day of December, 2002.

City Clerk

[SEAL]



THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

CERTIFICATE OF UNDERWRITER

The undersigned, on behalf of itself and Crews & Associates, Inc., hereby certifies the following as of the date of this certificate, relating to the sale and delivery of the above-captioned bonds (collectively, the "Bonds") by The City of Charleston (the "Issuer").

I. THE BONDS

1.1. The Bonds have been purchased for reoffering by, and are being delivered on this date to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Underwriter"). The Bonds have been reoffered, and a substantial amount (at least 10 percent of each maturity) thereof sold to purchasers other than bond houses, brokers or other intermediaries at initial offering prices (net of accrued interest) not exceeding the respective prices of or, in the case of obligations sold on a yield basis, at yields (net of accrued interest) no lower than the respective yields on the Bonds set forth on the cover of the Official Statement, dated November 21, 2002, relating to the Bonds.

1.2. The undersigned certifies that, calculated in the manner provided by the Code and the Regulations thereunder, and on the basis of the Issue Price, the Yield on the Series 2002 A Bonds is 3.4255931% per annum and the Yield on the Series 2002 B Bonds is 3.9891572% per annum and a Composite Yield of 3.88186% per annum. The foregoing yield refers to the discount rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Bonds, produces an amount equal to the Issue Price of the Bonds. The calculation of the foregoing yield is made on the basis of semi-annual compounding using a 360-day year and upon the assumption that payments are made on the last day of each semi-annual interest period ending January 1 and July 1. The calculation of the foregoing yield has been made assuming no optional redemption of the Bonds prior to the maturity date thereof.

1.4 The undersigned further represents that the present value of the bond insurance premium to be paid to the Bond Insurer (defined in the Certificate as to Arbitrage dated the date hereof), in connection with the issuance of the Bonds is less than the present value of the interest to be saved as a result of such credit enhancement, in each case using as a discount rate the yield of maturity on the Bonds, giving effect to credit enhancement fee payments in computing Yield (as determined for applicable federal income tax purposes as set forth in the Certificate as to Arbitrage).

1.5 The undersigned further represents that, based upon our participation in the procurement of the bond insurance policy and our experience with other similar credit enhancement arrangements, the payment for the bond insurance policy does not exceed a reasonable charge for the transfer of credit risk and does not include any direct or indirect payment for a cost risk or other element not customarily borne by credit enhancers of tax-exempt bonds, taking into account payments charged by credit enhancers in comparable transactions including transactions in which the credit enhancer has no involvement other than as a credit enhancer. Attached hereto is a Certificate of the Bond Insurer.

II. MISCELLANEOUS

2.1. To the best of the knowledge and belief of the undersigned, no other governmental obligations are being issued by the Issuer, or any related entity, at substantially the same time and pursuant to a common plan of financing and which will be paid out of substantially the same source of funds or which will have substantially the same claim to be paid out of substantially the same source of funds as the Bonds or which will be paid directly or indirectly from proceeds derived from the sale of the Bonds.

2.2. In our opinion, the Reserve Accounts of the Bonds funded with proceeds of the Bonds and other available funds of the Issuer are reasonably required and provide a source of security that facilitates the marketing of the Bonds at the interest rates provided thereon which rates are comparable to those of a bond issuer of a similar character. In determining that the aforesaid funds are "reasonably required" we have considered comparable issues sold within the last six months and current market conditions for the Bonds.

2.3. To the best knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change the expectations set forth herein, and in the Certificate as to Arbitrage of the Issuer, and said expectations are reasonable.

WITNESS my signature on this 4th day of December, 2002.

FERRIS, BAKER WATTS, INCORPORATED

Senior Vice President

MBIA Insurance Corporation
113 King Street, Armonk, NY 10504
Tel 914-273-4545
www.mbia.com

MBIA

Capital Strength. Triple-A Performance.

TAX CERTIFICATE

The City of Charleston (West Virginia)
501 Virginia Street
Charleston, West Virginia 25301

RE: $1,755,000 The City of Charleston (West Virginia), Sewerage System Refunding Revenue Bonds, Series 2002 A

$5,160,000 The City of Charleston (West Virginia), Sewerage System Refunding Revenue Bonds, Series 2002 B
(the "Obligations")

Ladies and Gentlemen:

In connection with the issuance of the above-referenced obligations (the "Obligations"), MBIA Insurance Corporation (the "Insurer") is issuing two financial guaranty insurance policies (the "Policies") securing the payment of principal and interest on the Obligations.

This is to advise you that:

1. The Policies are unconditional obligations of the Insurer to pay scheduled payments of principal and interest on the Obligations in the event of a failure to do so by the The City of Charleston (West Virginia) (the "Issuer");

2. The insurance premiums in the amount of $14,000 for Series A and $47,000 for Series B, represent the charges for a transfer of credit risk and were determined in arm's length negotiations and is required to be paid as a condition to the issuance of the Policies;

3. No portion of such premiums represents an indirect payment of costs related to the issuance of the Obligations other than for the transfer of credit risk;

4. The Insurer does not reasonably expect that it will be called upon to make any payment under the Policies; and

5. To the extent the Insurer is called upon to make any payment under the Policies, the Insurer reasonably expects to pursue all available legal remedies to secure reimbursement for such payment.

Dated: December 4, 2002

MBIA Insurance Corporation

Assistant Secretary

G | T
& GRIGORACI, TRAINER, WRIGHT & PATERNO
W | P CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)

608 TENNESSEE AVENUE
P. O. BOX 1191
CHARLESTON, WV 25324
(304) 343-5511
FAX: (304) 343-5514

December 4, 2002

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

The City of Charleston
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Jackson Kelly PLLC
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

Ladies and Gentlemen:

We have reviewed the sewer service rates of The City of Charleston (the "Issuer"), enacted by the Issuer on November 6, 2000, and the current operating expenses and customer usage provided by the Charleston Sanitary Board. It is our opinion that such rates 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 115% of the maximum amount required in any year for the payment of principal and of interest on the Issuer's Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Series 2002 Bonds") and all other obligations secured by or payable from revenues of the System on a parity with or junior to the Series 2002 Bonds, including the Issuer's Sewer Revenue Bonds, Series 1989 A; Sewer Revenue Bonds, Series 1989 C, Sewerage System Refunding Revenue Bonds, 1993 Series A; Sewerage System Revenue Bonds, Series 1996 A; Sewerage System Revenue Bonds, Series 1996 B; Sewerage System Revenue Bonds, Series 1997 A; Sewerage System Revenue Bonds, Series 1997 B; Sewerage System Revenue Bonds, 1998 Series A; Sewerage System Revenue Bonds, 1999 Series A; Sewerage System Revenue Bonds, Series 2001 A; Sewerage System Revenue Bonds, 2001 Series B; Supplemental Sewer Revenue Bonds, Series 1989 B; Supplemental Sewer Revenue Bonds, Series 1989 D; Sewerage System Revenue Bonds, 1999 Series B; and Sewerage System Revenue Bonds, 2001 Series C (collectively, the "Prior 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 2002 Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the issuance of the Series 2002 Bonds, will not be less than 115% of the maximum annual amount which will mature and become due in any succeeding year for principal of and interest on the Prior Bonds and the Series 2002 Bonds.

We have reviewed the Debt Service Comparisons prepared by Ferris, Baker Watts dated November 21, 2002. These schedules provide a comparison and analysis of the net interest cost in dollars of the Series 2002 Bonds and the net interest cost in dollars of the Sewerage System Refunding Revenue Bonds, Series 1992 A and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B and indicate an amount of savings to be achieved. Based upon our review of these comparisons, it appears the amount of savings stated by the refunding should in fact be saved.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance authorizing the Series 2002 Bonds.

Very truly yours,

Gregan Training Wright & Paterno

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

RECEIPT FOR BONDS

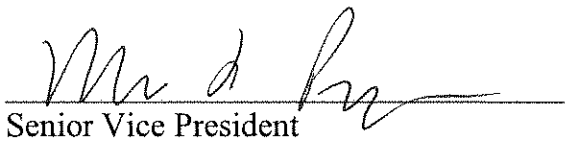
The undersigned, Marie Prezioso, Senior Vice President of Ferris, Baker Watts, Incorporated, on behalf of itself and Crews & Associates, Inc. (collectively, the "Underwriter"), hereby certifies as follows:

1. On the 4th day of December, 2002, in Charleston, West Virginia, the Underwriter received through the Depository Trust Company (i) the entire aggregate principal amount of the $1,755,000 Sewerage System Refunding Revenue Bonds, Series 2002 A, of The City of Charleston (the "Issuer"), dated December 1, 2002, issued in various denominations, and numbered AR-1 to AR-9, inclusive ; and (ii) the entire aggregate principal amount of the $5,160,000 Sewerage System Refunding Revenue Bonds, Series 2002 B, of the Issuer, dated December 1, 2002, issued in various denominations, and numbered BR-1 to BR-12, inclusive (collectively, the "Bonds").

2. At the time of such receipt of the Bonds, they had been executed by the Mayor of the Issuer and attested by the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Bonds.

WITNESS my signature on this 4th day of December, 2002.

FERRIS, BAKER WATTS, INCORPORATED



Senior Vice President

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

RECEIPT FOR BOND PROCEEDS

The undersigned Mayor of The City of Charleston (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On the 4th day of December, 2002, the Issuer received and hereby acknowledges receipt from Ferris, Baker Watts, Incorporated, and Crews & Associates, Inc. (collectively, the "Underwriter"), as the original purchasers of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B, dated December 1, 2002 (collectively, the "Bonds"), of the purchase price of the Bonds as follows:

Par Amount of Series 2002 A Bonds	$	1,755,000.00
Less: Underwriter's Discount		26,325.00
Plus: Net Original Issue Premium		1,018.20
Plus: Accrued Interest (December 1 to December 4)		436.69
Total	$	1,730,129.89
Par Amount of Series 2002 B Bonds	$	5,160,000.00
Less: Underwriter's Discount		77,400.00
Less: Net Original Issue Discount		11,004.05
Plus: Accrued Interest (December 1 to December 4)		1,497.53
Total	$	5,073,093.48

Payment for the Bonds was made in immediately available funds (federal funds wire).

WITNESS my signature on this 4th day of December, 2002.

THE CITY OF CHARLESTON

Mayor

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

REQUEST AND AUTHORIZATION TO
AUTHENTICATE AND DELIVER THE BONDS

Bank One, West Virginia, National Association,
as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith as Registrar for the above-captioned Bonds:

1. Bonds Nos. AR-1 through AR-9, constituting the entire original issue of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A, dated December 1, 2002, in the aggregate principal amount of $1,755,000; and Bonds Nos. BR-1 through BR-12, constituting the entire original issue of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 B, dated December 1, 2002, in the aggregate principal amount of $5,160,000 (collectively, the "Bonds"), all executed by the Mayor and the City Clerk of The City of Charleston (the "Issuer"), and bearing the official seal of the Issuer. The Bonds are authorized to be issued under and pursuant to a Bond Ordinance passed by the Council of the Issuer on November 4, 2002, effective November 18, 2002, as supplemented by Supplemental Resolution adopted by the Council of the Issuer on November 18, 2002 and December 2, 2002 (collectively, the "Ordinance").

2. Copies of the Ordinance and the Escrow Agreement certified by the City Clerk of the Issuer.

3. A list of the names in which the Bonds are to be registered upon original issue: CEDE & CO.

4. A signed, unqualified approving opinion of Jackson Kelly PLLC, as bond counsel.

5. Such other documents, certifications and verifications as the original purchaser may reasonably require.

You are hereby requested and authorized, pursuant to Section 3.12 of the Ordinance, to authenticate, register and deliver the Bonds to The Depository Trust Company, New York, New York, for the account of Ferris, Baker Watts, Incorporated, and Crews & Associates, Inc., as the original purchasers thereof.

Dated this 4th day of December, 2002.

THE CITY OF CHARLESTON

[SEAL]

Mayor

ATTEST:

City Clerk

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 2002 A AND SERIES 2002 B

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 4th day of December, 2002, by and between THE CITY OF CHARLESTON, WEST VIRGINIA, a municipal corporation (the "Issuer"), and BANK ONE, WEST VIRGINIA, NATIONAL ASSOCIATION, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds"), in the total aggregate principal amount of $1,755,000 and $5,160,000, respectively, pursuant to a Bond Ordinance duly passed by the Issuer on November 4, 2002, effective November 18, 2002, and Supplemental Resolutions duly adopted November 18, 2002 and December 2, 2002 (collectively, the "Ordinance");

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, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Registrar for the Bonds;

WHEREAS, the Issuer has requested that the Costs of Issuance Fund be held and administered by the Registrar; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance, to hold and administer the Costs of Issuance Fund, and to take certain other actions hereinafter set forth;

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 as 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 Registrar shall hold and administer the Costs of Issuance Fund. The Registrar shall make disbursements from said Fund upon the written instructions of the Mayor. Any moneys remaining in the Costs of Issuance Fund 60 days after the closing date shall be transferred to the West Virginia Municipal Bond Commission for deposit into the Sinking Funds created for the Bonds.

7. 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.

8. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective address:

ISSUER:

The City of Charleston
P.O. Box 2749
Charleston, WV 25330
Attention: Mayor

REGISTRAR:

Bank One, West Virginia, National Association
707 Virginia Street, East
Charleston, WV 25301
Attention: Corporate Trust Department

The Issuer and the Registrar shall notify the other in writing of any change of address.

9. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first above-written.

THE CITY OF CHARLESTON

Mayor

BANK ONE, WEST VIRGINIA,
NATIONAL ASSOCIATION

Lorene B. Mullins
Authorized Officer

EXHIBIT A

See Bond Ordinance (Tab No. 7)
See Supplemental Resolution (Tab No. 8)

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

REGISTRAR'S CERTIFICATE

Bank One, West Virginia, National Association, Charleston, West Virginia (the "Bank"), as Registrar for the above-captioned Bonds (the "Bonds"), hereby certifies as follows, all capitalized terms used herein have the same meanings set forth in the Bond Ordinance of The City of Charleston (the "Issuer") passed on November 4, 2002, effective November 18, 2002, as supplemented by Supplemental Resolutions adopted on November 18, 2002 and December 2, 2002 (collectively, the "Ordinance"):

1. The Bank is a national banking association duly organized, validly existing, and in good standing under the laws of the United States of America, may lawfully conduct business in West Virginia, and is lawfully empowered, pursuant to such laws, to accept the duties and obligations contemplated and as provided under the Ordinance and to serve in the capacities of Registrar under the Ordinance.

2. The Bank has duly authorized, by all necessary action, the authentication of the Bonds and the execution and delivery of this Certificate and the acceptance of all duties of Registrar under the Ordinance, and any and all other documents and agreements as may be required to be executed, delivered and received by the Bank in order to carry out, give effect to, and consummate the transactions contemplated thereby.

3. The person indicated in paragraph 4 below was at the time of the authentication of the Bonds, and is now, a duly elected, qualified and acting incumbent in his or her office; and, pursuant to authorization from the Board of Directors of the Bank, such person, in his or her official capacity, was and is authorized to authenticate the Bonds for and on behalf of the Bank.

4. Appearing opposite the name and title of the person indicated below is a true and correct specimen of his or her signature.

Name	Title	Signature
Lorene B. Mullins	Vice President	Lorene B. Mullins

5. There have been filed with the Bank all of the documents listed in the Ordinance and the Bonds have been duly authenticated and delivered to the Original Purchaser, and proceeds of the Bonds have been deposited as required by the Ordinance.

6. Attached hereto as Exhibit A is a correct listing of the Bond numbers, CUSIP numbers, maturity dates, principal amounts and interest rates of the Bonds.

WITNESS my signature on this 4th day of December, 2002.

BANK ONE, WEST VIRGINIA,
NATIONAL ASSOCIATION

By _____

Its: Vice President

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 23, 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

electionsU.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

jxhMultBankO.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 Kieschen 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
G. Thomas Sauvageot Authorized Officer	Vice President	
Lorene B. Mullins Authorized Officer	Vice President	

BANK ONE TRUST COMPANY, NA

By _____
Kathleen D. Back
Assistant Secretary

Dated at Indianapolis, Indiana this
_____day of _____, 1999

WEST VIRGINIA MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

3.11(A)
NEW ISSUE REPORT FORM
Date of Report: December 4, 2002

ISSUE: The City of Charleston Sewerage System Refunding Revenue Bonds, Series 2002 A

ADDRESS: P.O. Box 2749, Charleston, WV 25330 COUNTY: Kanawha

PURPOSE OF ISSUE: New Money ____
Refunding X Refunds issue(s) dated: June 1, 1992

ISSUE DATE: December 1, 2002 CLOSING DATE: December 4, 2002

ISSUE AMOUNT: $1,755,000 RATE: See attached schedule

1st DEBT SERVICE DUE: July 1, 2003 1st PRINCIPAL DUE: January 1, 2004

1st DEBT SERVICE AMOUNT: $ see schedule PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: John T. Poffenbarger, Esq.
Contact Person: ____
Phone: (304) 342-1678

CLOSING BANK: Bank One, WV, NA
Contact Person: Lorene Mullins
Phone: (304) 348-4463

ESCROW TRUSTEE: Municipal Bond Commission
Contact Person: Witter Hallan
Phone: (304)558-3971

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Bill Collison
Position: Finance Manager
Phone: (304) 348-1084

OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE: ____
____
By X Wire ____
____ Check ____

Accrued Interest: $ 436.69
Capitalized Interest: $ ____
Reserve Account: $ 175,500
Other: Escrow $ 1,521,255

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
X IGT

X To Escrow Trustee: $ 1,982,970 (See Note)
____ To Issuer: $ ____
____ To Cons.Invest.Fund $ ____
____ To Other: ____ $ ____

NOTES: Transfer to Escrow Fund: 1992 A Sinking Fund $197,970 and 1992 A DSRF $263,745

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: ____
Transfers Required: ____

WEST VIRGINIA MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

3.11 (B)
NEW ISSUE REPORT FORM
Date of Report: December 4, 2002

ISSUE: The City of Charleston Sewerage System Refunding Revenue Bonds, Series 2002 B

ADDRESS: P.O. Box 2749, Charleston, WV 25330 COUNTY: Kanawha

PURPOSE OF ISSUE: New Money ___
Refunding X Refunds issue(s) dated: November 1, 1992

ISSUE DATE: December 1, 2002 CLOSING DATE: December 4, 2002

ISSUE AMOUNT: $5,160,000 RATE: see attached schedule

1st DEBT SERVICE DUE: July 1, 2003 1st PRINCIPAL DUE: January 1, 2004

1st DEBT SERVICE AMOUNT: $ see schedule PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: John T. Poffenbarger, Esq.
Contact Person:
Phone: (304) 342-1678

CLOSING BANK: Bank One, WV, NA
Contact Person: Lorene Mullins
Phone: (304) 348-4463

ESCROW TRUSTEE: Municipal Bond Commission
Contact Person: Witter Hallan
Phone: (304)558-3971

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Bill Collison
Position: Finance Manager
Phone: (304) 348-1084

OTHER:
Contact Person:
Function:
Phone:

DEPOSITS TO MBC AT CLOSE:
By X Wire
___ Check

Accrued Interest: $ 1,497.53
Capitalized Interest: $ 0
Reserve Account: $ 485,472.50
Other: Escrow $ 4,483,177.00

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ___ Wire
___ Check
X IGT

X To Escrow Trustee: $ 5,410,288.75 (See Note)
___ To Issuer: $
___ To Cons.Invest.Fund $
___ To Other: $

NOTES: Transfer to Escrow Fund: 1992 B Sinking Fund $381,688.75 and 1992 B DSRF $545,423

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required:
Transfers Required:

Blanket Issuer Letter of Representations

[To be Completed by Issuer]

The City of Charleston, West Virginia
[Name of Issuer]

November 21, 2002
[Date]

Attention: Underwriting Department — Eligibility
The Depository Trust Company
55 Water Street; 50th Floor
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

The City of Charleston, West Virginia
(Issuer)

By: _____
(Authorized Officer's Signature)

Jay Goldman, Mayor
(Typewritten Name & Title)

501 Virginia Street, East
(Street Address)

Charleston, WV 25301
(City) (State) (Zip)

(304) 348-8174
(Phone Number)

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: _____

SCHEDULE A

SAMPLE OFFERING DOCUMENT LANGUAGE DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds $200 million, one certificate will be issued with respect to each $200 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants ("Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The Rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of Securities with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

[6. Redemption notices shall be sent to Cede & Co. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. will consent or vote with respect to Securities. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the Securities will be made to DTC. DTC's practice is to credit Direct Participants' accounts on payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with a demand for purchase or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records.]

10. DTC may discontinue providing its services as securities depository with respect to the Securities at any time by giving reasonable notice to the Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Security certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

JACKSONKELLY
ATTORNEYS AT LAW PLLC
1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

December 4, 2002

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

3.13

Re: The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B

Ladies and Gentlemen:

Enclosed herewith are completed and executed Internal Revenue Service Forms 8038-G and a file copy thereof with respect to the above-captioned bonds. Please file the original forms in the appropriate Internal Revenue Service records and return the copies marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

Samme L. Gee

SLG/lp

Enclosure

cc: Bill Collison *(w/enc.)*

Form **8038-G** (Rev. November 2000)

Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If **Amended Return**, check here ▶ ☐

1 Issuer's name: **The City of Charleston**	2 Issuer's employer identification number: **55 6000160**	
3 Number and street (or P.O. box if mail is not delivered to street address): **501 Virginia Street, East**	Room/suite	4 Report number: **3 2002-1**
5 City, town, or post office, state, and ZIP code: **Charleston, West Virginia 25301**		6 Date of issue: **December 4, 2002**
7 Name of issue: **Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B**		8 CUSIP number: **160609JW4**
9 Name and title of officer or legal representative whom the IRS may call for more information: **Jay Goldman, Mayor**	10 Telephone number of officer or legal representative: **(304) 348-8174**	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☑ Environment (including sewage bonds)	15	6,905,014.15
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	1/01/17	$ 6,905,014.15	$ 6,915,000.00	7.397 years	3.8818566 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	1,934.22
23	Issue price of entire issue (enter amount from line 21, column (b))			23	6,905,014.15
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	179,609.65		
25	Proceeds used for credit enhancement	25	61,000.00		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	660,972.50		
27	Proceeds used to currently refund prior issues	27	6,004,432.00		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	6,905,014.15
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	0

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	7.348 years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	years
33	Enter the last date on which the refunded bonds will be called ▶	January 1, 2003
34	Enter the date(s) the refunded bonds were issued ▶	06/01/92 and 11/01/92

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐		
40	If the issuer has identified a hedge, check box ▶ ☐		

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature of issuer's authorized representative	Date	Type or print name and title
	December 4, 2002	Jay Goldman, Mayor

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

REFUNDING - BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2002 A Bonds and Series 2002 B Bonds are excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Series 2002 A Bonds and Series 2002 B Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Series 2002 A Bonds and Series 2002 B Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2002 A Bonds and Series 2002 B Bonds, and the interest thereon, are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See "TAX EXEMPTION" herein.

$1,770,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A

$5,190,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 B

Dated: December 1, 2002

Due: As shown on inside front cover

The Series 2002 A Bonds and Series 2002 B Bonds (collectively, the "Bonds") are issued in fully registered form in the denomination of $5,000 principal amount or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. Interest on the Bonds is payable on each January 1 and July 1, commencing July 1, 2003 (each, a "Payment Date"). Principal of, premium, if any, and interest on the Bonds is payable by the West Virginia Municipal Bond Commission, as paying agent (the "Paying Agent") to Cede & Co.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

The Bonds are being issued by The City of Charleston, West Virginia (the "Issuer") to provide funds (i) to refund the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B, (ii) to fund debt service reserve funds for the Bonds, and (iii) to pay costs of issuing the Bonds. The Bonds are payable solely from and secured by the Net Revenues (as defined herein), and moneys held in certain of the funds and accounts maintained under the Ordinance (as defined herein), all as more fully described herein. See "SECURITY FOR THE BONDS." The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS-Redemption" herein.

Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a financial guaranty insurance policy to be issued simultaneously with the delivery of the Bonds by MBIA Insurance Corporation.

MBIA

The Bonds do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from the above-referenced revenues and moneys. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall tax ever be levied for, the payment of the principal of, premium, if any, or interest on the Bonds.

This cover page contains only a brief description of the Issuer, the System, the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors should read the entire Official Statement to obtain information necessary to make an informed investment decision.

The Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, and the approval of certain matters by John T. Poffenbarger, Esq., Charleston, West Virginia, Counsel to the Underwriters. Certain legal matters will be passed upon for the Issuer by Goodwin & Goodwin, LLP, Special City Attorney. It is expected that the Bonds will be available for delivery in New York, New York, at The Depository Trust Company on or about December 3 2002.

FERRIS, BAKER WATTS, INCORPORATED **CREWS & ASSOCIATES, INC.**

November __, 2002

*Preliminary, subject to change.

MATURITY SCHEDULE*

Series 2002 A Bonds
$1,770,000 Serial Bonds

Maturity Date (January 1)	Maturity Amount ($)	Interest Rate (%)	Price or Yield (%)	CUSIP
2004	175,000			
2005	180,000			
2006	185,000			
2007	190,000			
2008	195,000			
2009	200,000			
2010	205,000			
2011	215,000			
2012	225,000			

(accrued interest to be added)

Series 2002 B Bonds
$3,430,000 Serial Bonds

Maturity Date (January 1)	Maturity Amount ($)	Interest Rate (%)	Price or Yield (%)	CUSIP
2004	290,000			
2005	310,000			
2006	320,000			
2007	325,000			
2008	335,000			
2009	345,000			
2010	355,000			
2011	370,000			
2012	385,000			
2013	395,000			
$1,760,000	**___.__% Term Bonds due January 1, 2017 at ___.__%**			_____ ___

(accrued interest to be added)

*Preliminary, subject to change.

The information contained in this Official Statement has been obtained from the Issuer and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of the System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer of any securities, other than those described on the cover page, or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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THE CITY OF CHARLESTON, WEST VIRGINIA

Jay Goldman, Mayor

CITY COUNCIL

Ward 1 - Patrick Jones
Ward 2 - Bobby Haas
Ward 3 - Moses Lanham
Ward 4 - Kenneth McKnight
Ward 5 - David Molgaard
Ward 6 - Edward Talkington
Ward 7 - Henry Knauff
Ward 8 - Fred Petry
Ward 9 - Betty Morton
Ward 10 - Sara Crickenberger
Ward 11 - Marc Weintraub
Ward 12 - Jim Harris, Jr.
Ward 13 - Linda M. Nielsen
Ward 14 - Larry L. Roller
Ward 15 - John Charnock
Ward 16 - Bobby Reishman
Ward 17 - Donna Prunty
Ward 18 – William Kimberly
Ward 19 - Ditty L. Markam
Ward 20 - Dave Lanham
At-Large - Mary Jean Davis
At-Large - J. Thomas Lane
At-Large - Charles W. Loeb, Jr.
At-Large - Mary Jane Lopez
At-Large-Y. Howard Quick, Jr.
At-Large - Beth Fouty-Young

CITY MANAGER
Sherry Risk

CITY CLERK
James Reishman

CITY ATTORNEY
Kimberly Bandi Weber

CHARLESTON SANITARY BOARD

Mayor Jay Goldman, Chairman
John Tinney, Board Member
Sam Bowling, Board Member (PE)

SANITARY BOARD GENERAL MANAGER
Kathleen Rushworth

SANITARY BOARD FINANCE MANAGER
William Collison

SANITARY BOARD OPERATIONS MANAGER
James Downey

BOND COUNSEL
Jackson Kelly PLLC, Charleston, West Virginia

REGISTRAR
Bank One, West Virginia, N.A.

PAYING AGENT
West Virginia Municipal Bond Commission, Charleston, West Virginia

UNDERWRITERS
Ferris, Baker Watts, Incorporated
Crews & Associates, Inc.

UNDERWRITERS COUNSEL
John T. Poffenbarger, Esquire

SPECIAL CITY ATTORNEY
Goodwin & Goodwin, LLP

OFFICIAL STATEMENT

$1,770,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A BONDS

$5,190,000*
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 B BONDS

INTRODUCTION

This Official Statement, including the cover page and the Appendices hereto, is provided to set forth certain information concerning the issuance by The City of Charleston, a West Virginia municipal corporation (the "Issuer"), of $_____* in aggregate principal amount of its Sewerage System Refunding Revenue Bonds, Series 2002 A Bonds and $_____* in aggregate principal amount of its Sewerage System Refunding Revenue Bonds, Series 2002 B Bonds (collectively, the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and an ordinance adopted by the Council of the Issuer on November 4, 2002; as supplemented by a supplemental resolution adopted on November 18, 2002 (said ordinance, as so supplemented, the "Ordinance"). The net proceeds of the sale of the Bonds will be applied (i) to current refund the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992A, currently outstanding in the aggregate principal amount of $1,890,000 (the "Series 1992 A Bonds"), and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B, currently outstanding in the aggregate principal amount of $5,150,000 (the "Series 1992 B Bonds") (collectively, the "Series 1992 Bonds"), (ii) to fund debt service reserve funds for the Series 2002 A Bonds and Series 2002 B Bonds, and (iii) to pay costs of issuing the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.

The Bonds and the Prior Bonds, as hereinafter defined, will be paid from and secured by the Net Revenues (as defined under the heading "SECURITY FOR THE BONDS") derived from the Issuer's wastewater collection and treatment system (the "System") and all moneys in the Sinking Funds (including the Reserve Accounts and the Redemption Accounts therein).

The Bonds are special obligations of the Issuer. The Bonds do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from such Net Revenues and moneys in the Sinking Funds, including the Reserve Accounts therein.

Pursuant to the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates and charges for the use of the System and its services. Such rates and charges shall be adequate at all times to produce Gross Revenues from the System sufficient to pay operation and maintenance expenses and to make the prescribed payments into the funds and accounts created under the Ordinance. Such schedule or schedules of rates and charges shall be revised from time to time, 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 covenants and agrees in the Ordinance that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to meet the rate and parity requirements set forth in the Ordinance. See "SECURITY FOR THE BONDS--Rates" and "THE SYSTEM--Summary of Historical and Projected Gross Revenues and Expenses" herein.

*Preliminary, subject to change.

The Issuer may issue additional bonds secured by a lien on Net Revenues on a parity with the Bonds and the Prior Bonds, as hereinafter defined, for the purpose of financing the costs of the construction of additions, betterments or improvements to the System and/or refunding all or a portion of one or more series of revenue bonds, or all of such purposes, subject in each case to certain tests and conditions specified by the Ordinance. See "SECURITY FOR THE BONDS -- Additional Revenue Bonds."

Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a financial guaranty policy (the "Policy") to be issued simultaneously with the delivery of the Bonds by MBIA Insurance Corporation (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE POLICY" herein.

Brief descriptions of the refunding, the Bonds, the System, and the Ordinance are set forth in this Official Statement, which descriptions do not purport to be comprehensive. All references herein to the Ordinance, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents. References herein to the Bonds are qualified in their entirety by reference to the forms thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer or, during the period of the offering of the Bonds, from the Underwriters.

PURPOSE AND PLAN OF FINANCING

The Prior Bonds

The acquisition and construction of the System were financed or refinanced with proceeds of the Series 1992 Bonds and certain other obligations of the Issuer, which obligations are designated and have lien positions with respect to the Series 2002 Bonds as follows:

	Designation	Lien Position	Principal Outstanding as of June 30, 2002
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien	$1,789,352
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien	$ 776,545
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien	$ 508,919
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien	$2,189,039
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien	$ 315,166
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien	$ 608,558
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien	$4,522,066

Designation		Lien Position	Principal Outstanding as of June 30, 2002
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien	$ 869,439
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien	$ 664,233
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien	$1,111,357
11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien	$ 815,636
12.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien	$ 203,508
13.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien	$ 88,318
14.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien	$ 117,922
15.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien	$ 29,439

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds and the Series 2001 B Bonds are collectively referred to as the "First Lien Bonds". The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds and the Series 2001 C Bonds are collectively referred to as the "Second Lien Bonds", which are subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds".

The Refunding

Series 1992 A and Series 1992 B Bonds. The Issuer's Series 1992 A Bonds and Series 1992 B Bonds were issued in the aggregate principal amount of $2,955,000 and $6,670,000, respectively, to refund certain existing indebtedness and to make improvements and betterments to the System. The Series 1992 Bonds will be defeased upon issuance of the Bonds and redeemed on January 1, 2003. The Bonds maturing on or after January 1, 2004 will be redeemed at a price equal to 102% of the principal amount thereof.

As a result of the defeasance of the Series 1992 Bonds, the Bonds, along with the Prior Bonds, will be the only obligations of the Issuer outstanding and secured by the Net Revenues of the System.

ESTIMATED SOURCES AND USES OF FUNDS*

Series 2002 A Sources:

Principal Amount of the Series 2002 A Bonds	$
Original Issue Premium	
Less Original Issue Discount	
Accrued Interest	
Transfer from the Series 1992 A Bonds Debt Service Fund	
Transfer from the Series 1992 A Bonds Debt Service Reserve Fund	
Total Sources of Funds	$

Series 2002 A Uses:

Escrow Fund	$
Debt Service Reserve Fund	
Costs of Issuance [1]	
Underwriters' Discount	
Deposit to Debt Service Fund	
Total Uses of Funds	$

Series 2002 B Sources:

Principal Amount of the Series 2002 B Bonds	$
Original Issue Premium	
Less Original Issue Discount	
Accrued Interest	
Transfer from Series 1992 B Bonds Debt Service Fund	
Transfer from Series 1992 B Bonds Debt Service Reserve Fund	
Total Sources of Funds	$

Series 2002 B Uses:

Escrow Fund	$
Debt Service Reserve Funds	
Costs of Issuance [1]	
Underwriters' Discount	
Deposit to Debt Service Fund	
Total Uses of Funds	$

[1] Representing legal and financing fees, bond insurance premium, printing costs and other miscellaneous expenses relating to the issuance of the Bonds.

*Preliminary, subject to change.

SECURITY FOR THE BONDS

Pledge

The payment of the debt service of all of the Bonds issued hereunder shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity in all respects with the lien on the Net Revenues in favor of the Registered Owners of the First Lien Bonds and senior to the lien on the Net Revenues in favor of the Registered Owners of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Bonds and the Prior Bonds, and all other payments provided for in this Ordinance, are irrevocably pledged in the manner provided in the Ordinance to such payments as the same become due and for the other purposes provided in the Ordinance. See Appendix C, "SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE". "Net Revenues" are defined under the Ordinance to mean the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined. "Gross Revenues" are defined under the Ordinance to mean all rates, rents, fees, charges or other income received by or accrued to the Sanitary Board from the operation of the System, as calculated in accordance with generally accepted accounting principles.

The Bonds also are secured by the moneys on deposit in the Sinking Fund, including the Reserve Accounts therein, funded in an amount equal to the Reserve Requirements (as defined in the Ordinance).

The enforceability of the liens, pledges, rights or remedies with respect to the Bonds, the Prior Bonds and the Ordinance is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights. The first lien on and pledge of Net Revenues securing payment of the Bonds and the Prior Bonds may be subject to termination in the event of the bankruptcy of the Issuer.

Rates

The Issuer has covenanted and agreed that the schedule or schedules 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 115% 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 on a parity with the Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts for the Bonds and reserve accounts for obligations on a parity with the Bonds, including the Prior 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 on a parity with the Bonds, including the Prior Bonds. See "THE SYSTEM -- Rates" regarding the procedure by which rates may be revised.

Reserve Account

Pursuant to the Ordinance, the Issuer will maintain on deposit in the respective Reserve Accounts established with the West Virginia Municipal Bond Commission (the "Commission") an amount equal to the Reserve Requirements for the Bonds. The "Series 2002 A Bonds Reserve Requirement" and "Series 2002 B Bonds Reserve Requirement" are defined under the Ordinance to mean respectively, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 A Bonds and Series 2002 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 A Bonds and Series 2002 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 A Bonds and Series 2002 B Bonds.

Moneys in the Reserve Accounts will be used only to pay principal of or interest on the Bonds as due when other moneys in the Sinking Funds are insufficient therefor; provided that any such moneys in excess of the Reserve Requirements will be deposited in the respective Sinking Fund as described in Appendix C "SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE ".

Application of Gross Revenues

So long as any of the Bonds shall be Outstanding and unpaid, the Issuer has covenanted in the Ordinance as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in the Ordinance 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 provided in the Prior Ordinances and in the Ordinance. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund and pay 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of the interest on the First Lien Bonds; (ii) commencing 6 months prior to the first interest payment date of the Series 2002 A Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 A Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 A Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 A Bonds deposited therein; and (iii) commencing 6 months prior to the first interest payment date of the Series 2002 B Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 B Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 B Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 B Bonds deposited therein.

(3) The Issuer, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of principal of the First Lien Bonds; (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 A Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 A Bonds Sinking Fund and in the Series 2002 A Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 B Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 B Bonds Sinking Fund and in the Series 2002 B Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Reserve Accounts of the First Lien Bonds; (ii) an amount to be deposited in the Series 2002 A Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 A Bonds Reserve Account

below the Series 2002 A Bonds Reserve Requirement or any withdrawal from the Series 2002 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (A) the valuation of investments in the Series 2002 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 A Bonds Reserve Account is less than the Series 2002 A Bonds Reserve Requirement, or (B) any amount is withdrawn from the Series 2002 A Bonds Reserve Account for deposit into the Series 2002 A Bonds Sinking Fund; and (iii) an amount to be deposited in the Series 2002 B Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 B Bonds Reserve Account below the Series 2002 B Bonds Reserve Requirement or any withdrawal from the Series 2002 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2002 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 B Bonds Reserve Account is less than the Series 2002 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2002 B Bonds Reserve Account for deposit into the Series 2002 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account to an amount equal to the respective Reserve Requirement; provided, that no payments shall be required to be made into the such Reserve Accounts whenever and as long as the amounts deposited therein shall be equal to the respective Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any 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 as provided herein. 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 any 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 hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, remit to the Bond Commission the principal, interest and reserve account payments for the Second Lien Bonds.

Additional Revenue 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 the Bonds without complying with the conditions and requirements set forth in the Ordinance (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Bonds, 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months in 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 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall be not 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 Ordinance 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 3 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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance 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 of the Issuer 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 Independent Certified Public Accountants, as stated in a certificate filed with the City Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

See the Ordinance "Additional Parity Bonds" for further information.

Limited Obligations

The Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation but shall be payable solely from the funds pledged for such payment by the Ordinance. No Registered Owner of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

THE BONDS

The Bonds are available in book-entry form only. See "BOOK-ENTRY ONLY SYSTEM" below. So long as Cede & Co. is the registered owner of the Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

Description

The Bonds are being issued in the form of serial and term Bonds, the interest on which accrues and is payable on January 1 and July 1 of each year, commencing July 1, 2003 (each a "Payment Date"). The Bonds are dated, bear interest and mature as set forth on the front cover of this Official Statement.

The Bonds are issued in fully registered form in denominations of $5,000 principal amount and integral multiples thereof.

Interest on, premium, if any, and principal of the Bonds are payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent") to Cede & Co. by wire transfer in immediately available funds in accordance with the terms of a Letter of Representation by and among the Paying Agent, the Issuer and DTC (the "Letter of Representation").

Redemption*

Optional Redemption. The Series 2002 B Bonds maturing on or after January 1, 20__ are subject to redemption, at the option of the Issuer on or after January 1, 20__, in whole or in part, at any time in inverse order of maturity by lot within a maturity, at the following redemption prices expressed as percentages of the principal amount, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period Series 2002 B Bonds	Price*
January 1, 20__ through December 31, 20__	___%
January 1, 20__ through December 31, 20__	___%
January 1, 20__ and thereafter	___%

*Preliminary, subject to change.

Mandatory Sinking Fund Redemption. The Series 2002 B Term Bonds are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account created in the Sinking Fund, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption:

Series 2002 B Term Bonds Due January 1, 2017*

Year (January 1)	Principal Amount
2014	$
2015	$
2016	$
2017 (maturity)	$

Unless waived by any holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and,

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

(Remainder of this page left intentionally blank.)

*Preliminary, subject to change.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co., as nominee for DTC. One fully-registered Bond will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS, BONDOWNERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. Direct participants (the "Direct Participants") include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The Rules applicable to DTC and its Participants are on file at the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") in turn is to be recorded on the Direct and the Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry only system for the Bonds is discontinued as described below.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants in whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. For every transfer and exchange of beneficial ownership in the Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price and interest payments on the Bonds will be made to DTC. DTC's current practice is to credit the accounts of the Direct Participants in accordance with their respective holdings shown on the records of DTC unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices as is now the case with

municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Issuer or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to DTC is the responsibility of the Issuer and the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of the Direct Participants and the Indirect Participants.

IT IS THE DUTY OF EACH BENEFICIAL OWNER TO MAKE ARRANGEMENTS WITH THE APPLICABLE DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO RECEIVE FROM SUCH PARTICIPANT NOTICES OF REDEMPTION, CREDIT BALANCES WITH RESPECT TO PAYMENTS OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST, AND ALL OTHER PAYMENTS AND COMMUNICATIONS, WHICH THE DIRECT PARTICIPANT RECEIVES, FROM DTC. NEITHER THE ISSUER NOR THE TRUSTEE HAS ANY DIRECT OBLIGATION OR RESPONSIBILITY TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

For every transfer and exchange of ownership interests in Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Issuer may, by giving reasonable notice to DTC and the Trustee, discontinue the book-entry system if it determines that continuation is not in the best interests of the Issuer or the registered owners of the Bonds. Upon the giving of such notice, the book-entry only system for the Bonds will be discontinued unless a successor securities depository is appointed by the Issuer.

In the event the book-entry only system for the Bonds is discontinued, the following provisions would apply, subject to the further conditions set forth in the Indenture:

(a) Bond certificates in fully registered form will be delivered to, and registered in the names of, the Direct Participants or such other persons as such Direct Participants may specify (which may be the Indirect Participants or Beneficial Owners), in authorized denominations. The ownership of the Bonds so delivered (and any Bonds thereafter delivered upon a transfer or exchange described below) shall be registered in the Bond Register to be kept by the Trustee, and the Issuer and the Trustee shall be entitled to treat the registered owners of such Bonds, as their names appear in such Bond Register as of the appropriate dates, as the owners thereof for all purposes described herein and in the Indenture.

(b) Bonds may be transferred or exchanged by a Bondholder upon surrender to the Trustee of such Bonds, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Bondholder or a duly authorized attorney-in-fact or legal representative.

(c) In all cases of the transfer of a Bond, the Trustee will enter the transfer of ownership in the Bond Register and will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which such transferee is entitled to receive. No transfer of any Bond will be effective until entered on the Bond Register.

(d) Bonds may, at the option of the Bondholder, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate in any other authorized denominations, upon surrender of such Bonds accompanied by a written instrument or instruments of transfer, in form satisfactory to the Trustee, duly executed by the Bondholder or his duly authorized attorney.

(e) Upon the transfer or exchange of any Bond, the Bondholder shall be required to pay any taxes, fees or other governmental charges that may be imposed in relation thereto.

(f) Upon surrender of any Bonds to be transferred or exchanged, the Trustee shall record the transfer or exchange in its Bond Register and shall authenticate and deliver new Bonds appropriately registered and in appropriate authorized denominations. The Trustee shall not be required to effect or register any transfer or exchange of any Bond between the Regular Record Date and the related Interest Payment Date or during a period beginning at the opening of business five (5) days before the mailing of notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing or for any Bonds so selected for redemption in whole or in part, except

that Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion. No transfer or exchange made other than as described above and in the Indenture shall be valid or effective for any purpose under the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

FINANCIAL GUARANTY INSURANCE POLICY

The MBIA Insurance Corporation Insurance Policy

MBIA's policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Issuer to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by MBIA's policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a "Preference").

MBIA's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bonds. MBIA's policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. MBIA's policy also does not insure against nonpayment of principal of or interest on the Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a [Bond/Security] the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Bonds or presentment of such other proof of ownership of the Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Bonds as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Bonds in any legal proceeding related to payment of insured amounts on the Bonds, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.]

MBIA

MBIA Insurance Corporation ("MBIA") is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the "Company"). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates.

Additionally, MBIA is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of this [Prospectus/Private Placement Memorandum/Official Statement] or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the policy and MBIA set forth under the heading ["FINANCIAL GURANTY INSURANCE POLICY"]. Additionally, MBIA makes no representation regarding the Bonds or the advisability of investing in the Bonds.

The Financial Guarantee Insurance Policies are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA Information

The following documents filed by the Company with the Securities and Exchange Commission (the "SEC") are incorporated herein by reference:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 2001; and
(2) The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, after the date of this [Prospectus/Private Placement Memorandum/Official Statement] and prior to the termination of the offering of the Bonds offered hereby shall be deemed to be incorporated by reference in this [Prospectus/Private Placement Memorandum/Official Statement] and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this [Prospectus/Private Placement Memorandum/Official Statement], shall be deemed to be modified or superseded for purposes of this [Prospectus/Private Placement Memorandum/Official Statement] to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this [Prospectus/Private Placement Memorandum/Official Statement].

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2001, and (2) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002), are available (i) over the Internet at the SEC's web site at http://www.sec.gov; (ii) at the SEC's public reference room in Washington D.C.; (iii) over the Internet at the Company's web site at http://www.mbia.com; and (iv) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2001, MBIA had admitted assets of $8.5 billion (audited), total liabilities of $5.6 billion (audited), and total capital and surplus of $2.9 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of June 30, 2002, MBIA had admitted assets of $8.7 billion (unaudited), total liabilities of $5.7 billion (unaudited), and total capital and surplus of $3.0 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Financial Strength Ratings of MBIA

Moody's Investors Service, Inc. rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. rates the financial strength of MBIA "AAA."

Fitch Ratings rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. MBIA does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

THE SYSTEM

General

The Charleston Sanitary Board (the "Board") is a municipal sewer utility created by an ordinance adopted by City Council of the Issuer on March 17, 1952 to serve Charleston and a small portion of the surrounding area. The Board operates the wastewater collection system and treatment plant and provides service for approximately 65,000 people through approximately 24,600 customer accounts. The Board owns, maintains, and operates approximately 248 miles of sewage collections lines, 86 pumping stations, approximately 5,408 manholes and a treatment plant with a capacity of 14 million gallons per day under National Pollutant Discharge Elimination System (NPDES) Permit No. WV0023205. Treated wastewater is discharged to the Kanawha River.

History and Development

The Board obtained a collection system when formed in 1952. This collection system has been extended through private development and construction contracts administered by the Board and funded by federal grants, the Prior Bonds, and revenue generated from sanitary sewer service rates. The collection system includes 53 permitted combined sewer overflows.

The treatment plant was constructed in 1956 with a treatment capacity of 9 mgd. The treatment process consisted of primary treatment with chlorine disinfection and anaerobic sludge digestion. The treatment plant was upgraded in 1969 – the treatment capacity was increased to 12 mgd for average daily flow with a peak hydraulic capacity of 18 mgd. Secondary treatment with conventional activated sludge was added to the treatment process. The most recent plant upgrade was performed in 1985 with construction of improvements to the plant headworks, conversion of the secondary treatment process from conventional activated sludge to high-purity oxygen activated sludge, construction of additional detention basins for chlorine disinfection, construction of a gravity sludge thickener for primary and waste activated sludge, construction of a high-purity oxygen digester, and installation of a belt-filter press for sludge dewatering. The treatment plant is currently rated for 15.4 mgd. Permit discharge limits are based on a maximum flow of 14 mgd.

Properties and Services

The primary function of the Board is to collect and treat wastewater from domestic and industrial customers. The Board bills each domestic customer based on the amount of water used and each industrial customer based on the strength and volume of waste that enters the Board's collection and treatment system. Customers may pay by mail or in person at Charleston City Hall or the Board's administrative office in Charleston. The Board coordinates with the West Virginia American Water Company for the termination of water service for non-payment in accordance with Public Service Commission regulations.

The Board operates through 4 divisions: Administration, Plant Operation and Maintenance, Collection System Operation and Maintenance, and Pumping Station Operation and Maintenance. The Board administers a pre-treatment program for industrial customers and grease-trap program for customers with non-domestic food preparation. These programs are administered in accordance with Charleston Ordinances and federal and state regulations. The Board also reviews and approves building permit applications and subdivision plans prior to construction and installs taps for new customers.

Future Capital Improvements

The Board has contracted with an engineering consultant to perform a Plant Upgrade Study to develop recommendations for treatment plant upgrade construction beginning in 2003. The Board hopes to obtain funds for the pending upgrade from the State Revolving Fund or other State funding sources. The Board anticipates that a rate increase will be required in 2004 to fund a portion of the improvements.

In-house technical staff are designing a pumping station telemetry system and preparing bid documents for advertisement in 2003. The telemetry system will allow Board personnel to monitor pumping station performance from a remote location and immediately identify equipment that fails to operate properly. Current rates are adequate to provide funding to support the bonds to be issued for this project.

The Board has four collection system rehabilitation projects that are in preliminary stages: Porter's Hollow, Lick Branch, Kanawha Two-Mile, and Woodward Branch. Design and construction are scheduled over the next three

years for these projects. The Board anticipates that a rate increase will be required to permanently finance these improvements.

The Board is performing a water quality study to determine the impact of the combined sewer system on the Kanawha and Elk Rivers. As a result of this study, the Board could make capital improvements to the collection and treatment system to collect and treat additional wet-weather flow and decrease the impact of combined sewer overflows to the Rivers.

Service Area

The service area consists of the City and certain adjacent areas of Kanawha County. The retail service area occupies approximately thirty square miles and contains approximately 65,000 people. The Sanitary Board acquired the assets, liabilities and customers of Mt Tyler Public Service District on June 22, 1999. The acquisition resulted in an additional 580 customers to the system and generated approximately $131,138 in annual revenues. The Sanitary Board merged with the Guthrie Public Service District on May 22, 2001. This acquisition resulted in an additional 414 customers to the System and generates approximately $165,414 in annual revenues. Prior to the acquisition, the Board had treated the wastewater from the Public Service District's under a treatment agreement.

Customer Statistics

The following table indicates the numbers of domestic and industrial customers during each of the past 5 fiscal years and projections for the next 4 fiscal years.

Customer Category Summary
Numbers of Customers

Year Ended June 30*	Domestic	Industrial
1998	24,030	3
1999	23,714	2
2000	24,266	2
2001	24,378	2
2002	24,546	2
2003	24,500	2
2004	24,500	1
2005	24,500	1
2006	24,500	1

* Years ended June 30, 2003 through June 30, 2006 are projections.

Source: Board billing records for historical figures and otherwise projections by the Board.

The following table sets forth the 9 largest customers of the System, their average daily flow and percentages of total average daily flow and total average flow represented by such flow for the fiscal year ended June 30, 2001.

Major Users
Chart 1

Customer	Annual Flow	% of Flow	Total Revenues	% of Total Revenues
CAMC	79,694,140	3.57%	$307,619.38	3.71%
Charleston Housing Authority	49,256,700	2.21%	$190,130.86	2.29%
State of West Virginia	31,280,200	1.40%	$120,741.57	1.45%
United Dairy	27,855,000	1.25%	$107,520.30	1.30%
Forest City Management	26,395,500	1.18%	$101,886.63	1.23%
Spring Hill Apartments	18,978,000	0.85%	$73,255.08	0.88%
Charleston Marriott	16,949,000	0.76%	$65,423.14	0.79%
Univ. of Charleston	13,805,000	0.62%	$53,287.30	0.64%
Charleston Town Center	4,280,000	0.19%	$16,520.80	0.20%

Administration, Organization and Management

The Board is comprised of the Mayor as ex-officio chairman, and two members appointed by City Council to staggered terms. Board members are prohibited from holding other public offices and from employment by the Issuer. Board members are compensated by the Board subject to approval by City Council.

The System is required to be administered by a full time General Manager appointed by the Board to serve in such capacity for an indefinite term. Duties of the General Manager include submission and administration of the budget, enforcement of laws pertaining to the System, collection of revenues, purchase of System equipment and supplies, and performance of all other acts required of the chief executive officer of the Board.

The present Board members and managers of the System are identified below:

Jay Goldman is Mayor of the City of Charleston, and owner of Goldman & Associates Realtors. His present term expires June 2003. As Mayor, Mr. Goldman is ex-officio Chairman of the Board.

John Tinney is an attorney at law and partner in the firm Tinney Law Firm. His present term began March 17, 2000, and expires on March 17, 2003. Mr. Tinney is Secretary/Treasurer of the Board.

Sam Bowling is a Professional Engineer and owner of Dougherty Co. Inc. His present term began on March 2002 and expires on March 17, 2005. Mr. Bowing is Vice-Chairman of the Board.

Kathleen Rushworth, P.E. has been the General Manager of the Sanitary Board since January 2001. Ms. Rushworth received Bachelors of Science Degree in Geology and Civil Engineering from the University of Michigan and a Masters of Science degree in Engineering form the University of Texas. Ms. Rushworth is a Registered Professional Engineer in West Virginia and Ohio and a licensed Land Surveyor in West Virginia.

James Downey has been Operations Manager of the Sanitary Board since April 1993. He holds an Associate in Science Degree in Civil Engineering Technology from West Virginia University Institute of Technology, a Regents Bachelor of Arts Degree form West Virginia University Institute of Technology and is enrolled in the Marshall University Graduate College working on a Master of Science degree in Environmental Engineering.

William Collison has been the Finance Manager of the Sanitary Board since February 1986. He holds a bachelor of Business Administration degree from West Virginia State College.

Rates

Pursuant to the Act, the City Council must fix minimum rates and charges for the use of its municipal sewer system and may increase such rates whenever deemed necessary. Such rates and charges are required by the Act and the Ordinance to be sufficient at all times to provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefore, to provide for the repair, maintenance and operation of the sewer system, to provide an adequate depreciation fund and to make any other payments required or provided for in the applicable bond ordinance.

The Act provides that rates and charges established by municipally operated utilities shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Such rates and charges must be filed with the Public Service Commission of West Virginia (the "PSC") but generally are not subject to regulatory approval. However, any customer of a municipally operated utility aggrieved by a rate change may present to the PSC within 30 days of the adoption of the ordinance providing for the change a petition signed by not less than 25 percent of the customers served by the utility. Within 100 days from the filing of any such petition, a hearing examiner must issue an order approving, disapproving or modifying the rate increase. Such order has the full force and effect of an order issued by the PSC. Also, if a municipally operated utility serves customers outside the boundaries of the municipality, the PSC is empowered to review, approve or modify such rates if, within 30 days of the adoption of the ordinance providing for such rates, a customer (including a wholesale user) alleges that such rates constitute discrimination between customers within and without the municipal boundaries. The PSC may determine the method by which such rates are reviewed and may grant and conduct a new hearing on the matter if the customer or the municipality requests such a hearing.

The following table sets forth the rates and charges effective December 21, 2000.

Rates: - For Sewage that does not contain industrial waste:

$3.86 per thousand gallons in excess of 2,000 gallons used per month

Rates: - For Sewage that contains industrial waste:

Where the character of sewage from any manufacturing or industrial plant, building or premises is such that it imposes a burden upon the sewer system in addition to the burden imposed by the average sewage entering the sewer system, the Sanitary Board may, if it deems advisable to do so, compel the owner, tenant or occupant of such manufacturing or industrial plant, building or premises to treat such sewage in such manner as shall be specified by the Sanitary Board before discharging into the sewer system. In the absence of such treatment sufficient to remove such additional burden, the charges for treatment of such sewage shall be as follows:

Monthly Service Charge	$3,210.00
Volumetric Treatment Charge	$1.750 per thousand gallons
Biochemical Oxygen Demand (BOD) Charge	$0.258 per pound
Total Suspended Solids (TSS) Charge	$0.202 per pound

When an industrial user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Sanitary Board, should not be introduced into the sewer system, need not be handled by it. The result of this preliminary study will be used to determine the feasibility of the proposed sewer service.

Billing and Collections

The Issuer renders monthly billings to its residential customers based upon water usage. Payments are due upon receipt. If a bill remains unpaid beyond the penalty date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the giving of two termination notices and termination of service 20 days after the initial due date. The Board coordinates water disconnection with West Virginia American Water Company in accordance with Public Service Commission regulations. Upon reinstituting service to a previously delinquent account, a disconnect/reconnect charge of $20.00 is required.

Summary of Doubtful Accounts

Year Ended June 30	Gross Revenue	Allowance for Doubtful Accounts*
1997	$6,211,200	$ 551
1998	$5,830,618	$4,000
1999	$6,782,261	$4,700
2000	$7,148,600	$302,004
2001	$8,299,594	$72,000

*For fiscal year ended June 30, 2000 the allowance for doubtful accounts was increased by $297,304. The allowance at June 30, 2000 includes amounts outstanding for greater than twelve months. The previous method used was 0.55% of the accounts receivable at year end. Due to legislation passed disallowing the Board to hold landlords responsible for tenant usage, the amount of outstanding receivables has steadily increased over the past few years. Therefore, the prior method no longer provides an adequate allowance.

Deferred payment plans are available for any residential customer who demonstrates an inability to pay a System bill in full and shows that service termination would endanger such customer's health or safety.

The Ordinance requires that the Issuer prepare and adopt at least 45 days preceding the beginning of each fiscal year, a detailed budget of the estimated expenditures for operation and maintenance of the System during that succeeding fiscal year. The annual budget is prepared by the Finance Manager, approved by the General Manager and then presented to the Board of adoption.

All expenditures are approved through a materials requisition and purchase order system. Each order is reviewed by the Finance Manger, the General Manager, and, prior to disbursement of funds, by the accounting department. Checks are approved by the General Manager and require two signatures from Mayor/Chairman and the system financial advisor.

Public Employees Retirement System

The Board elected to participate in the West Virginia Public Employees Retirement System (the "Retirement System"), a statewide system comprised of the State of West Virginia and such of its political subdivisions as elect participation. Annuity benefits under the Retirement System are financed through employer and member contributions and the investment earnings on such contributions. The Board, as an employer, is obligated to contribute annually to the Retirement System and amount equal to 9.5 percent of its employee payroll for the preceding year. The following table summarizes the contributions made by the Board to the Retirement System during each of past five fiscal years:

Retirement System Contributions

	Fiscal Years Ended June 30				
	2001	**2000**	**1999**	**1998**	**1997**
Employees Covered	71%	73%	73%	63%	66%
Board Contribution rate (%)	9.5%	9.5%	9.5%	9.5%	9.5%
Board Contributions	$214,209	$206,274	$208,365	$175,312	168,286

Source: Compiled by the Finance Manager from the annual audit reports of Grigoraci, Trainer, Wright & Paterno. Certified Public Accountants, for the five fiscal years ended June 30, 1997 through June 20, 2001.

Method of Accounting

The Board maintains its accounts pertaining to the System on an accrual basis and in accordance with generally accepted accounting principles. The accounting records of the Board have been audited annually for the fiscal years ended June 30, 2001, 2000, 1999 and 1998 by Grigoraci, Trainer, Wright & Paterno. See Appendix A-AUDITED FINANCIAL STATEMENTS, regarding the fiscal years ended June 30, 2001 and June 30, 2000. The audited financial statements for fiscal year ended June 30, 2002, are expected to be completed by November 30, 2002.

Summary of Historical and Projected Gross Revenues and Expenses

The following two schedules summarize historical revenues and expenses of the System for the five fiscal years ended June 30, 2002, and projected revenues and expenses of the System for the three fiscal years ending June 30, 2005. The City of Charleston passed an ordinance in June of 1998 approving a 12.59% rate increase effective August 1, 1998 to meet the projected debt service coverage requirement (115%) for fiscal year ended June 30, 1999. Due to extraordinary operating expenses, and the loss of an industrial customer during the fiscal year ended June 30, 2000, and a change in estimate of allowance for doubtful accounts the Board did not meet the debt service minimum of 115% of the maximum amount required in any year of the debt. To correct this shortage a rate ordinance was passed by the City of Charleston on November 6, 2000, which increased sewer fees by $3,350,659, or 61.2% overall. This increase was effective December 21, 2000.

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CHARLESTON SANITARY BOARD
Summary Statement of Income and Expenses
Fiscal Years Ended June 30
Actual Results of Operations ($)

	1998 (1)	1999	2000 (2) (3) (4)	2001 (3) (4)	Unaudited 2002 (3)(4) (5)
Operating Revenues:					
Sewer Sales	$5,824,618	$6,777,261	$7,148,600	$8,167,289	$9,957,110
Rental Income	6,000	5,000	0	0	0
Total Operating Revenues	$5,830,618	$6,782,261	$7,148,600	$8,167,289	$9,957,110
Operating Expenses:					
Collecting Expenses	$511,925	$532,421	$616,634	$662,911	$820,842
Pumping Expense	741,393	705,613	706,283	666,190	734,767
Treatment Expense	1,695,554	1,919,939	1,935,198	2,002,009	2,034,402
Billing and Collecting Expense	594,852	581,713	959,259	862,711	756,808
Administrative and General	1,035,513	1,285,227	1,330,465	1,259,547	1,515,472
Interest Expense on Bank One Equipment Lease/Purchase	0	0	0	35,437	54,163
Total Operating Expenses	$4,579,237	$5,024,913	$5,547,839	$5,488,805	$5,916,454
Operating Income:					
Operating Income	$1,251,381	$1,757,348	$1,600,761	$2,678,484	$4,040,656
Other Income	380,603	347,088	80,597	132,305	99,734
Interest Income	0	0	159,234	204,795	124,163
Income Available for Debt Service	$1,631,984	$2,104,436	$1,840,592	$3,015,584	$4,264,553
Other Expense					
Bond Interest	$773,479	$809,704	$957,304	$851,138	$988,056
Bond Discounts and Issuance Costs Amortized	36,388	35,028	33,588	32,064	30,456
Depreciation Expense	87,895	110,856	1,600,319	1,589,298	1,856,587
Fiscal and Financial Costs	10,230	33,932	62,130	65,258	63,804
Total Other Expense	$907,992	$989,520	$2,653,341	$2,537,758	$2,938,903
Net Income	$723,992	$1,114,916	($812,749)	$477,826	$1,325,650
Debt Service Coverage Factor					
Maximum Annual Debt Service	$1,661,154	$1,790,856	$1,790,856	$1,931,992	$1,931,992
Percent Debt Service Coverage	98%	118%	103%	156%	221%

(1) The City of Charleston passed an ordinance in June of 1998 approving a 12.59% rate increase effective August 1, 1998 to meet the projected debt service coverage requirement (115%) for fiscal year ended June 30, 1999.

(2) Due to extraordinary operating expenses, and the loss of an industrial customer during the fiscal year ended June 30, 2000, and a change in estimate of allowance for doubtful accounts the Board did not meet the debt service minimum of 115% of the maximum amount required in any year of the debt. To correct this shortage an ordinance was passed by the City of Charleston on November 6, 2000, which increased sewer fees by $3,350,659, or 61.2% overall. This increase was effective December 21, 2000.

(3) Per GASB Statement 33, beginning in fiscal year ended 6/30/01, certain non exchange transactions such as sewer taps, main extensions, etc. that were previously recorded in an equity account are now included in income.

(4) During fiscal year ended June 30, 2001, an adjustment was made to record depreciation of the sewer system. The depreciation expense for fiscal year ended June 30 2000 was restated from $92,041 to $1,600,319 resulting in a reported net loss of $812,749 from a reported net income of $695,529. Retained earnings for fiscal year ended June 30, 2000 were decreased from $30,669,899 to $7,602,615 to record depreciation expense for prior years in the amount of $23,067,284.

(5) The audited financial statements for fiscal year ended June 30, 2002, are expected to be completed by November 30, 2002.

CHARLESTON SANITARY BOARD
Summary Statement of Income and Expenses
Fiscal Years Ending June 30
Projected Results of Operations ($)*

	Without Refunding of Series 1992 A Bonds and Series 1992 B Bonds			With Refunding of Series 1992 A and Series 1992 B Bonds		
	2003	2004	2005	2003	2004	2005
Operating Revenues:						
Sewer Sales	9,957,110	10,602,315	10,602,315	9,957,110	10,602,315	10,602,315
Rental Income	0	0	0	0	0	0
Total Operating Revenues	$9,957,110	$10,602,315	$10,602,315	$9,957,110	$10,602,315	$10,602,315
Operating Expenses:						
Collecting Expense	837,259	854,004	871,084	837,259	854,004	871,084
Pumping Expense	749,462	764,451	779,740	749,462	764,451	779,740
Treatment Expense	2,075,090	2,116,592	2,158,924	2,075,090	2,116,592	2,158,924
Billing and collecting expense	771,944	787,383	803,131	771,944	787,383	803,131
Administrative and general	1,545,781	1,576,697	1,608,231	1,545,781	1,576,697	1,608,231
Total operating expenses	$5,979,536	$6,099,127	$6,221,110	$5,979,536	$6,099,127	$6,221,110
Operating income	3,977,574	4,503,188	4,381,205	3,977,574	4,503,188	4,381,205
Other income	99,734	101,729	103,764	99,734	101,729	103,764
Interest income	124,163	126,646	129,179	124,163	126,646	129,179
Income available for debt service	$4,201,471	$4,731,563	$4,614,148	$4,201,471	$4,731,563	$4,614,148
Other expenses:						
Bond interest expense 1992A	111,915	103,318	93,795	0	0	0
Bond interest expense 1992B	317,328	304,638	290,895	0	0	0
Bond interest expense 2002A	0	0	0	31,154	51,658	47,995
Bond interest expense 2002B	0	0	0	107,327	181,089	174,895
Bond interest expense (all other)	535,195	520,475	505,212	535,195	520,475	505,212
Bond discounts and issuance costs amortized	238,447	0	0	238,447	0	0
Depreciation expense	2,026,711	1,900,851	1,868,816	2,026,711	1,900,851	1,868,816
Fiscal and financial costs	63,804	63,804	63,804	63,804	63,804	63,804
Total other expenses	$3,293,400	$2,893,086	$2,822,522	$3,002,638	$2,717,877	$2,660,722
Net income	$908,071	$1,838,477	$1,791,626	$1,198,833	$2,013,686	$1,953,426
Maximum Annual Debt Service	$1,931,992	$1,931,992	$1,931,992	$1,847,700	$1,847,700	$1,847,700
Projected Debt Service Coverage	217%	245%	239%	227%	256%	250%

*All figures are estimates and subject to change. The City anticipates issuing bonds to make additional upgrades to the System. The Maximum Annual Debt Service will increase as a result. See "THE SYSTEM--Future Capital Improvement."

Annual Debt Service Requirements

The following table sets forth for each fiscal year during which the Bonds will be outstanding the amounts payable from Net Revenues as principal of and interest on the Bonds. (Debt service on the Series 1992 Bonds is not included in these aggregate requirements because they will be defeased by the Bonds.)

Debt Service Requirements

Year Ending June 30	Prior Bonds Debt Service	Series 2002 A Principal	Series 2002 A Interest	Series 2002 B Principal	Series 2002 B Interest	Total Debt Service
2003	$1,122,824					
2004	$1,122,825					
2005	$1,122,823					
2006	$1,122,825					
2007	$1,122,824					
2008	$1,122,823					
2009	$1,122,824					
2010	$1,122,824					
2011	$1,122,854					
2012	$1,122,824					
2013	$1,122,824					
2014	$1,109,937					
2015	$1,071,271					
2016	$1,071,270					
2017	$1,071,270					
2018	$1,012,654					
2019	$760,737					
2020	$461,495					
2021	$461,495					
2022	$461,495					
2023	$393,937					
2024	$393,937					
2025	$393,936					
2026	$393,937					
2027	$393,937					
2028	$324,963					
2029	$324,963					
2030	$324,963					
Total	**$22,777,291**					

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RATING

Moody's Investors Service, Inc. is expected to assign this issue the rating of "Aaa" on the understanding that the standard municipal bond insurance policy of MBIA Insurance Corporation guaranteeing the timely payment of principal of and interest on the Series 2002 A Bonds and Series 2002 B Bonds, will be issued upon delivery of the Bonds. The Issuer has not applied for any other rating.

Such rating reflects only the views of such organizations, and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by any of the issuing agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

TAX EXEMPTION

Jackson Kelly PLLC, Bond Counsel, is of the opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds, and the interest thereon, are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

NO LITIGATION

There is no litigation or other proceeding pending or, to the knowledge of the Issuer, threatened to restrain or enjoin the issuance, sale, or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds, the proceedings pursuant to which the Bonds are issued, or the collection, application or pledge of the Net Revenues and other moneys purported to be pledged by the Ordinance.

UNDERWRITING

Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. as Underwriters, have agreed, subject to certain conditions, to purchase the Series 2002 A Bonds at a price of $_____ (par amount, less an Underwriters' discount of $_____), plus accrued interest. Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. as Underwriters, have agreed, subject to certain conditions, to purchase the Series 2002 B Bonds at a price of $_____ (par amount, less an Underwriters' discount of $_____), plus accrued interest. The Underwriters will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriters.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Bond Counsel, whose opinion will be delivered concurrently with the delivery, upon original issuance, of the Bonds. Certain legal matters will be passed upon for the Issuer by Goodwin & Goodwin, LLP, Special City Attorney. John T. Poffenbarger, Esq., will pass upon certain matters as counsel for the Underwriters.

EXPERTS

Included in Appendix A are the Audited Financial Statements pertaining to the System as of and for the fiscal years ended June 30, 2000 and 2001, prepared by Grigoraci, Trainer, Wright & Paterno, Certified Public Accountants. Such statements have been included herein in reliance upon the reports of such accountants as experts in auditing and accounting.

CONTINUING DISCLOSURE

The Issuer has agreed for the benefit of the holders of the Bonds to provide each Nationally Recognized Municipal Securities Information Repository and, if established the State Information Depository, on an annual basis on or before 12 months after the end of each fiscal year certain financial and operating data and in a timely manner, notices of certain material events, in order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities Exchange Commission. A summary of the Continuing Disclosure Certificate is attached hereto as Exhibit F.

MISCELLANEOUS

The foregoing summaries of the Bonds and the Ordinance, and references to the Act, do not purport to be comprehensive and are qualified in their entirety by the exact provisions thereof. Copies of the Ordinance (including the form of the Bonds) and the Act may be obtained from the Issuer or, during the period of offering of the Bonds, from the Underwriters. All estimates and assumptions herein have been made upon the best information available and are believed to be reliable, but no representation whatsoever is made that such estimates or assumptions are correct or will be realized. Statements involving matters of opinion, whether or not so expressly stated, are set forth as opinions and are not presentations of fact.

This Official Statement has been duly approved and its distribution authorized by the Issuer.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: _____
Mayor

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APPENDIX A

THE SANITARY BOARD OF THE CITY OF CHARLESTON

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

YEARS ENDED JUNE 30, 2001 AND 2000

THE SANITARY BOARD OF THE CITY OF CHARLESTON

FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

Years Ended June 30, 2001 and 2000

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THE SANITARY BOARD OF THE CITY OF CHARLESTON

BOARD OFFICIALS

For the Fiscal Year Ended June 30, 2001

Office	Name	Term
Board Officials:	Kathleen Rushworth	Appointed
	Sam Bowling	8/01 - 8/04
	John Tinney	3/00 - 3/03
Board Chairman:	Jay Goldman	6/99 - 6/03

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INDEPENDENT AUDITORS' REPORT

The Sanitary Board of
The City of Charleston
Charleston, West Virginia

We have audited the accompanying general-purpose financial statements of The Sanitary Board of The City of Charleston as of and for the years ended June 30, 2001 and 2000, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of The Sanitary Board of The City of Charleston's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of The Sanitary Board of The City of Charleston as of June 30, 2001 and 2000, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2001, on our consideration of The Sanitary Board of The City of Charleston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Grigoraci, Trainer, Wright & Paterno

Charleston, West Virginia
September 28, 2001

THE SANITARY BOARD OF THE CITY OF CHARLESTON

BALANCE SHEETS

June 30, 2001 and 2000

ASSETS	2001	(As Restated) 2000
Current assets:		
Cash	$ 829,674	$ 282,072
Deposits - State Sinking Fund - regular account	992,823	926,202
Deposits - restricted	1,291,324	48,080
Accounts receivable less allowance for doubtful accounts of $72,000 in 2001 and $302,004 in 2000	822,133	946,100
Accounts receivable - other	31,439	27,457
Prepaid expenses	121,467	32,608
Unamortized bond issuance costs	29,271	30,822
Total current assets	4,118,131	2,293,341
Property, plant and equipment:		
Land and land rights	752,227	752,227
Structures and improvements	7,991,912	7,987,390
Collection system	46,032,412	42,662,370
Pumping system	1,650,116	1,640,245
Treatment and disposal plant equipment	17,070,223	17,046,698
General plant equipment	2,810,432	2,301,928
Construction in progress	1,292,542	408,256
Sewer system, July 1, 1952 (nominal value)	1	1
Total property, plant and equipment	77,599,865	72,799,115
Less accumulated depreciation	28,861,911	26,370,903
	48,737,954	46,428,212
Other assets:		
Deposits - State Sinking Fund - reserve account	2,009,027	1,872,605
Deferred charges:		
Unamortized bond issuance costs	229,447	258,720
	$ 55,094,559	$ 50,852,878

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

BALANCE SHEETS

June 30, 2001 and 2000

LIABILITIES AND CAPITAL	2001	(As Restated) 2000
Current liabilities:		
Current portion long-term debt - revenue bonds	$ 870,326	$ 834,101
Current portion - capital lease	426,429	0
Accounts payable	515,167	418,914
Accrued payroll	100,501	86,541
Accrued pension	8,700	16,254
Accrued vacation	104,815	98,679
Accrued bond interest payable	329,934	423,100
Total current liabilities	2,355,872	1,877,589
Long-term debt - revenue bonds, net of current portion, less unamortized bond discounts of $10,186 in 2001 and $11,427 in 2000	21,006,251	20,171,059
Long-term debt - capital lease	683,712	0
	21,689,963	20,171,059
Capital:		
Contributions in aid of construction	24,229,261	22,014,364
Retained earnings	6,819,463	6,789,866
Total capital	31,048,724	28,804,230
	$ 55,094,559	$ 50,852,878

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended June 30, 2001 and 2000

	2001	(As Restated) 2000
Revenue	$ 8,167,289	$ 7,148,600
Other operating revenue	132,305	80,597
	8,299,594	7,229,197
Operating expenses:		
Collecting expense	662,911	616,634
Pumping system	666,190	706,283
Treatment and disposal system	2,002,009	1,935,198
Billing and collection department	862,711	959,259
Administrative and general	2,848,845	2,930,784
Total operating expenses	7,042,666	7,148,158
Operating income	1,256,928	81,039
Interest income	204,795	159,234
	1,461,723	240,273
Other expenses:		
Interest	886,575	957,304
Bond discounts and issuance costs amortized	32,064	33,588
Fiscal and financial costs	65,258	62,130
Total other expenses	983,897	1,053,022
Net income (loss)	477,826	(812,749)
Retained earnings - beginning of year	6,789,866	7,602,615
Retained Earnings - from Guthrie PSD Merger	(448,229)	0
Retained earnings - end of year	$ 6,819,463	$ 6,789,866

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

STATEMENTS OF CONTRIBUTIONS IN AID OF CONSTRUCTION

For the Years Ended June 30, 2001 and 2000

	2001	2000
Contributions in aid of construction - beginning of year	$ 22,014,364	$ 21,960,176
Contributions in aid of construction - from Guthrie PSD Merger	2,214,897	0
Customer contributions	0	54,188
Contributions in aid of construction - end of year	$ 24,229,261	$ 22,014,364

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2001 and 2000
Increase (Decrease) in Cash and Cash Equivalents

	2001	2000
Cash flows from operating activities:		
Cash received from customers	$ 8,419,579	$ 7,221,822
Cash payments to suppliers for goods and services	(3,278,343)	(3,237,003)
Cash payments to employees for services	(2,155,089)	(2,116,356)
Net cash provided by operating activities	2,986,147	1,868,463
Cash flows from capital and related financing activities:		
Proceeds from revenue bonds	1,704,278	840,404
Principal paid on revenue bond maturities	(834,101)	(802,452)
Interest and fees paid on revenue bonds	(1,212,604)	(1,186,107)
Purchase of property, plant, and equipment	(4,662,100)	(1,200,718)
Merger with Guthrie Public Service District	2,529,727	0
Contributions in aid of construction	0	54,188
Proceeds from capital lease agreement	1,315,000	0
Capital lease payments	(204,859)	0
Interest paid on lease obligations	(35,437)	0
Net cash (used) for capital and related financing activities	(1,400,096)	(2,294,685)
Cash flows from investing activities:		
Interest received	204,795	159,234
Net cash provided by investing activities	204,795	159,234
Net increase (decrease) in cash and cash equivalents	1,790,846	(266,988)
Cash and cash equivalents, beginning of year (including restricted assets of $48,080)	330,152	597,140
Cash and cash equivalents, end of year (including restricted assets of $1,291,324)	2,120,998	330,152
Reconciliation of operating income to net cash provided by operating		
Operating income	1,256,928	81,039
Adjustments to reconcile operating income to net		
cash provided by operating activities:		
Depreciation expense	1,589,298	1,600,319
(Increase) decrease in accounts receivable	119,985	(7,375)
(Increase) decrease in prepaid and other	(88,859)	64,038
Increase (decrease) in accounts payable	96,253	118,412
Increase (decrease) in accrued salaries and benefits	6,406	11,978
Increase (decrease) in accrued vacation	6,136	52
Total adjustments	1,729,219	1,787,424
Net cash provided by operating activities	$ 2,986,147	$ 1,868,463
Schedule of noncash investing, capital, and financing activities:		
Assets purchased under capital lease	$ 404,914	$ 0
Interest paid	$ 979,741	$ 965,112
Bad debts written off	$ 484,690	$ 2,955

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sanitary Board of The City of Charleston (the Board) was created by virtue of an ordinance adopted March 17, 1952 by the City of Charleston. The Sanitary Board was established to oversee administration of the city sewer system. Although it is a legally separate entity, The Sanitary Board is a blended component unit of the City of Charleston and is also included in the City's financial statements.

A summary of the significant accounting policies of The Board is presented below.

(a) Basis of Accounting - The Board employs the accrual basis of accounting in accordance with generally accepted accounting principles, whereby revenues are recognized when earned and expenses are recognized when incurred.

(b) Property, plant, and equipment are recorded at cost, or if donated, at fair value at the date of receipt, with the exception of the sewer system prior to July 1, 1952 which is recorded at a nominal value of $1.

(c) Unamortized bond issuance costs and bond discounts - Unamortized bond issuance costs and bond discounts are deferred and amortized over the term of the related issues.

(d) Income - The Board is responsible for all sanitary sewage collection and treatment within the city limits. Income from domestic service is based on water usage as provided by The West Virginia American Water Company.

(e) Capitalized interest - The Board follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. As of June 30, 2001 and 2000, total interest incurred was $886,575 and $963,917, respectively, of which $0 and $6,613, respectfully, was capitalized.

(f) Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Fair value of financial instruments - Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

(h) Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2. CONCENTRATIONS OF CREDIT RISK

The Board's cash balance of $829,674 at June 30, 2001 and $282,072 at June 30, 2000 was held in various checking accounts primarily with Bank One and exceeded the F.D.I.C. insured amount of $100,000 by $728,060 and $142,204, respectively.

NOTE 3. DEPOSITS

State Sinking Funds:

Reserve Accounts - Amounts held by the West Virginia Municipal Bond Commission in accordance with the provisions of the various bond issues.

Regular Account - Used for the payment of current debt service requirements.

Restricted:

Proceeds from loans from the West Virginia Water Pollution Control Revolving Fund - amounts are deposited at BB&T. As of June 30, 2001, $682 is designated for use in the Combined Sewer Overflow Project (CSO), $1,049 is designated for use in the Composting Project, and $2 is designated for use in the Porters Hollow Pump Upgrade Project. As of June 30, 2000, $644 was designated for use in the Combined Sewer Overflow Project (CSO) and $47,436 was designated for use in the Composting Project.

Proceeds from a capital leasing program with Bank One on deposit in an escrow account designated for equipment purchases totaled $1,177,242 as of June 30, 2001.

Cash balances transferred from Guthrie Public Service District upon the merger of the two entities is maintained in a trust account at BB&T. As of June 30, 2001, $84,867 is designated for extensions and improvements in the Guthrie service area.

As part of a consent decree with the Office of Water Resources, West Virginia Division of Environmental Protection, The Board was required to establish an escrow account to cover future violation of its NPDES permit. The balance of the escrow account maintained at Bank One as of June 30, 2001 is $27,482.

NOTE 4. CONSTRUCTION IN PROGRESS

Construction in progress consists of the following projects:

	Costs Incurred Years Ended June 30, 2001	2000
Construction Engineering - project is complete	$ 0	$ 30,600
CSO Phase II Project - project is underway	48,683	0
GIS Mapping Project - project is underway	255,582	252,866
South Hills/Davis Creek Sewer Project - project is not currently budgeted for completion	0	10,592
Carbide Property Project - project is in the negotiation stage	111,155	106,632
Porters Hollow Pump Upgrade Project - project is underway	877,122	7,566
	$ 1,292,542	$ 408,256

NOTE 5. ENVIRONMENTAL REMEDIATION LOSS CONTINGENCY

In 1997, The Board was ordered by regulatory authorities to submit a plan for environmental remediation relating to sludge removal at a certain site. The Board has submitted the required plan for corrective action and anticipates no significant additional future costs will be incurred in environmental restoration of the site.

NOTE 6. LONG-TERM DEBT

At June 30, 2001, long-term debt consists of the following:

Dates Service Revenue Bonds	Maturity Date	Interest Rate	Face Amount	Current Portion
April 1, 1989	2002-2029	8.4%	$ 1,805,506	$ 16,183
	2002-2029	None	210,776	7,268
November 21, 1989	2002-2029	8.4%	783,568	7,023
	2002-2029	None	91,473	3,154
June 1, 1992	2002-2012	5.15-6.25%	2,025,000	135,000
November 1, 1992	2002-2017	4.75-6.5%	5,360,000	210,000
December 2, 1993	2002-2014	3.0%	542,937	35,616
October 3, 1996	2002-2018	2.0%	2,084,103	117,120
November 26, 1996	2002-2018	2.0%	332,673	17,507
July 22, 1997	2002-2018	2.0%	609,237	31,968
October 7, 1997	2002-2019	2.0%	4,730,177	225,121
December 9, 1998	2002-2019	2.0%	812,235	42,534
July 1, 1999	2002-2026	8.38%	672,162	7,929
July 1, 1999	2002-2026	None	122,638	4,717
February 22, 2001	2002-2022	2.0%	850,045	0
May 22, 2001	2002-2029	7.85%	823,741	8,135
May 22, 2001	2002-2029	None	30,492	1,051
Total			21,886,763	$ 870,326
			870,326	
Long-term debt, face amount			21,016,437	
Less unamortized bond discounts			10,186	
			$ 21,006,251	

NOTE 6. LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on long-term debt for five years subsequent to June 30, 2001:

Year Ending June 30,		Amount
2002	$	870,326
2003		944,081
2004		988,565
2005		1,023,568
2006		1,059,131
Thereafter		17,001,092
Total	$	21,886,763

At June 30, 2000, long-term debt consists of the following:

Dates Service Revenue Bonds	Maturity Date	Interest Rate	Face Amount	Current Portion
April 1, 1989	2001-2029	8.4%	$ 1,820,436	$ 14,929
	2001-2029	None	218,045	7,268
November 21, 1989	2001-2029	8.4%	790,046	6,479
	2001-2029	None	94,627	3,154
June 1, 1992	2001-2012	5.30-6.25%	2,155,000	130,000
November 1, 1992	2001-2017	5.00-6.5%	5,560,000	200,000
December 2, 1993	2001-2014	3.0%	577,504	34,567
October 3, 1996	2001-2018	2.0%	2,198,910	114,807
November 26, 1996	2001-2018	2.0%	349,834	17,161
July 22, 1997	2001-2018	2.0%	640,572	31,335
October 7, 1997	2001-2019	2.0%	4,950,851	220,674
December 9, 1998	2001-2019	2.0%	853,929	41,694
July 1, 1999	2001-2026	8.38%	679,478	7,316
July 1, 1999	2001-2026	None	127,355	4,717
Total			21,016,587	$ 834,101
			834,101	
Long-term debt, face amount			20,182,486	
Less unamortized bond discounts			11,427	
			$ 20,171,059	

NOTE 6. LONG-TERM DEBT (CONTINUED)

General provisions of the various bond issues are as follows:

A. Bond principal payments and semi-annual interest payments are to be deposited with the State of West Virginia Sinking Fund Commission.

B. All Bond issues are callable prior to maturity at the option of The Board at various dates for each issue at rates ranging from 100-1/2 to 103 per centum of the par value.

C. The Bonds are collateralized by a first lien on the net revenues derived from operations of the sewer system except for subordinate sewer revenue bonds.

D. The Bonds were issued under authority of Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and Ordinances enacted by the Council of the City of Charleston.

E. The Board is required to maintain on deposit with the West Virginia Municipal Bond Commission, a reserve account which equals the largest amount of principal and interest which will become due in any succeeding year. As of June 30, 2001, the Board was in compliance with this provision.

NOTE 7. CAPITAL LEASE

The Board entered into a Lease-Purchase Agreement dated December 27, 2000 with Banc One Leasing Corporation of Columbus, Ohio. The economic substance of the lease is that The Sanitary Board is financing the acquisition of equipment/vehicles for its maintenance crews through the lease and, accordingly, it is recorded in The Board's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

	June 30,	
	2001	2000
General plant equipment	$404,914	$ -0-

The lease agreement is secured by the leased assets. The lease agreement contains a purchase option under which The Board may purchase all of the equipment covered by the lease on any rent payment due date (bi-annual; June 27 and December 27) by paying Banc One Leasing Corporation all rent payments then due plus the termination value at such date.

NOTE 7. CAPITAL LEASE (CONTINUED)

The following is a schedule by years of future minimum payments required under the lease together with their present value as of June 30, 2001:

Year ending June 30:	
2002	$ 480,592
2003	480,592
2004	240,296
Total minimum lease payments	1,201,480
Less amount representing interest	91,339
Present Value of Minimum Lease Payments	$1,110,141

NOTE 8. DEPRECIATION EXPENSE

Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Depreciation expense recognized in the financial statements for the year ending June 30, 2001 and 2000 amounted to $1,589,298 and $1,600,319, respectively.

NOTE 9. RETIREMENT PLAN

All eligible Board employees participate in the West Virginia Public Employees' Retirement System, a multiple-employer public retirement system covering employees of the State of West Virginia and its participating political subdivisions of the State.

All eligible Board employees participate in the Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board. PERS provides retirement benefits to plan members and beneficiaries. The West Virginia Consolidated Public Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to West Virginia Consolidated Public Retirement Board, 1900 Kanawha Boulevard East, Building Five, Charleston, West Virginia 25305, or by calling (304) 558-3570.

The PERS funding policy has been established by action of the State Legislature. State statute requires that plan participants contribute 4.5% of compensation. The governmental entity contribution rate of 9.5% of covered payroll is determined by PERS. The current combined contribution rate is 14% of annual covered payroll. The Board's contributions to PERS for the years ending June 30, 2001, 2000, and 1999, were $214,209, $206,274, and $208,365, respectively, equal to the required contributions for each year.

NOTE 10. PRIOR PERIOD ADJUSTMENT

During fiscal year ended June 30, 2001, an adjustment was made to record depreciation of the sewer system. The depreciation expense for fiscal year ended June 30, 2000 was restated from $92,041 to $1,600,319, resulting in a reported net loss of $812,749 from a reported net income of $695,529. Beginning retained earnings for fiscal year ended June 30, 2000 were decreased from $30,669,899 to $7,602,615 to record depreciation expense for prior years in the amount of $23,067,284.

NOTE 11. ALLOWANCE FOR DOUBTFUL ACCOUNTS

For fiscal year ended June 30, 2001, the allowance for doubtful accounts is estimated at $72,000. For fiscal year ended June 30, 2000 the allowance for doubtful accounts was increased by $297,304. The allowance at June 30, 2000 includes amounts outstanding for greater than twelve months. The previous method used was 0.55% of the accounts receivable at year end. Due to legislation passed disallowing The Board to hold landlords responsible for tenant usage, the amount of outstanding receivables has steadily increased over the past few years. Therefore, the prior method no longer provides an adequate allowance.

NOTE 12. TECHNICAL DEFAULT OF WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT

Section 4.1(b)(ii) of the Water Pollution Control Revolving Fund Loan Agreement with the West Virginia Water Development Authority and the West Virginia Division of Environmental Protection requires:

> 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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefore, 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.

Due to extraordinary expenses incurred during fiscal year ended June 30, 2000 and the change in estimate of allowance for doubtful accounts identified in Note 10, The Board did not meet this loan covenant. The revenues available for debt service for fiscal year ended June 30, 2000 were 102.8% of the maximum amount required in any year for debt service.

This default was remedied for fiscal year ended June 30, 2001 through a rate increase. The revenues available for debt service for fiscal year ended June 30, 2001 were 156.1%.

REQUIRED SUPPLEMENTARY INFORMATION

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2001

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency:			
Pass-Through From: State Division of Environmental Protection:			
State Revolving Fund Loan - Porters Hollow Pump Upgrade Project	66.458	SRF Project #C 544 232	$ 850,045
Total Expenditures of Federal Awards			$ 850,045

The accompanying notes are an integral part of this schedule.

THE SANITARY BOARD OF THE CITY OF CHARLESTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of The Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Sanitary Board of The City of Charleston
Charleston, West Virginia

We have audited the financial statements of The Sanitary Board of The City of Charleston as of and for the year ended June 30, 2001 and have issued our report thereon dated September 28, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Sanitary Board of The City of Charleston's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Sanitary Board of The City of Charleston's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grigoraci, Trainer, Wright & Paterno

Charleston, West Virginia
September 28, 2001

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Sanitary Board of The City of Charleston
Charleston, West Virginia

Compliance

We have audited the compliance of The Sanitary Board of The City of Charleston with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2001. The Sanitary Board of The City of Charleston's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of The Sanitary Board of The City of Charleston's management. Our responsibility is to express an opinion on The Sanitary Board of The City of Charleston's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about The Sanitary Board of The City of Charleston's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on The Sanitary Board of The City of Charleston's compliance with those requirements.

In our opinion, The Sanitary Board of The City of Charleston complied, in all material aspects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of The Sanitary Board of The City of Charleston is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered The Sanitary Board of The City of Charleston's internal control over compliance with requirements that could

The Sanitary Board of
The City of Charleston

Internal Control Over Compliance (Continued)

have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brown, Traver, Wright & Patterson

Charleston, West Virginia
September 28, 2001

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

A. SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _X_ no
Reportable condition(s) identified that are not considered to be material weakness(es)?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ yes _X_ no
Reportable condition(s) identified that are not considered to be material weakness(es)?	___ yes _X_ none reported
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	___ yes _X_ no

Identification of major programs:

Federal CFDA No.	Federal Grantor/Pass-Through Grantor/Program Title	Agency or Pass Through Number
	U.S. Environmental Protection Agency:	
	Pass-through from State Division of Environmental Protection:	
66.458	State Revolving Fund Loan - Porters Hollow Pump Upgrade Project	SRF Project #C 544 232

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	___ yes _X_ no

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

SECTION II - FINANCIAL STATEMENT FINDINGS

No reportable conditions, material weaknesses, or instances of noncompliance were identified for the year ended June 30, 2001.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

	Questioned Costs
U. S. ENVIRONMENTAL PROTECTION AGENCY:	
Pass-through from State Division of Environmental Protection - CFDA No. 66.458:	
State Revolving Fund Loan - Porters Hollow Pump Upgrade Project - Project #C 544 232	$ -0-

No audit findings were disclosed relative to Federal programs for the year ended June 30, 2001.

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2001

U. S. ENVIRONMENTAL PROTECTION AGENCY:
FINDING 00-1. Pass-through from State Division of Environmental Protection -
CFDA No. 66.458:
State Revolving Fund Loan - Ruthdale Pump Upgrade Project - Project No. C544150
State Revolving Fund Loan - Oakvale Sewer Project - Project No. C544187
State Revolving Fund Loan - Sludge Dewatering Project (Belt Press) - Project No. C544228
State Revolving Fund Loan - Composting Project - Project No. C544043
State Revolving Fund Loan - Combined Sewer Overflow Project - Project No. C544188

Condition: The Sanitary Board of The City of Charleston is a sub-recipient of Federal awards from the Environmental Protection Agency by way of loans through the Water Pollution Control Revolving Fund administered by the West Virginia Water Development Authority and the West Virginia Division of Environmental Protection. Section 4.1(b)(ii) of this loan agreement requires:

> 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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefore, 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.

Due to extraordinary expenses incurred during fiscal year ended June 30, 2000 and a change in estimate of allowance for doubtful accounts The Sanitary Board did not meet this loan covenant. The revenues available for debt service for fiscal year ended June 30, 2000 were 102.8% of the maximum amount required in any year for debt service.

Recommendation: The Sanitary Board should evaluate the areas of increased costs, look for possible reductions, and, if necessary, take the steps to obtain a rate increase.

Current Status: Corrected this fiscal year by obtaining a rate increase effective for the January 2001 billings.

APPENDIX B

CITY OF CHARLESTON (WEST VIRGINIA)

Introduction

Charleston, located at the convergence of the Kanawha and Elk Rivers in the southwestern part of West Virginia, is the Capital of West Virginia, the county seat of Kanawha County, and the center of the State's greatest concentration of people and commerce. Charleston, which encompasses an area of 29.3 square miles, had a 2000 U.S. Census population of 53,421.

The City's economic base is diversified on the cornerstones of retail and wholesale trade, manufacturing, government and services. The increasing diversity of the area's employment base has been enhanced by tourism, improved transportation facilities, including the interconnection of interstate highways in Charleston.

Principal manufactured products in the Charleston area include a broad range of chemicals, plastics, industrial and mining equipment, petroleum products and steel fabrication.

Government Services

The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Elected officials are the mayor, city treasurer, municipal judge and members of the Council from each of the 20 wards in the City, plus 6 Council persons-at-large, all elected to serve concurrent terms on a quadrennial basis. In addition, the City has certain appointed officials including: city manager, city clerk, director of finance, city auditor, public works director, chief of police, city solicitor, chief of fire department, director of mayor's office of economic and community development, and director of parks, recreation and public grounds. All appointive officers have salaries fixed by the Council.

The mayor is the chief executive officer of the City and the presiding officer and a member of the Council with right to vote on all issues. The mayor, without any requirement or confirmation by Council, has the right of appointment and removal of the director of finance, city auditor, public works director, chief of police, director of finance, chief of fire department, director of mayor's office of economic and community development, and director of parks, recreation, and public grounds.

The mayor also appoints the city manager by and with the consent of Council. The city manager is the chief business and administrative officer of the City under the supervision and direction of the mayor. All real property of the City is under his immediate care and supervision, and he is required to make all contracts for labor and supplies. Custody of all contracts, insurance policies, and papers relating to the business affairs of the City are under the supervision of the city manager who is required to make monthly reports to the Council.

The Council acts as the legislative body for the City and selects one of its members as president pro tempore, to preside in the absence of the mayor. The duties of the Council are primarily carried on through standing and special committees: finance, streets and traffic, planning, parks and recreation, cemetery, ordinance and rules, public safety, special committees of housing and human rights, and a select committee of urban renewal. Council also appoints a city clerk, who in addition to keeping minutes of all meetings, is the custodian of all records and papers of the City for which no other custodian is designated.

Population

	2000	1990	1980	1970
Charleston	53,421	57,287	63,968	71,505
Kanawha County	200,073	207,619	231,414	229,515

Source: U.S. Department of Labor, Bureau of the Census; Charleston Chamber of Commerce

Transportation

The convergence of three interstate highways, I-64, I-77 and I-79, interconnecting Charleston as well as Appalachian Corridor "G," brings the Charleston area within the overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West I-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South I-77 from Cleveland, Ohio to Columbia, South Carolina; Northeast-Southwest I-79 from Erie, Pennsylvania to Charleston, West Virginia; and Appalachian Corridor "G" from Charleston, West Virginia to Pikeville, Kentucky. In addition to the superhighways, three national and several state highways presently serve the SMSA.

Yeager Airport accommodates commercial, general aviation and military air traffic. Major improvements to the airport have been made in the last few years including terminal remodeling, additional parking, and a building within the airport complex to house FAA offices and the National Weather Service. Charter air service and cargo air services are available from several companies at the airport. Charleston was officially designated a "port of entry" by the United States Customs in 1973. Airlines serving Yeager include: US Airways/Express, Delata Connection (ASA and ComAir), Continental Express, Northwest Airlink (Mesaba), United Express (Atlantic Coast).

The Greyhound Bus Line offers interstate and intrastate service, with both freight and passenger capacity. Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the City and the Kanawha Valley. The system, commonly known as KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1:00 a.m.

Three major rail companies, providing passenger as well as freight service, operate within the region: Norfolk Southern, CSX Transportation, and Amtrak.

Telecommunications

The Charleston area has one of the nation's most advanced telecommunications networks, consisting of fiber optic lines, digital switching, dual redundancy and microwave and satellite transmission facilities. The local carrier is Verizon West Virginia. A host of companies, including AT&T, MCI and US Sprint, provide cell, broad band and long distance service to Metro Charleston area customers.

Water

The Kanawha and Elk Rivers, tributaries of the Ohio River system, flow through Charleston. Both rivers are navigable, with the Kanawha River Basin being the largest northwardly flowing river system in the nation. Approximately 69% of the Basin lies within West Virginia. The U.S. Army Corps of Engineers maintains a nine-foot channel for navigation with three locks located on the Kanawha River to accommodate barges. Waterborne commerce has tripled in the last 30 years with commodities transported on the Kanawha River including: coal and coke (35%); sand and gravel (25%); oil and gas (10%); iron, steel and other miscellaneous products (30%).

COUNTY OF KANAWHA

Source: West Virginia Bureau of Employment Program unless otherwise noted.

Introduction

Kanawha County (the "County"), 913.30 square miles in size, is located in the southwestern part of West Virginia. Charleston, is located in the County. The County is located 51 miles from Huntington, WV; 76 miles from Parkersburg, WV; 170 miles from Columbus, Ohio; 237 miles from Pittsburgh, Pennsylvania; and 288 miles from Charlotte, North Carolina.

Population

Year	Kanawha County	West Virginia	United States
1990	207,619	1,793,477	248,710,000
1999	199,263	1,806,928	270,029,000
2000	200,073	1,808,344	281,421,906

Economy

Kanawha County's employment and business structure today reveals a multi-faceted economic base. The most identifiable enterprises, coal and chemical, actually count for a relatively small portion of the region's total economic activity. The relative strength of the economy may be seen by the following:

Year		Kanawha County	West Virginia
2002 (June)	Labor Force	107,110	828,100
	Total Employed	101,510	776,600
	Total Unemployed	5,600	51,500
	Percent Unemployed	5.2%	6.2%
2001	Labor Force	109,110	833,000
	Total Employed	105,460	792,000
	Total Unemployed	4,380	41,000
	Percent Unemployed	4.0%	4.9%
2000	Labor Force	109,360	825,000
	Total Employed	104,690	779,000
	Total Unemployed	4,670	46,000
	Percent Unemployed	4.3%	5.5%
1999	Labor Force	107,450	816,000
	Total Employed	104,370	763,000
	Total Unemployed	5,080	54,000
	Percent Unemployed	4.7%	6.6%
1998	Labor Force	104,200	797,000
	Total Employed	99,300	744,000
	Total Unemployed	4,900	53,000
	Percent Unemployed	4.7%	6.6%

Year		Kanawha County	West Virginia
1997	Labor Force	104,950	803,000
	Total Employed	99,820	748,000
	Total Unemployed	5,130	55,000
	Percent Unemployed	4.9%	6.9%
1996	Labor Force	105,420	808,000
	Total Employed	99,710	747,000
	Total Unemployed	5,710	61,000
	Percent Unemployed	5.4%	7.5%
1995	Labor Force	102,370	785,000
	Total Employed	96,520	723,000
	Total Unemployed	5,850	62,000
	Percent Unemployed	5.7%	7.9%
1994	Labor Force	102,560	787,000
	Total Employed	95,780	717,000
	Total Unemployed	6,780	70,000
	Percent Unemployed	6.6%	8.9%
1993	Labor Force	102,470	789,000
	Total Employed	94,080	703,000
	Total Unemployed	8,390	86,000
	Percent Unemployed	8.2%	10.9%

Source: West Virginia Department of Employment Security, Labor and Economic Research Division

Civilian Labor Force (2001):

	Total Workers	Average Annual Wage
Civilian Labor Force		
Agriculture	400	$19,500
Manufacturing	7,401	56,949
Non Manufacturing		
Mining	2,573	54,625
Construction	4,693	35,531
Transportation & Public		
Utilities	7,029	44,110
Trade- Wholesale	5,671	38,707
Trade- Retail	19,991	16,222
Finance, Insurance &		
Real Estate	6,746	36,672
Services and Health	35,793	27,943

	Total Workers	Average Annual Wage
Government		
Federal	2,398	44,635
State	10,874	33,043
Local	8,001	27,361

Source: West Virginia Department of Employment Security

Top 10 Employers in Kanawha County:

1. Charleston Area Medical Center
2. Kanawha County Board of Education
3. Union Carbide Corporation/Dow Corp.
4. Minneapolis Postal Data Center
5. Wal-Mart Associates, Inc.
6. Herbert J. Thomas Memorial Hospital Assoc.
7. West Virginia Bureau of Employment Programs
8. Ticketmaster, LC
9. West Virginia Dept.of Highways
10. West Virginia Dept. of Health and Human Resoruces

Average Annual Unemployment Rates:

Year	Kanawha County	West Virginia
1992	8.7	11.4
1993	8.2	10.9
1994	6.6	8.9
1995	5.7	7.9
1996	5.4	7.5
1997	4.9	6.9
1998	4.7	6.6
1999	5.1	7.5
2000	4.5	5.6
2001	4.0	4.9
2002	5.2	6.2

Average Annual Nonfarm Payroll Employment by Industry:

Industry	1996	1997	1998	2001
Mining	1,910	1,830	1,870	2,573
Construction	4,700	4,960	4,970	4,693
Manufacturing	8,590	8,700	8,590	7,401
Transportation & Public Utilities	7,810	7,830	7,460	7,029
Wholesale & Retail Trade	26,252	5,760	25,970	31,333
Finance, Insurance & Real Estate	6,740	7,110	7,410	6,746
Services	35,110	36,540	37,190	35,793
Government	20,930	21,370	21,500	21,272
TOTAL	112,040	114,090	114,960	116,840

Average Employment and Annual Wage:

	Average Employment			Average Annual Wage		
	1990	1998	2001	1990	1998	2001
Kanawha County	97,046	112,251	113,019	$22,559	$29,224	$30,155
West Virginia	602,237	680,865	685,771	$20,708	$26,009	$27,981

Per Capita Personal Income:

County	1996	1998	2000	Rank In WV
United States	$24,651	$27,203	$29,469	--
West Virginia	$18,566	$20,185	$21,738	--
Kanawha County	$24,284	$26,421	$28,681	7

Wages Per Industry (2000):

Industry	Total Wages	Average Annual Wage
Agriculture	$ 7,800,188	$ 19,500
Mining	140,551,920	54,625
Construction	166,750,690	35,531
Manufacturing	421,481,262	56,949
Transportation & Public Utilities	310,053,855	44,110
Trade – Wholesale	219,510,795	38,707
Trade - Retail	324,309,649	16,222
Finance, Insurance & Real Estate	247,389,379	36,672
Services	1,000,189,404	27,943
Government	685,269,340	32,214

Total Wages ($Millions):

Year	Kanawha County	West Virginia
1995	2,763	15,367
1996	2,899	15,952
1997	3,031	15,537
1998	3,163	17,153
1999	3,280	17,708
2000	3,408	19,189

Community Data

Educational Facilities:

Public Schools	Facilities
Elementary	59
Middle/Junior High	14
High	8
Vocational	2
Other	3

Colleges
University of Charleston, Charleston (Kanawha)
WV State College, Institute (Kanawha)
Marshall University Graduate College, South Charleston (Kanawha)
WVU Institute of Technology, Montgomery (Fayette)

Recreational Facilities:

Parks	10
Baseball Fields	43
Basketball Courts	
Indoor	42
Outdoor	80
Playgrounds	109
Swimming pools	30
Tennis courts	
Indoor	28
Outdoor	49
Auditoriums	40
Stadiums	11
Theaters	
Gas	
Indoor	14
Outdoor	2*D*
Country Clubs	4
Golf Courses	9

Medical:

Doctors	675
Dentists	138
Hospitals	8

Transportation:

Highways	
Interstates	64,77,79
WV Routes	622,601,501,214,114 94,62,61,35,25,4
US Routes	119,60,35
Motor Freight	Carriers available
	Parcel service available
Industrial Parks	6
Airports	3
Railroads:	CSXT
	Winifrede
	Kelly's Creek & Northwestern
	Amtrak
	Norfolk & Southern

Communications:

Newspapers	9
TV Stations	1
Telephone	Verizon
Telegraph	Western Union
Radio Stations	16

Utilities:

Electricity	American Electric Power
Natural Gas	Allegheny Power
	Union Oil & Gas
	WV Power Gas
	Southern Public Service
Sewer	City of Charleston
Water	WV America Water Co.

Other:

Child Care-Day Care Centers	54
Financial Institutions-Banks	61
Libraries-Public	12

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following are definitions of certain words and terms used in this Official Statement and summaries of the Ordinance. These definitions and summaries do not purport to be final, complete or definitive, and reference is made in each case to the entire text of the final Ordinance which reference is made for the complete and actual terms thereof. Words and terms used herein that are not defined herein shall have the same meanings as set forth in the Ordinance.

Definitions

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2002 Bonds.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

"Board" or "Sanitary Board" means The City of Charleston Sanitary Board, or any successor thereto.

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

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Board, and shall initially mean Jackson Kelly PLLC, Charleston, West Virginia.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2002 Bonds and which shall be designated as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in the Ordinance to the Bond Insurer shall be null and void and have no force and effect.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"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 2002 Bonds, the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained in the Ordinance.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2002 Bonds, in substantially the form set forth in EXHIBIT A - BOND FORM of the Ordinance.

"Certificate of Determination" means the Certificate of Determination setting forth the specific terms of the Series 2002 Bonds, to be executed by the Mayor upon the sale of the Series 2002 Bonds, the form of which shall be approved in the Supplemental Resolution.

"City" or "Issuer" means The City of Charleston, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County thereof, and, where appropriate, the Council, the Board and any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the Series 2002 Bonds for the proceeds representing the original purchase price thereof.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Series 1992 Bonds, interest accruing or to accrue thereon, redemption premiums, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2002 Bonds and the refunding of the Series 1992 Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by the Ordinance.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC-eligible" means, with respect to the Series 2002 Bonds, meeting the qualifications prescribed by The Depository Trust Company, New York, New York.

"Escrow Agent" means, collectively, the Escrow Agent under the respective Escrow Agreement, which shall be appointed pursuant to the Supplemental Resolution.

"Escrow Agreement" means, collectively, the respective Escrow Agreements to be entered into between the Issuer and the Escrow Agent, providing for the defeasance and ultimate payment of the Series 1992 A Bonds and the Series 1992 B Bonds, the deposit therein of proceeds of the Series 2002 A Bonds and the Series 2002 B Bonds, the disposition of moneys in the various funds and accounts of the Series 1992 A Bonds and the Series 1992 B Bonds and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the respective Escrow Agreement.

"Event of Default" means any occurrence or event specified in the Ordinance.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"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 Revenues" means all rates, rents, fees, charges or other income received by or accrued to the Sanitary Board from the operation of the System, as calculated in accordance with generally accepted accounting principles.

"Independent Accountants" or "Independent Certified Public Accountants" means 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 purpose except keeping the accounts of the System in the normal operations of its business and affairs.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2002 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2002 Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2002 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in any Reserve Account for the Series 2002 Bonds. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2002 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds or any other proceeds of the Series 2002 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2002 Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance 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 fees and expenses of 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.

"Ordinance" regardless of whether preceded by the article "the" or "this," means the Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"1992 Ordinance" means Ordinance No. 4828, passed by the Issuer on April 20, 1992, authorizing the Series 1992 Bonds.

"Original Purchaser" means, collectively, Ferris, Baker Watts, Incorporated, Charleston, West Virginia, and Crews & Associates, Inc., Charleston, West Virginia, as the purchasers of the Series 2002 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2002 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2002 Bonds directly from the Issuer, as determined by a supplemental resolution; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2002 Bonds, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of the Series 2002 Bonds.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Registered Owners for the purpose of consents, notices and the like, any Bond registered to the Issuer.

"Paying Agent" means the Bond Commission or any other Paying Agent designated as such for the Series 2002 Bonds in the Supplemental Resolution, and any successor thereto.

"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.

"Purchase Price," for the purpose of computation of the Yield of the Series 2002 Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2002 Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2002 Bonds of each maturity is sold or, if the Series 2002 Bonds are privately placed, the price paid by the first buyer of the Series 2002 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2002 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2002 Bonds.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(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 Code of West Virginia, 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.

"Record Date" means the day of the month which shall be so stated in the Series 2002 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means, collectively, the dates fixed for redemption of the Series 1992 A Bonds and the Series 1992 B Bonds of the Issuer called for redemption.

"Redemption Price" means, collectively, the prices at which the Series 1992 A Bonds and the Series 1992 B Bonds of the Issuer may be called for redemption and includes the principal amount of such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registered Owner,"or "Owner" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2002 Bonds, and any successor thereto.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986, as amended.

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

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2002 Bonds and the Prior Bonds.

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

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued by the Ordinance.

"Series 2002 Bonds" means, collectively, the Series 2002 A Bonds and the Series 2002 B Bonds.

"Series 2002 A Bonds" means the Sewerage System Refunding Revenue Bonds, Series 2002 A, of the Issuer, originally authorized to be issued pursuant to the Ordinance and the Supplemental Resolution.

"Series 2002 A Bonds Rebate Fund" means the Series 2002 A Bonds Rebate Fund created by the Ordinance.

"Series 2002 A Bonds Redemption Account" means the Series 2002 A Bonds Redemption Account created by the Ordinance.

"Series 2002 A Bonds Reserve Account" means the Series 2002 A Bonds Reserve Account created by the Ordinance.

"Series 2002 A Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 A Bonds.

"Series 2002 A Bonds Sinking Fund" means the Series 2002 A Bonds Sinking Fund created by the Ordinance.

"Series 2002 B Bonds" means the Sewerage System Refunding Revenue Bonds, Series 2002 B, of the Issuer, originally authorized to be issued pursuant to the Ordinance and the Supplemental Resolution.

"Series 2002 B Bonds Rebate Fund" means the Series 2002 B Bonds Rebate Fund created by the Ordinance.

"Series 2002 B Bonds Redemption Account" means the Series 2002 B Bonds Redemption Account created by the Ordinance.

"Series 2002 B Bonds Reserve Account" means the Series 2002 B Bonds Reserve Account created by the Ordinance.

"Series 2002 B Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 B Bonds.

"Series 2002 B Bonds Sinking Fund" means the Series 2002 B Bonds Sinking Fund created by the Ordinance.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2002 Bonds and the Prior Bonds.

"Supplemental Resolution" means any ordinance or resolution amendatory of or supplemental to the Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of the Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2002 Bonds, authorizing the sale of the Series 2002 Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Term Bonds" means Series 2002 Bonds subject to mandatory sinking fund redemption, as described in the Ordinance.

Funds and Accounts.

The Ordinance establishes the following funds with the Depository Bank:

(1) Revenue Fund;
(2) Renewal and Replacement Fund;
(3) Costs of Issuance Fund;
(4) Series 2002 A Bonds Rebate Fund; and
(5) Series 2002 B Bonds Rebate Fund.

The Ordinance establishes the following funds and accounts with the Bond Commission:

(1) Series 2002 A Bonds Sinking Fund;
(2) Series 2002 A Bonds Reserve Account;
(3) Series 2002 A Bonds Redemption Account;
(4) Series 2002 B Bonds Sinking Fund;
(5) Series 2002 B Bonds Reserve Account; and
(6) Series 2002 B Bonds Redemption Account.

Payments into Funds and Accounts.

The Ordinance provides that the entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund and pay 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of the interest on the First Lien Bonds; (ii) commencing

6 months prior to the first interest payment date of the Series 2002 A Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 A Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 A Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 A Bonds deposited therein; and (iii) commencing 6 months prior to the first interest payment date of the Series 2002 B Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 B Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 B Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 B Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of principal of the First Lien Bonds; (ii)commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 A Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 A Bonds Sinking Fund and in the Series 2002 A Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 B Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 B Bonds on the next ensuing principal payment date or mandatory Redemption Date for deposit in the Series 2002 B Bonds Sinking Fund and in the Series 2002 B Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Reserve Accounts of the First Lien Bonds; (ii) an amount to be deposited in the Series 2002 A Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 A Bonds Reserve Account below the Series 2002 A Bonds Reserve Requirement or any withdrawal from the Series 2002 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (A) the valuation of investments in the Series 2002 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 A Bonds Reserve Account is less than the Series 2002 A Bonds Reserve Requirement, or (B) any amount is withdrawn from the Series 2002 A Bonds Reserve Account for deposit into the Series 2002 A Bonds Sinking Fund; and (iii) an amount to be deposited in the Series 2002 B Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 B Bonds Reserve Account below the Series 2002 B Bonds Reserve Requirement or any withdrawal from the Series 2002 B Bonds Reserve Account, beginning with the first full calendar month following the date on which

(a) the valuation of investments in the Series 2002 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 B Bonds Reserve Account is less than the Series 2002 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2002 B Bonds Reserve Account for deposit into the Series 2002 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account to an amount equal to the respective Reserve Requirement; provided, that no payments shall be required to be made into the such Reserve Accounts whenever and as long as the amounts deposited therein shall be equal to the respective Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any 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 as provided in the Ordinance. 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 any 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) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, remit to the Bond Commission the principal, interest and reserve account payments for the Second Lien Bonds.

Bonds not to be Indebtedness of the Issuer.

The Series 2002 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation but shall be payable solely from the funds pledged for such payment by the Ordinance. No Registered Owner of any Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 Bonds or the interest thereon.

Bonds Secured by Pledge of Net Revenues.

The payment of the debt service of all of the Series 2002 Bonds shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity in all respects with the lien on the Net Revenues in favor of the Registered Owners of the First Lien Bonds and senior to the lien on the Net Revenues in favor of the Registered Owners of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 2002 Bonds and the Prior Bonds, and all other payments provided for in the Ordinance, are irrevocably pledged in the manner provided in the Ordinance to such payments as the same become due and for the other purposes provided in the Ordinance.

Rates.

Equitable rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay all Operating Expenses and to make the prescribed payments into the funds and accounts created in the Ordinance. Such schedule or schedules of rates and charges shall be revised from time to time, 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 covenanted and agreed that the schedule or schedules 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 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts for the Series 2002 Bonds and reserve accounts for obligations on a parity with the Series 2002 Bonds, including the Prior 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 Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds.

The Issuer covenanted to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 60 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Operation and Maintenance.

The Issuer will operate and maintain the System in good condition and as a revenue-producing enterprise in an efficient and economical manner, making all necessary expenditures for equipment renewal, repair and replacement. The Issuer will also operate and maintain the System in compliance with all federal and state laws.

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 2002 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 the Series 2002 Bonds or to effectively defease the pledge created by the Ordinance. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2002 Bonds, be immediately remitted to Bond Commission for deposit in the Sinking Funds for the Series 2002 Bonds, and the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest on the Series 2002 Bonds. Any balance remaining after the payment of the Series 2002 Bonds and the interest thereon shall be remitted to the Issuer by the Bond 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 reserved the right to sell, lease or otherwise dispose of any of the property comprising a part of the System determined in the manner provided in the Ordinance 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 $10,000, the Issuer shall, by resolution duly adopted, 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 $10,000 but not in excess of $100,000, the Issuer shall first, determine upon consultation with the Consulting Engineers 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 $10,000 and not in excess of $100,000, shall 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 redemption prices of such Bonds. 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 the Ordinance. 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 $100,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners, 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 Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.

The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in the Ordinance, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Net 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 Bonds; provided that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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, except with respect to such additional parity Bonds, 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 the Ordinance or upon the System or any part thereof.

Additional Parity Bonds.

So long as the First Lien 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 the Series 2002 Bonds pursuant to the Ordinance, without complying with the conditions and requirements provided in the Ordinance (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds shall be on a parity in all respects with the Series 2002 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Bonds, 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months in 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 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall be not 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 the Ordinance 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 3 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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance 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 of the Issuer prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period referred to above may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate filed with the City Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds" shall be deemed to mean additional Bonds issued under the provisions and within the limitations of the Ordinance, payable from the Net Revenues of the System on a parity with the Series 2002 Bonds, and all covenants and other provisions of the Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Series 2002 Bonds and the Registered Owners of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with the Ordinance and the Prior Ordinances. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any such Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "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 lien of the Series 2002 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such revenues, with the Bonds except in the manner and under the conditions provided in the Ordinance.

No additional parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in the Ordinance and the Prior Ordinances, shall have been made in full as required to the date of issuance of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of the Ordinance and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Insurance.

The Issuer shall carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, so long as the Series 2002 Bonds

are outstanding. The Issuer 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 and shall verify such insurance prior to commencement of construction. The Issuer shall itself, or shall require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form), such insurance to be made payable to the order of the Issuer, the prime contractor and all subcontractors, as their interests may appear. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by 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 repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer shall also carry liability insurance for death or injury to persons or damage to property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

No Free Services.

The Issuer will not render or cause to be rendered any free services of any nature by the System nor shall any preferential rates be established for users of the same class; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail 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 Board, 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.

Enforcement of Collections.

The Issuer or the Board 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 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 and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System and any services and facilities of the waterworks system, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid. The Issuer shall maintain the termination agreement with the water provider as such agreement has been approved by the Public Service Commission of West Virginia.

No Competing Franchise.

To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Books and Records.

The Board or 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 Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board or the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board or the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board or the Issuer. The Board or the Issuer 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall also file with the Original Purchaser, and mail to any Registered Owner requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from the System.

(B) A statement of account balances in all funds and accounts provided for in this Ordinance and status of said funds.

(C) The amount of any Bonds, notes or other obligations payable from revenues of the System outstanding.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Registered Owner of the Series 2002 Bonds and shall file said report with the Original Purchaser.

Operating Budget.

The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 Board 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 such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Registered Owner or anyone acting for and on behalf of such Registered Owner who requests the same.

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 waterborne 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, to the extent permitted by the laws of the State 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 and every such owner, tenant or occupant shall, after a 30-day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected with the System is declared and found to be a hazard to the health, safety, comfort and welfare of the residents 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.

Tax Covenants.

The Issuer further covenanted and agreed as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2002 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 Series 2002 Bonds during the term thereof is, under the terms of the Series 2002 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) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2002 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 Series 2002 Bonds during the term thereof is, under the terms of the Series 2002 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 Series 2002 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2002 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2002 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 2002 Bonds to be directly or indirectly "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 2002 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 all actions that may be required of it so that the interest on the Series 2002 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Events of Default

Each of the following events shall constitute an "Event of Default" under the Ordinance:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2002 Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in the Ordinance or any Supplemental Resolution or in the Series 2002 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Registered Owner or any Bond Insurer;

(C) 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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Enforcement.

Upon the happening and continuance of any Event of Default, any Registered Owner or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal of or interest on the Series 2002 Bonds then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Registered Owners, including the right to require the Issuer to perform its duties under the Act and the Ordinance;

(C) Bring suit upon the Series 2002 Bonds;

(D) 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; and

(E) By action or bill in equity enjoin any acts in violation of the Ordinance or the rights of the Registered Owners.

No remedy by the terms of the Ordinance conferred upon or reserved to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owners under the Ordinance or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Registered Owners shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

All rights and remedies of the Registered Owners of the Series 2002 Bonds shall be on a parity with those of the Registered Owners of the First Lien Bonds.

Appointment of Receiver.

If there be any Event of Default existing and continuing, any Registered Owner (or any Bond Insurer if the defaulted Bonds are insured) 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, 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 Series 2002 Bonds and interest thereon and under any covenants of the Ordinance for reserve, sinking or other funds and accounts 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 the Ordinance 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 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 conferred upon him, 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 appointed in the discretion of such court. Nothing in the Ordinance 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 in the Ordinance.

Any receiver appointed shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Registered Owners of the Bonds issued pursuant to the Ordinance. 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 the Registered Owners, and the curing and making good of any default under the provisions of the Ordinance, 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, mortgage or otherwise dispose of any assets of the System.

Restoration of Issuer and Registered Owner.

In case any Registered Owner shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Registered Owner shall be restored to their former positions and rights, and all rights and remedies of such Registered Owner shall continue as if no such proceedings had been taken.

Defeasance of Bonds.

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Registered Owners of all the Series 2002 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the Ordinance and the pledges of the Net Revenues and other moneys and securities pledged, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owners of the Series 2002 Bonds made under the Ordinance, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2002 Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Amendment of Ordinance.

Prior to issuance of the Series 2002 Bonds, the Ordinance may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of the Ordinance, shall be controlling. Following issuance of the Series 2002 Bonds, the Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Registered Owner or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2002 Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to the Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Registered Owners of the Bonds then Outstanding and affected thereby and the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Registered Owner of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

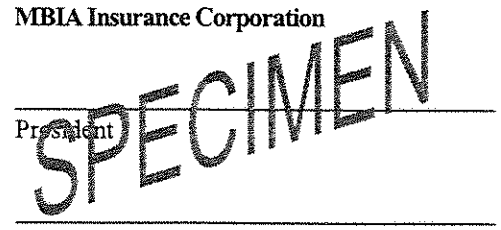
As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation



President

Attest: _____
Assistant Secretary

STD-R-6
4/95

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APENDIX E

[Form of Opinion of Bond Counsel]

December __, 2002

The City of Charleston
Charleston, West Virginia

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Ladies and Gentlemen:

We have served as bond counsel to The City of Charleston (the "Issuer"), a duly created and presently existing municipal corporation under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the issuance of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds"), dated December 1, 2002, issued in the original aggregate principal amount of $_____. The Bonds are issued in fully registered form, mature on January 1 in the years and amounts and bear interest payable each July 1 and January 1, commencing July 1, 2003, all as set forth in the Official Statement relating to the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Official Statement relating to the Bonds.

The Bonds are issued for the purposes, along with other funds available therefor, of (i) paying a portion of the costs of currently refunding the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), of the Issuer; (ii) funding a reserve account for the Bonds; and (iii) paying certain issuance and other costs in connection therewith.

The 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 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly passed by the Issuer on November 4, 2002 effective November 18, 2002, and a Supplemental Resolution adopted on November 18, 2002 (collectively, the "Ordinance"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance.

The Bonds have been sold to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Purchaser"), pursuant to a Bond Purchase Contract dated November __, 2002, and accepted by the Issuer (the "Bond Purchase Contract").

As to questions of fact material to our opinion, we have relied upon representations and certifications of the Issuer, the Escrow Agent and the Registrar contained in the Ordinance, the Escrow Agreement, the Registrar's Certificate and the Certificate as to Arbitrage and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuring compliance with the covenants, representations and certifications of the Issuer, the Escrow Agent and the Registrar pertaining to tax matters set forth in the Ordinance, the Escrow Agreement, the Registrar's Certificate and the Certificate as to Arbitrage and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and presently existing municipal corporation under and pursuant to the laws of the State of West Virginia, with full power and authority to enact the Ordinance, to enter into the Escrow Agreement, the Continuing Disclosure Agreement and the Bond Purchase Contract and perform its obligations under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively enacted the Ordinance, has authorized, executed and delivered the Escrow Agreement, the Bond Purchase Contract and the Continuing Disclosure Agreement and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Contract. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement, the Bond Purchase Contract and the Continuing Disclosure Agreement constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable special obligations of the Issuer, payable from the Net Revenues of the System and issued on a parity with respect to liens, pledge and source of and security for payment with the First Lien Bonds, and enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect of the Bonds.

5. Under the Act, the Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" in the Ordinance and covenanted therein that it did not reasonably expect to issue more than $10,000,000 in aggregate principal amount of obligations (other than private activity bonds) the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes during the calendar year 2002. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

7. The Series 1992 Bonds have been paid within the meaning and with the effect expressed in the 1992 Ordinance, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 1992 Bonds have been satisfied and discharged. [In rendering the opinion set forth in this paragraph, we have relied upon the verification report of certain independent certified public accountants relating to the sufficiency of the moneys and securities on deposit in the Escrow Fund to provide for the payment of the principal of, premium, if any, and interest on the Series 1992 Bonds on their redemption date.]

It is to be understood that the rights of the owners of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance, the Escrow Agreement, the Continuing Disclosure Agreement and the Bond Purchase Contract are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. AR-1 and Bond No. BR-1, and in our opinion the form of said bonds and their execution and authentication are regular and proper.

Very truly yours,

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CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is made and entered into by The City of Charleston, a municipal corporation of the State of West Virginia (the "Issuer"), in connection with the issuance of $_____* City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 A Bonds (the "2002 A Bonds") and $_____* The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 B Bonds (the "2002 B Bonds") (collectively referred to as the "Bonds"). The Bonds are being issued pursuant to the Issuer's Ordinance enacted on _____ __, 2002, and its Supplemental Resolution adopted on _____ __, 2002 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated November ____, 2002, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Certificate.

"Beneficial Owner" shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 8 months after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2003 Fiscal Year, provide to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within ninety (90) days after the end of its 2003 fiscal year and each subsequent fiscal year, to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 2003 fiscal year-end, and each subsequent fiscal year, to each nationally recognized municipal securities information repository ("National Repository") and to any West Virginia State information repository ("State Repository"), core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in the Official Statement under the caption "Financial Statements of the Issuer":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities; and

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board or the National Repository and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the

opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: _____ __, 2002

THE CITY OF CHARLESTON

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: City of Charleston

Name of Issue: $_____ The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 A
$_____ The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 B

Date of Issuance: _____ __, 2002

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

THE CITY OF CHARLESTON

By: _____
Mayor

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of July 1, 2002

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

REFUNDING - BOOK-ENTRY ONLY

In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Series 2002 A Bonds and Series 2002 B Bonds are excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Series 2002 A Bonds and Series 2002 B Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Series 2002 A Bonds and Series 2002 B Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Series 2002 A Bonds and Series 2002 B Bonds, and the interest thereon, are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. See "TAX EXEMPTION" herein.

$1,755,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A

$5,160,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 B

Dated: December 1, 2002 **Due:** As shown on inside front cover

The Series 2002 A Bonds and Series 2002 B Bonds (collectively, the "Bonds") are issued in fully registered form in the denomination of $5,000 principal amount or any integral multiple thereof. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York. Interest on the Bonds is payable on each January 1 and July 1, commencing July 1, 2003 (each, a "Payment Date"). Principal of, premium, if any, and interest on the Bonds is payable by the West Virginia Municipal Bond Commission, as paying agent (the "Paying Agent") to Cede & Co.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 in aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

The Bonds are being issued by The City of Charleston, West Virginia (the "Issuer") to provide funds (i) to refund the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B, (ii) to fund debt service reserve funds for the Bonds, and (iii) to pay costs of issuing the Bonds. The Bonds are payable solely from and secured by the Net Revenues (as defined herein), and moneys held in certain of the funds and accounts maintained under the Ordinance (as defined herein), all as more fully described herein. See "SECURITY FOR THE BONDS." The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS-Redemption" herein.

Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a financial guaranty insurance policy to be issued simultaneously with the delivery of the Bonds by MBIA Insurance Corporation.

MBIA

The Bonds do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from the above-referenced revenues and moneys. Neither the credit nor the taxing power of the Issuer shall be deemed to be pledged to, nor shall tax ever be levied for, the payment of the principal of, premium, if any, or interest on the Bonds.

This cover page contains only a brief description of the Issuer, the System, the Bonds and the security therefor. It is not intended to be a summary of material information with respect to the Bonds. Investors should read the entire Official Statement to obtain information necessary to make an informed investment decision.

The Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to prior sale and to withdrawal or modification of the offering, without notice, and to the unqualified approval of legality by Jackson Kelly PLLC, Charleston, West Virginia, Bond Counsel, and the approval of certain matters by John T. Poffenbarger, Esq., Charleston, West Virginia, Counsel to the Underwriters. Certain legal matters will be passed upon for the Issuer by Goodwin & Goodwin, LLP, Special City Attorney. It is expected that the Bonds will be available for delivery in New York, New York, at The Depository Trust Company on or about December 4, 2002.

FERRIS, BAKER WATTS, INCORPORATED **CREWS & ASSOCIATES, INC.**

November 21, 2002

MATURITY SCHEDULE

Series 2002 A Bonds
$1,755,000 Serial Bonds

Maturity Date (January 1)	Maturity Amount ($)	Interest Rate (%)	Yield (%)	CUSIP
2004	170,000	2.00	1.72	160609 JB 0
2005	180,000	2.00	2.05	160609 JC 8
2006	185,000	2.375	2.40	160609 JD 6
2007	185,000	3.00	2.72	160609 JE 4
2008	195,000	3.00	3.03	160609 JF 1
2009	200,000	3.25	3.24	160609 JG 9
2010	205,000	3.50	3.48	160609 JH 7
2011	215,000	3.625	3.65	160609 JJ 3
2012	220,000	3.70	3.75	160609 JK 0

Series 2002 B Bonds
$3,415,000 Serial Bonds

Maturity Date (January 1)	Maturity Amount ($)	Interest Rate (%)	Yield (%)	CUSIP
2004	290,000	2.00	1.72	160609 JL 8
2005	310,000	2.00	2.05	160609 JM 6
2006	315,000	2.375	2.40	160609 JN 4
2007	325,000	3.00	2.72	160609 JP 9
2008	335,000	3.00	3.03	160609 JQ 7
2009	345,000	3.25	3.24	160609 JR 5
2010	355,000	3.50	3.48	160609 JS 3
2011	365,000	3.625	3.65	160609 JT 1
2012	380,000	3.70	3.75	160609 JU 8
2013	395,000	3.80	3.90	160609 JV 6
$ 835,000	**4.125%**	**Term Bonds due January 1, 2015 at 4.21%**		**160609 JX 2**
$ 910,000	**4.40%**	**Term Bonds due January 1, 2017 at 4.43%**		**160609 JW 4**

(accrued interest to be added)

The information contained in this Official Statement has been obtained from the Issuer and other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness and is not to be construed as a representation by the Underwriters. The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder, under any circumstances, shall create any implication that there has been no change in the affairs of the System since the date hereof. This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer of any securities, other than those described on the cover page, or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission (the "Commission") or with any state securities agency. The Bonds have not been approved or disapproved by the Commission or any state securities agency, nor has the Commission or any state securities agency passed upon the accuracy or adequacy of this Official Statement. Any representation to the contrary is a criminal offense.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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THE CITY OF CHARLESTON, WEST VIRGINIA

Jay Goldman, Mayor

CITY COUNCIL

Ward 1 - Patrick Jones
Ward 2 - Bobby Haas
Ward 3 - Moses Lanham
Ward 4 - Kenneth McKnight
Ward 5 - David Molgaard
Ward 6 - Edward Talkington
Ward 7 - Henry Knauff
Ward 8 - Fred Petry
Ward 9 - Betty Morton
Ward 10 - Sara Crickenberger
Ward 11 - Marc Weintraub
Ward 12 - Jim Harris, Jr.
Ward 13 - Linda M. Nielsen
Ward 14 - Larry L. Roller
Ward 15 - John Charnock
Ward 16 - Bobby Reishman
Ward 17 - Donna Prunty
Ward 18 – William Kimberly
Ward 19 - Ditty L. Markam
Ward 20 - Dave Lanham
At-Large - Mary Jean Davis
At-Large - J. Thomas Lane
At-Large - Charles W. Loeb, Jr.
At-Large - Mary Jane Lopez
At-Large-Y. Howard Quick, Jr.
At-Large - Beth Fouty-Young

CITY MANAGER
Sherry Risk

CITY CLERK
James Reishman

CITY ATTORNEY
Kimberly Bandi Weber

CHARLESTON SANITARY BOARD
Mayor Jay Goldman, Chairman
John Tinney, Board Member
Sam Bowling, Board Member (PE)

SANITARY BOARD GENERAL MANAGER
Kathleen Rushworth

SANITARY BOARD FINANCE MANAGER
William Collison

SANITARY BOARD OPERATIONS MANAGER
James Downey

BOND COUNSEL
Jackson Kelly PLLC, Charleston, West Virginia

REGISTRAR
Bank One, West Virginia, N.A.

PAYING AGENT
West Virginia Municipal Bond Commission, Charleston, West Virginia

UNDERWRITERS
Ferris, Baker Watts, Incorporated
Crews & Associates, Inc.

UNDERWRITERS COUNSEL
John T. Poffenbarger, Esquire

SPECIAL CITY ATTORNEY
Goodwin & Goodwin, LLP

OFFICIAL STATEMENT

$1,755,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A BONDS

$5,160,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 B BONDS

INTRODUCTION

This Official Statement, including the cover page and the Appendices hereto, is provided to set forth certain information concerning the issuance by The City of Charleston, a West Virginia municipal corporation (the "Issuer"), of $1,755,000 in aggregate principal amount of its Sewerage System Refunding Revenue Bonds, Series 2002 A Bonds and $5,160,000 in aggregate principal amount of its Sewerage System Refunding Revenue Bonds, Series 2002 B Bonds (collectively, the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of West Virginia (the "State"), particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and an ordinance adopted by the Council of the Issuer on November 4, 2002; as supplemented by supplemental resolutions adopted on November 18, 2002 and December 2, 2002 (said ordinance, as so supplemented, the "Ordinance"). The net proceeds of the sale of the Bonds will be applied (i) to current refund the Issuer's Sewerage System Refunding Revenue Bonds, Series 1992A, currently outstanding in the aggregate principal amount of $1,890,000 (the "Series 1992 A Bonds"), and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992B, currently outstanding in the aggregate principal amount of $5,150,000 (the "Series 1992 B Bonds") (collectively, the "Series 1992 Bonds"), (ii) to fund debt service reserve funds for the Series 2002 A Bonds and Series 2002 B Bonds, and (iii) to pay costs of issuing the Bonds. See "PURPOSE AND PLAN OF FINANCING" herein.

The Bonds and the Prior Bonds, as hereinafter defined, will be paid from and secured by the Net Revenues (as defined under the heading "SECURITY FOR THE BONDS") derived from the Issuer's wastewater collection and treatment system (the "System") and all moneys in the Sinking Funds (including the Reserve Accounts and the Redemption Accounts therein).

The Bonds are special obligations of the Issuer. The Bonds do not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation on indebtedness, and the Issuer shall not be obligated to pay the Bonds or the interest thereon except from such Net Revenues and moneys in the Sinking Funds, including the Reserve Accounts therein.

Pursuant to the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates and charges for the use of the System and its services. Such rates and charges shall be adequate at all times to produce Gross Revenues from the System sufficient to pay operation and maintenance expenses and to make the prescribed payments into the funds and accounts created under the Ordinance. Such schedule or schedules of rates and charges shall be revised from time to time, 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 covenants and agrees in the Ordinance that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to meet the rate and parity requirements set forth in the Ordinance. See "SECURITY FOR THE BONDS--Rates" and "THE SYSTEM--Summary of Historical and Projected Gross Revenues and Expenses" herein.

The Issuer may issue additional bonds secured by a lien on Net Revenues on a parity with the Bonds and the Prior Bonds, as hereinafter defined, for the purpose of financing the costs of the construction of additions, betterments or improvements to the System and/or refunding all or a portion of one or more series of revenue bonds, or all of such purposes, subject in each case to certain tests and conditions specified by the Ordinance. See "SECURITY FOR THE BONDS -- Additional Revenue Bonds."

Payment of principal of and interest on the Bonds will be insured in accordance with the terms of a financial guaranty policy (the "Policy") to be issued simultaneously with the delivery of the Bonds by MBIA Insurance Corporation (the "Insurer"). See "FINANCIAL GUARANTY INSURANCE POLICY" herein.

Brief descriptions of the refunding, the Bonds, the System, and the Ordinance are set forth in this Official Statement, which descriptions do not purport to be comprehensive. All references herein to the Ordinance, the Act and other documents, statutes, reports or instruments are qualified in their entirety by reference to such documents. References herein to the Bonds are qualified in their entirety by reference to the forms thereof included in the Ordinance and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the Issuer or, during the period of the offering of the Bonds, from the Underwriters.

PURPOSE AND PLAN OF FINANCING

The Prior Bonds

The acquisition and construction of the System were financed or refinanced with proceeds of the Series 1992 Bonds and certain other obligations of the Issuer, which obligations are designated and have lien positions with respect to the Series 2002 Bonds as follows:

	Designation	Lien Position	Principal Outstanding as of June 30, 2002
1.	$1,912,194 Sewer Revenue Bonds, Series 1989 A, dated March 21, 1989 (the "Series 1989 A Bonds").	First Lien	$1,789,352
2.	$829,856 Sewer Revenue Bonds, Series 1989 C, dated November 21, 1989 (the "Series 1989 C Bonds").	First Lien	$ 776,545
3.	$773,237 Sewerage System Revenue Bonds, 1993 Series A, dated December 2, 1993 (the "Series 1993 A Bonds").	First Lien	$ 508,919
4.	$2,671,058 Sewerage System Revenue Bonds, Series 1996 A, dated October 9, 1996 (the "Series 1996 A Bonds").	First Lien	$2,189,039
5.	$395,299 Sewerage System Revenue Bonds, Series 1996 B, dated November 26, 1996 (the "Series 1996 B Bonds").	First Lien	$ 315,166
6.	$732,688 Sewerage System Revenue Bonds, Series 1997 A, dated July 22, 1997 (the "Series 1997 A Bonds").	First Lien	$ 608,558
7.	$5,237,584 Sewerage System Revenue Bonds, Series 1997 B, dated October 7, 1997 (the "Series 1997 B Bonds").	First Lien	$4,522,066

	Designation	Lien Position	Principal Outstanding as of June 30, 2002
8.	$994,537 Sewerage System Revenue Bonds, 1998 Series A, dated December 10, 1998 (the "Series 1998 A Bonds").	First Lien	$ 869,439
9.	$686,229 Sewerage System Revenue Bonds, 1999 Series A, dated June 22, 1999 (the "Series 1999 A Bonds").	First Lien	$ 664,233
10.	$1,111,357 Sewerage System Revenue Bonds, Series 2001 A, dated February 22, 2001 (the "Series 2001 A Bonds").	First Lien	$1,111,357
11.	$823,741 Sewerage System Revenue Bonds, 2001 Series B, dated May 22, 2001 (the "Series 2001 B Bonds").	First Lien	$ 815,636
12.	$283,458 Supplemental Sewer Revenue Bonds, Series 1989 B, dated March 21, 1989 (the "Series 1989 B Bonds").	Second Lien	$ 203,508
13.	$123,015 Supplemental Sewer Revenue Bonds, Series 1989 D, dated November 21, 1989 (the "Series 1989 D Bonds").	Second Lien	$ 88,318
14.	$132,072 Sewerage System Revenue Bonds, 1999 Series B, dated June 22, 1999 (the "Series 1999 B Bonds").	Second Lien	$ 117,922
15.	$30,492 Sewerage System Revenue Bonds, 2001 Series C, dated May 22, 2001 (the "Series 2001 C Bonds").	Second Lien	$ 29,439

The Series 1989 A Bonds, the Series 1989 C Bonds, the Series 1993 A Bonds, the Series 1996 A Bonds, the Series 1996 B Bonds, the Series 1997 A Bonds, the Series 1997 B Bonds, the Series 1998 A Bonds, the Series 1999 A Bonds, the Series 2001 A Bonds and the Series 2001 B Bonds are collectively referred to as the "First Lien Bonds". The Series 1989 B Bonds, the Series 1989 D Bonds, the Series 1999 B Bonds and the Series 2001 C Bonds are collectively referred to as the "Second Lien Bonds", which are subordinate and junior to the First Lien Bonds and the Bonds. The First Lien Bonds and the Second Lien Bonds are collectively referred to as the "Prior Bonds".

The Refunding

Series 1992 A and Series 1992 B Bonds. The Issuer's Series 1992 A Bonds and Series 1992 B Bonds were issued in the aggregate principal amount of $2,955,000 and $6,670,000, respectively, to refund certain existing indebtedness and to make improvements and betterments to the System. The Series 1992 Bonds will be defeased upon issuance of the Bonds and redeemed on January 1, 2003. The Series 1992 Bonds maturing on or after January 1, 2004 will be redeemed at a price equal to 102% of the principal amount thereof.

As a result of the defeasance of the Series 1992 Bonds, the Bonds, along with the Prior Bonds, will be the only obligations of the Issuer outstanding and secured by the Net Revenues of the System.

ESTIMATED SOURCES AND USES OF FUNDS*

Series 2002 A Sources:

Principal Amount of the Series 2002 A Bonds	$1,755,000.00
Original Issue Premium (net)	1,018.20
Accrued Interest	436.69
Transfer from the Series 1992 A Bonds Debt Service Fund	197,970.00
Transfer from the Series 1992 A Bonds Debt Service Reserve Fund	263,745.00
Total Sources of Funds	$2,218,169.89

Series 2002 A Uses:

Escrow Fund	$1,982,970.00
Debt Service Reserve Fund	175,500.00
Costs of Issuance [1]	32,938.20
Underwriters' Discount	26,325.00
Deposit to Debt Service Fund	436.69
Total Uses of Funds	$2,218,169.89

Series 2002 B Sources:

Principal Amount of the Series 2002 B Bonds	$5,160,000.00
Accrued Interest	1,497.53
Transfer from Series 1992 B Bonds Debt Service Fund	381,688.75
Transfer from Series 1992 B Bonds Debt Service Reserve Fund	545,423.00
Total Sources of Funds	$6,088,609.28

Series 2002 B Uses:

Escrow Fund	$5,410,288.75
Original Issue Discount (net)	11,004.05
Debt Service Reserve Fund	485,472.50
Costs of Issuance [1]	102,946.45
Underwriters' Discount	77,400.00
Deposit to Debt Service Fund	1,497.53
Total Uses of Funds	$6,088,609.28

[1] Representing legal and financing fees, bond insurance premium, printing costs and other miscellaneous expenses relating to the issuance of the Bonds.

SECURITY FOR THE BONDS

Pledge

The payment of the debt service of all of the Bonds issued hereunder shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity in all respects with the lien on the Net Revenues in favor of the Registered Owners of the First Lien Bonds and senior to the lien on the Net Revenues in favor of the Registered Owners of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Bonds and the Prior Bonds, and all other payments provided for in this Ordinance, are irrevocably pledged in the manner provided in the Ordinance to such payments as the same become due and for the other purposes provided in the Ordinance. See Appendix C, "SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE". "Net Revenues" are defined under the Ordinance to mean the balance of the Gross Revenues, remaining after deduction of Operating Expenses, as hereinafter defined. "Gross Revenues" are defined under the Ordinance to mean all rates, rents, fees, charges or other income received by or accrued to the Sanitary Board from the operation of the System, as calculated in accordance with generally accepted accounting principles.

The Bonds also are secured by the moneys on deposit in the Sinking Fund, including the Reserve Accounts therein, funded in an amount equal to the Reserve Requirements (as defined in the Ordinance).

The enforceability of the liens, pledges, rights or remedies with respect to the Bonds, the Prior Bonds and the Ordinance is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting creditors' rights. The first lien on and pledge of Net Revenues securing payment of the Bonds and the Prior Bonds may be subject to termination in the event of the bankruptcy of the Issuer.

Rates

The Issuer has covenanted and agreed that the schedule or schedules 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 115% 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 on a parity with the Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts for the Bonds and reserve accounts for obligations on a parity with the Bonds, including the Prior 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 on a parity with the Bonds, including the Prior Bonds. See "THE SYSTEM -- Rates" regarding the procedure by which rates may be revised.

Reserve Account

Pursuant to the Ordinance, the Issuer will maintain on deposit in the respective Reserve Accounts established with the West Virginia Municipal Bond Commission (the "Commission") an amount equal to the Reserve Requirements for the Bonds. The "Series 2002 A Bonds Reserve Requirement" and "Series 2002 B Bonds Reserve Requirement" are defined under the Ordinance to mean respectively, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 A Bonds and Series 2002 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 A Bonds and Series 2002 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 A Bonds and Series 2002 B Bonds.

Moneys in the Reserve Accounts will be used only to pay principal of or interest on the Bonds as due when other moneys in the Sinking Funds are insufficient therefor; provided that any such moneys in excess of the Reserve Requirements will be deposited in the respective Sinking Fund as described in Appendix C "SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE ".

Application of Gross Revenues

So long as any of the Bonds shall be Outstanding and unpaid, the Issuer has covenanted in the Ordinance as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinances and in the Ordinance 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 provided in the Prior Ordinances and in the Ordinance. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund and pay 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of the interest on the First Lien Bonds; (ii) commencing 6 months prior to the first interest payment date of the Series 2002 A Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 A Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 A Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 A Bonds deposited therein; and (iii) commencing 6 months prior to the first interest payment date of the Series 2002 B Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 B Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 B Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 B Bonds deposited therein.

(3) The Issuer, shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of principal of the First Lien Bonds; (ii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 A Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 A Bonds Sinking Fund and in the Series 2002 A Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 B Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 B Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 B Bonds Sinking Fund and in the Series 2002 B Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Reserve Accounts of the First Lien Bonds; (ii) an amount to be deposited in the Series 2002 A Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 A Bonds Reserve Account below the Series 2002 A Bonds Reserve Requirement or any withdrawal from the Series 2002 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (A) the valuation of investments in the Series 2002 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 A Bonds Reserve Account is less than the Series 2002 A Bonds Reserve Requirement, or (B) any amount is withdrawn from the Series 2002 A Bonds Reserve Account for deposit into the Series 2002 A Bonds Sinking Fund; and (iii) an amount to be deposited in the Series 2002 B Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 B Bonds Reserve Account below the Series 2002 B Bonds Reserve Requirement or any withdrawal from the Series 2002 B Bonds Reserve Account, beginning with the first full calendar month following the date on which (a) the valuation of investments in the Series 2002 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 B Bonds Reserve Account is less than the Series 2002 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2002 B Bonds Reserve Account for deposit into the Series 2002 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account to an amount equal to the respective Reserve Requirement; provided, that no payments shall be required to be made into the such Reserve Accounts whenever and as long as the amounts deposited therein shall be equal to the respective Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any 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 as provided herein. 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 any 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 hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, remit to the Bond Commission the principal, interest and reserve account payments for the Second Lien Bonds.

Additional Revenue 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 the Bonds without complying with the conditions and requirements set forth in the Ordinance (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Bonds, 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months in 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 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall be not 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 Ordinance 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 3 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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance 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 of the Issuer 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 Independent Certified Public Accountants, as stated in a certificate filed with the City Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

See the Ordinance "Additional Parity Bonds" for further information.

Limited Obligations

The Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation but shall be payable solely from the funds pledged for such payment by the Ordinance. No Registered Owner of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

THE BONDS

The Bonds are available in book-entry form only. See "BOOK-ENTRY ONLY SYSTEM" below. So long as Cede & Co. is the registered owner of the Bonds as nominee of The Depository Trust Company, New York, New York, references herein to the Bondholders or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

Description

The Bonds are being issued in the form of serial and term Bonds, the interest on which accrues and is payable on January 1 and July 1 of each year, commencing July 1, 2003 (each a "Payment Date"). The Bonds are dated, bear interest and mature as set forth on the front cover of this Official Statement.

The Bonds are issued in fully registered form in denominations of $5,000 principal amount and integral multiples thereof.

Interest on, premium, if any, and principal of the Bonds are payable by the West Virginia Municipal Bond Commission, Charleston, West Virginia, as paying agent (the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each June 15 and December 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by Bank One, West Virginia, National Association, Charleston, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $500,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date.

Redemption

Optional Redemption. The Series 2002 B Bonds maturing on or after January 1, 2014 are subject to redemption, at the option of the Issuer on or after January 1, 2013, in whole or in part, at any time in inverse order of maturity by lot within a maturity, at the following redemption prices expressed as percentages of the principal amount, plus interest, if any, accrued to the date fixed for redemption:

Redemption Period Series 2002 B Bonds	Price
January 1, 2013 through December 31, 2013	101 %
January 1, 2014 through December 31, 2014	100.5%
January 1, 2015 and thereafter	100 %

Mandatory Sinking Fund Redemption. The Series 2002 B Bonds maturing on January 1, 2015, and January 1, 2017 ("Term Bonds") are subject to mandatory redemption prior to maturity, by lot, from the Redemption Account created in the Sinking Fund, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption and in the amounts set forth below:

Series 2002 B Term Bonds Due January 1, 2015

Year (January 1)	Principal Amount
2014	$410,000
2015 (maturity)	$425,000

Series 2002 B Term Bonds Due January 1, 2017

Year (January 1)	Principal Amount
2016	$445,000
2017 (maturity)	$465,000

Unless waived by any holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.
All official notices of redemption shall be dated and shall state:

(1) The redemption date,

(2) The redemption price,

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and,

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds that are to be redeemed on that date.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co., as nominee for DTC. One fully-registered Bond will be issued for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE BONDS, AS NOMINEE OF DTC, REFERENCES HEREIN TO THE BONDHOLDERS, BONDOWNERS OR REGISTERED OWNERS OF THE BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE BONDS.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (the "Participants") deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in accounts of the Participants, thereby eliminating the need for physical movement of securities certificates. Direct participants (the "Direct Participants") include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants"). The Rules applicable to DTC and its Participants are on file at the Securities and Exchange Commission.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (the "Beneficial Owner") in turn is to be recorded on the Direct and the Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry only system for the Bonds is discontinued as described below.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants in whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. For every transfer and exchange of beneficial ownership in the Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory and regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Bonds. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, redemption price and interest payments on the Bonds will be made to DTC. DTC's current practice is to credit the accounts of the Direct Participants in accordance with their respective holdings shown on the records of DTC unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices as is now the case with

municipal securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC, the Issuer or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption price and interest to DTC is the responsibility of the Issuer and the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of the Direct Participants and the Indirect Participants.

IT IS THE DUTY OF EACH BENEFICIAL OWNER TO MAKE ARRANGEMENTS WITH THE APPLICABLE DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO RECEIVE FROM SUCH PARTICIPANT NOTICES OF REDEMPTION, CREDIT BALANCES WITH RESPECT TO PAYMENTS OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST, AND ALL OTHER PAYMENTS AND COMMUNICATIONS, WHICH THE DIRECT PARTICIPANT RECEIVES, FROM DTC. NEITHER THE ISSUER NOR THE TRUSTEE HAS ANY DIRECT OBLIGATION OR RESPONSIBILITY TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS OR BENEFICIAL OWNERS.

For every transfer and exchange of ownership interests in Bonds, the Beneficial Owners may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto.

Discontinuation of Book-Entry Only System

DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving reasonable notice to the Issuer and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Issuer may, by giving reasonable notice to DTC and the Trustee, discontinue the book-entry system if it determines that continuation is not in the best interests of the Issuer or the registered owners of the Bonds. Upon the giving of such notice, the book-entry only system for the Bonds will be discontinued unless a successor securities depository is appointed by the Issuer.

In the event the book-entry only system for the Bonds is discontinued, the following provisions would apply, subject to the further conditions set forth in the Indenture:

(a) Bond certificates in fully registered form will be delivered to, and registered in the names of, the Direct Participants or such other persons as such Direct Participants may specify (which may be the Indirect Participants or Beneficial Owners), in authorized denominations. The ownership of the Bonds so delivered (and any Bonds thereafter delivered upon a transfer or exchange described below) shall be registered in the Bond Register to be kept by the Trustee, and the Issuer and the Trustee shall be entitled to treat the registered owners of such Bonds, as their names appear in such Bond Register as of the appropriate dates, as the owners thereof for all purposes described herein and in the Indenture.

(b) Bonds may be transferred or exchanged by a Bondholder upon surrender to the Trustee of such Bonds, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Bondholder or a duly authorized attorney-in-fact or legal representative.

(c) In all cases of the transfer of a Bond, the Trustee will enter the transfer of ownership in the Bond Register and will authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same maturity and interest rate for the aggregate principal amount which such transferee is entitled to receive. No transfer of any Bond will be effective until entered on the Bond Register.

(d) Bonds may, at the option of the Bondholder, be exchanged for an equal aggregate principal amount of Bonds of the same maturity and interest rate in any other authorized denominations, upon surrender of such Bonds accompanied by a written instrument or instruments of transfer, in form satisfactory to the Trustee, duly executed by the Bondholder or his duly authorized attorney.

(e) Upon the transfer or exchange of any Bond, the Bondholder shall be required to pay any taxes, fees or other governmental charges that may be imposed in relation thereto.

(f) Upon surrender of any Bonds to be transferred or exchanged, the Trustee shall record the transfer or exchange in its Bond Register and shall authenticate and deliver new Bonds appropriately registered and in appropriate authorized denominations. The Trustee shall not be required to effect or register any transfer or exchange of any Bond between the Regular Record Date and the related Interest Payment Date or during a period beginning at the opening of business five (5) days before the mailing of notice of redemption of Bonds selected for redemption and ending at the close of business on the day of such mailing or for any Bonds so selected for redemption in whole or in part, except

that Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion. No transfer or exchange made other than as described above and in the Indenture shall be valid or effective for any purpose under the Indenture.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

FINANCIAL GUARANTY INSURANCE POLICY

The MBIA Insurance Corporation Insurance Policy

MBIA's policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Issuer to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by MBIA's policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner of the Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law (a "Preference").

MBIA's policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bonds. MBIA's policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. MBIA's policy also does not insure against nonpayment of principal of or interest on the Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a Bond the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Bonds or presentment of such other proof of ownership of the Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Bonds as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Bonds in any legal proceeding related to payment of insured amounts on the Bonds, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

MBIA

MBIA Insurance Corporation ("MBIA") is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the "Company"). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain. New York has laws prescribing minimum capital requirements, limiting classes and concentrations of investments and requiring the approval of policy rates and forms. State laws also regulate the amount of both the aggregate and individual risks that may be insured, the payment of dividends by MBIA, changes in control and transactions among affiliates.

Additionally, MBIA is required to maintain contingency reserves on its liabilities in certain amounts and for certain periods of time.

MBIA does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the policy and MBIA set forth under the heading "FINANCIAL GURANTY INSURANCE POLICY". Additionally, MBIA makes no representation regarding the Bonds or the advisability of investing in the Bonds.

The Financial Guarantee Insurance Policies are not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

MBIA Information

The following documents filed by the Company with the Securities and Exchange Commission (the "SEC") are incorporated herein by reference:

(1) The Company's Annual Report on Form 10-K for the year ended December 31, 2001; and
(2) The Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002.

Any documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act of 1934, as amended, after the date of this Official Statement and prior to the termination of the offering of the Bonds offered hereby shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2001, and (2) the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2002), are available (i) over the Internet at the SEC's web site at http://www.sec.gov; (ii) at the SEC's public reference room in Washington D.C.; (iii) over the Internet at the Company's web site at http://www.mbia.com; and (iv) at no cost, upon request to MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504. The telephone number of MBIA is (914) 273-4545.

As of December 31, 2001, MBIA had admitted assets of $8.5 billion (audited), total liabilities of $5.6 billion (audited), and total capital and surplus of $2.9 billion (audited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of June 30, 2002, MBIA had admitted assets of $8.7 billion (unaudited), total liabilities of $5.7 billion (unaudited), and total capital and surplus of $3.0 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

Financial Strength Ratings of MBIA

Moody's Investors Service, Inc. rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. rates the financial strength of MBIA "AAA."

Fitch Ratings rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. MBIA does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

THE SYSTEM

General

The Charleston Sanitary Board (the "Board") is a municipal sewer utility created by an ordinance adopted by City Council of the Issuer on March 17, 1952 to serve Charleston and a small portion of the surrounding area. The Board operates the wastewater collection system and treatment plant and provides service for approximately 65,000 people through approximately 24,600 customer accounts. The Board owns, maintains, and operates approximately 248 miles of sewage collections lines, 86 pumping stations, approximately 5,408 manholes and a treatment plant with a capacity of 14 million gallons per day under National Pollutant Discharge Elimination System (NPDES) Permit No. WV0023205. Treated wastewater is discharged to the Kanawha River.

History and Development

The Board obtained a collection system when formed in 1952. This collection system has been extended through private development and construction contracts administered by the Board and funded by federal grants, the Prior Bonds, and revenue generated from sanitary sewer service rates. The collection system includes 53 permitted combined sewer overflows.

The treatment plant was constructed in 1956 with a treatment capacity of 9 mgd. The treatment process consisted of primary treatment with chlorine disinfection and anaerobic sludge digestion. The treatment plant was upgraded in 1969 – the treatment capacity was increased to 12 mgd for average daily flow with a peak hydraulic capacity of 18 mgd. Secondary treatment with conventional activated sludge was added to the treatment process. The most recent plant upgrade was performed in 1985 with construction of improvements to the plant headworks, conversion of the secondary treatment process from conventional activated sludge to high-purity oxygen activated sludge, construction of additional detention basins for chlorine disinfection, construction of a gravity sludge thickener for primary and waste activated sludge, construction of a high-purity oxygen digester, and installation of a belt-filter press for sludge dewatering. The treatment plant is currently rated for 15.4 mgd. Permit discharge limits are based on a maximum flow of 14 mgd.

Properties and Services

The primary function of the Board is to collect and treat wastewater from domestic and industrial customers. The Board bills each domestic customer based on the amount of water used and each industrial customer based on the strength and volume of waste that enters the Board's collection and treatment system. Customers may pay by mail or in person at Charleston City Hall or the Board's administrative office in Charleston. The Board coordinates with the West Virginia American Water Company for the termination of water service for non-payment in accordance with Public Service Commission regulations.

The Board operates through 4 divisions: Administration, Plant Operation and Maintenance, Collection System Operation and Maintenance, and Pumping Station Operation and Maintenance. The Board administers a pre-treatment program for industrial customers and grease-trap program for customers with non-domestic food preparation. These programs are administered in accordance with Charleston Ordinances and federal and state regulations. The Board also reviews and approves building permit applications and subdivision plans prior to construction and installs taps for new customers.

Future Capital Improvements

The Board has contracted with an engineering consultant to perform a Plant Upgrade Study to develop recommendations for treatment plant upgrade construction beginning in 2003. The Board hopes to obtain funds for the pending upgrade from the State Revolving Fund or other State funding sources. The Board anticipates that a rate increase will be required in 2004 to fund a portion of the improvements.

In-house technical staff are designing a pumping station telemetry system and preparing bid documents for advertisement in 2003. The telemetry system will allow Board personnel to monitor pumping station performance from a remote location and immediately identify equipment that fails to operate properly. Current rates are adequate to provide funding to support the bonds to be issued for this project.

The Board has four collection system rehabilitation projects that are in preliminary stages: Porter's Hollow, Lick Branch, Kanawha Two-Mile, and Woodward Branch. Design and construction are scheduled over the next three

years for these projects. The Board anticipates that a rate increase will be required to permanently finance these improvements.

The Board is performing a water quality study to determine the impact of the combined sewer system on the Kanawha and Elk Rivers. As a result of this study, the Board could make capital improvements to the collection and treatment system to collect and treat additional wet-weather flow and decrease the impact of combined sewer overflows to the Rivers.

Service Area

The service area consists of the City and certain adjacent areas of Kanawha County. The retail service area occupies approximately thirty square miles and contains approximately 65,000 people. The Sanitary Board acquired the assets, liabilities and customers of Mt Tyler Public Service District on June 22, 1999. The acquisition resulted in an additional 580 customers to the system and generated approximately $131,138 in annual revenues. The Sanitary Board merged with the Guthrie Public Service District on May 22, 2001. This acquisition resulted in an additional 414 customers to the System and generates approximately $165,414 in annual revenues. Prior to the acquisition, the Board had treated the wastewater from the Public Service District's under a treatment agreement.

Customer Statistics

The following table indicates the numbers of domestic and industrial customers during each of the past 5 fiscal years and projections for the next 4 fiscal years.

Customer Category Summary
Numbers of Customers

Year Ended June 30*	Domestic	Industrial
1998	24,030	3
1999	23,714	2
2000	24,266	2
2001	24,378	2
2002	24,546	2
2003	24,500	2
2004	24,500	1
2005	24,500	1
2006	24,500	1

* Years ended June 30, 2003 through June 30, 2006 are projections.

Source: Board billing records for historical figures and otherwise projections by the Board.

The following table sets forth the 9 largest customers of the System, their average daily flow and percentages of total average daily flow and total average flow represented by such flow for the fiscal year ended June 30, 2001.

Major Users
Chart 1

Customer	Annual Flow	% of Flow	Total Revenues	% of Total Revenues
CAMC	79,694,140	3.57%	$307,619.38	3.71%
Charleston Housing Authority	49,256,700	2.21%	$190,130.86	2.29%
State of West Virginia	31,280,200	1.40%	$120,741.57	1.45%
United Dairy	27,855,000	1.25%	$107,520.30	1.30%
Forest City Management	26,395,500	1.18%	$101,886.63	1.23%
Spring Hill Apartments	18,978,000	0.85%	$73,255.08	0.88%
Charleston Marriott	16,949,000	0.76%	$65,423.14	0.79%
Univ. of Charleston	13,805,000	0.62%	$53,287.30	0.64%
Charleston Town Center	4,280,000	0.19%	$16,520.80	0.20%

Administration, Organization and Management

The Board is comprised of the Mayor as ex-officio chairman, and two members appointed by City Council to staggered terms. Board members are prohibited from holding other public offices and from employment by the Issuer. Board members are compensated by the Board subject to approval by City Council.

The System is required to be administered by a full time General Manager appointed by the Board to serve in such capacity for an indefinite term. Duties of the General Manager include submission and administration of the budget, enforcement of laws pertaining to the System, collection of revenues, purchase of System equipment and supplies, and performance of all other acts required of the chief executive officer of the Board.

The present Board members and managers of the System are identified below:

Jay Goldman is Mayor of the City of Charleston, and owner of Goldman & Associates Realtors. His present term expires June 2003. As Mayor, Mr. Goldman is ex-officio Chairman of the Board.

John Tinney is an attorney at law and partner in the firm Tinney Law Firm. His present term began March 17, 2000, and expires on March 17, 2003. Mr. Tinney is Secretary/Treasurer of the Board.

Sam Bowling is a Professional Engineer and owner of Dougherty Co. Inc. His present term began on March 2002 and expires on March 17, 2005. Mr. Bowing is Vice-Chairman of the Board.

Kathleen Rushworth, P.E. has been the General Manager of the Sanitary Board since January 2001. Ms. Rushworth received Bachelors of Science Degree in Geology and Civil Engineering from the University of Michigan and a Masters of Science degree in Engineering form the University of Texas. Ms. Rushworth is a Registered Professional Engineer in West Virginia and Ohio and a licensed Land Surveyor in West Virginia.

James Downey has been Operations Manager of the Sanitary Board since April 1993. He holds an Associate in Science Degree in Civil Engineering Technology from West Virginia University Institute of Technology, a Regents Bachelor of Arts Degree form West Virginia University Institute of Technology and is enrolled in the Marshall University Graduate College working on a Master of Science degree in Environmental Engineering.

William Collison has been the Finance Manager of the Sanitary Board since February 1986. He holds a bachelor of Business Administration degree from West Virginia State College.

Rates

Pursuant to the Act, the City Council must fix minimum rates and charges for the use of its municipal sewer system and may increase such rates whenever deemed necessary. Such rates and charges are required by the Act and the Ordinance to be sufficient at all times to provide for the payment of interest on all bonds issued pursuant to the Act and to create a sinking fund to pay the principal of such bonds as and when the same becomes due, and reasonable reserves therefore, to provide for the repair, maintenance and operation of the sewer system, to provide an adequate depreciation fund and to make any other payments required or provided for in the applicable bond ordinance.

The Act provides that rates and charges established by municipally operated utilities shall be just, reasonable, applied without unjust discrimination or preference and based primarily on the costs of providing service. Such rates and charges must be filed with the Public Service Commission of West Virginia (the "PSC") but generally are not subject to regulatory approval. However, any customer of a municipally operated utility aggrieved by a rate change may present to the PSC within 30 days of the adoption of the ordinance providing for the change a petition signed by not less than 25 percent of the customers served by the utility. Within 100 days from the filing of any such petition, a hearing examiner must issue an order approving, disapproving or modifying the rate increase. Such order has the full force and effect of an order issued by the PSC. Also, if a municipally operated utility serves customers outside the boundaries of the municipality, the PSC is empowered to review, approve or modify such rates if, within 30 days of the adoption of the ordinance providing for such rates, a customer (including a wholesale user) alleges that such rates constitute discrimination between customers within and without the municipal boundaries. The PSC may determine the method by which such rates are reviewed and may grant and conduct a new hearing on the matter if the customer or the municipality requests such a hearing.

The following table sets forth the rates and charges effective December 21, 2000.

Rates: - For Sewage that does not contain industrial waste:

$3.86 per thousand gallons in excess of 2,000 gallons used per month

Rates: - For Sewage that contains industrial waste:

Where the character of sewage from any manufacturing or industrial plant, building or premises is such that it imposes a burden upon the sewer system in addition to the burden imposed by the average sewage entering the sewer system, the Sanitary Board may, if it deems advisable to do so, compel the owner, tenant or occupant of such manufacturing or industrial plant, building or premises to treat such sewage in such manner as shall be specified by the Sanitary Board before discharging into the sewer system. In the absence of such treatment sufficient to remove such additional burden, the charges for treatment of such sewage shall be as follows:

Monthly Service Charge	$3,210.00
Volumetric Treatment Charge	$1.750 per thousand gallons
Biochemical Oxygen Demand (BOD) Charge	$0.258 per pound
Total Suspended Solids (TSS) Charge	$0.202 per pound

When an industrial user is to be served, a preliminary study of its waste, and the cost of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the Sanitary Board, should not be introduced into the sewer system, need not be handled by it. The result of this preliminary study will be used to determine the feasibility of the proposed sewer service.

Billing and Collections

The Issuer renders monthly billings to its residential customers based upon water usage. Payments are due upon receipt. If a bill remains unpaid beyond the penalty date, a 10 percent penalty is added to the delinquent account and delinquency procedures are initiated, including the giving of two termination notices and termination of service 20 days after the initial due date. The Board coordinates water disconnection with West Virginia American Water Company in accordance with Public Service Commission regulations. Upon reinstituting service to a previously delinquent account, a disconnect/reconnect charge of $20.00 is required.

Summary of Doubtful Accounts

Year Ended June 30	Gross Revenue	Allowance for Doubtful Accounts*
1997	$6,211,200	$ 551
1998	$5,830,618	$4,000
1999	$6,782,261	$4,700
2000	$7,148,600	$302,004
2001	$8,299,594	$72,000

*For fiscal year ended June 30, 2000 the allowance for doubtful accounts was increased by $297,304. The allowance at June 30, 2000 includes amounts outstanding for greater than twelve months. The previous method used was 0.55% of the accounts receivable at year end. Due to legislation passed disallowing the Board to hold landlords responsible for tenant usage, the amount of outstanding receivables has steadily increased over the past few years. Therefore, the prior method no longer provides an adequate allowance.

Deferred payment plans are available for any residential customer who demonstrates an inability to pay a System bill in full and shows that service termination would endanger such customer's health or safety.

The Ordinance requires that the Issuer prepare and adopt at least 45 days preceding the beginning of each fiscal year, a detailed budget of the estimated expenditures for operation and maintenance of the System during that succeeding fiscal year. The annual budget is prepared by the Finance Manager, approved by the General Manager and then presented to the Board of adoption.

All expenditures are approved through a materials requisition and purchase order system. Each order is reviewed by the Finance Manger, the General Manager, and, prior to disbursement of funds, by the accounting department. Checks are approved by the General Manager and require two signatures from Mayor/Chairman and the system financial advisor.

Public Employees Retirement System

The Board elected to participate in the West Virginia Public Employees Retirement System (the "Retirement System"), a statewide system comprised of the State of West Virginia and such of its political subdivisions as elect participation. Annuity benefits under the Retirement System are financed through employer and member contributions and the investment earnings on such contributions. The Board, as an employer, is obligated to contribute annually to the Retirement System and amount equal to 9.5 percent of its employee payroll for the preceding year. The following table summarizes the contributions made by the Board to the Retirement System during each of past five fiscal years:

Retirement System Contributions

	Fiscal Years Ended June 30				
	2001	**2000**	**1999**	**1998**	**1997**
Employees Covered	71%	73%	73%	63%	66%
Board Contribution rate (%)	9.5%	9.5%	9.5%	9.5%	9.5%
Board Contributions	$214,209	$206,274	$208,365	$175,312	168,286

Source: Compiled by the Finance Manager from the annual audit reports of Grigoraci, Trainer, Wright & Paterno. Certified Public Accountants, for the five fiscal years ended June 30, 1997 through June 20, 2001.

Method of Accounting

The Board maintains its accounts pertaining to the System on an accrual basis and in accordance with generally accepted accounting principles. The accounting records of the Board have been audited annually for the fiscal years ended June 30, 2001, 2000, 1999 and 1998 by Grigoraci, Trainer, Wright & Paterno. See Appendix A-AUDITED FINANCIAL STATEMENTS, regarding the fiscal years ended June 30, 2001 and June 30, 2000. The audited financial statements for fiscal year ended June 30, 2002, are expected to be completed by November 30, 2002.

Summary of Historical and Projected Gross Revenues and Expenses

The following two schedules summarize historical revenues and expenses of the System for the five fiscal years ended June 30, 2002, and projected revenues and expenses of the System for the three fiscal years ending June 30, 2005. The City of Charleston passed an ordinance in June of 1998 approving a 12.59% rate increase effective August 1, 1998 to meet the projected debt service coverage requirement (115%) for fiscal year ended June 30, 1999. Due to extraordinary operating expenses, and the loss of an industrial customer during the fiscal year ended June 30, 2000, and a change in estimate of allowance for doubtful accounts the Board did not meet the debt service minimum of 115% of the maximum amount required in any year of the debt. To correct this shortage a rate ordinance was passed by the City of Charleston on November 6, 2000, which increased sewer fees by $3,350,659, or 61.2% overall. This increase was effective December 21, 2000.

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CHARLESTON SANITARY BOARD
Summary Statement of Income and Expenses
Fiscal Years Ended June 30
Actual Results of Operations ($)

	1998 (1)	1999	2000 (2) (3) (4)	2001 (3) (4)	Unaudited 2002 (3)(4) (5)
Operating Revenues:					
Sewer Sales	$5,824,618	$6,777,261	$7,148,600	$8,167,289	$9,957,110
Rental Income	6,000	5,000	0	0	0
Total Operating Revenues	$5,830,618	$6,782,261	$7,148,600	$8,167,289	$9,957,110
Operating Expenses:					
Collecting Expenses	$511,925	$532,421	$616,634	$662,911	$820,842
Pumping Expense	741,393	705,613	706,283	666,190	734,767
Treatment Expense	1,695,554	1,919,939	1,935,198	2,002,009	2,034,402
Billing and Collecting Expense	594,852	581,713	959,259	862,711	756,808
Administrative and General	1,035,513	1,285,227	1,330,465	1,259,547	1,515,472
Interest Expense on Bank One Equipment Lease/Purchase	0	0	0	35,437	54,163
Total Operating Expenses	$4,579,237	$5,024,913	$5,547,839	$5,488,805	$5,916,454
Operating Income:					
Operating Income	$1,251,381	$1,757,348	$1,600,761	$2,678,484	$4,040,656
Other Income	380,603	347,088	80,597	132,305	99,734
Interest Income	0	0	159,234	204,795	124,163
Income Available for Debt Service	$1,631,984	$2,104,436	$1,840,592	$3,015,584	$4,264,553
Other Expense					
Bond Interest	$773,479	$809,704	$957,304	$851,138	$988,056
Bond Discounts and Issuance Costs Amortized	36,388	35,028	33,588	32,064	30,456
Depreciation Expense	87,895	110,856	1,600,319	1,589,298	1,856,587
Fiscal and Financial Costs	10,230	33,932	62,130	65,258	63,804
Total Other Expense	$907,992	$989,520	$2,653,341	$2,537,758	$2,938,903
Net Income	$723,992	$1,114,916	($812,749)	$477,826	$1,325,650
Debt Service Coverage Factor					
Maximum Annual Debt Service	$1,661,154	$1,790,856	$1,790,856	$1,931,992	$1,931,992
Percent Debt Service Coverage	98%	118%	103%	156%	221%

(1) The City of Charleston passed an ordinance in June of 1998 approving a 12.59% rate increase effective August 1, 1998 to meet the projected debt service coverage requirement (115%) for fiscal year ended June 30, 1999.

(2) Due to extraordinary operating expenses, and the loss of an industrial customer during the fiscal year ended June 30, 2000, and a change in estimate of allowance for doubtful accounts the Board did not meet the debt service minimum of 115% of the maximum amount required in any year of the debt. To correct this shortage an ordinance was passed by the City of Charleston on November 6, 2000, which increased sewer fees by $3,350,659, or 61.2% overall. This increase was effective December 21, 2000.

(3) Per GASB Statement 33, beginning in fiscal year ended 6/30/01, certain non exchange transactions such as sewer taps, main extensions, etc. that were previously recorded in an equity account are now included in income.

(4) During fiscal year ended June 30, 2001, an adjustment was made to record depreciation of the sewer system. The depreciation expense for fiscal year ended June 30 2000 was restated from $92,041 to $1,600,319 resulting in a reported net loss of $812,749 from a reported net income of $695,529. Retained earnings for fiscal year ended June 30, 2000 were decreased from $30,669,899 to $7,602,615 to record depreciation expense for prior years in the amount of $23,067,284.

(5) The audited financial statements for fiscal year ended June 30, 2002, are expected to be completed by November 30, 2002.

CHARLESTON SANITARY BOARD
Summary Statement of Income and Expenses
Fiscal Years Ending June 30
Projected Results of Operations ($)*

	Without Refunding of Series 1992 A Bonds and Series 1992 B Bonds			With Refunding of Series 1992 A and Series 1992 B Bonds		
	2003	2004	2005	2003	2004	2005
Operating Revenues:						
Sewer Sales	9,957,110	10,602,315	10,602,315	9,957,110	10,602,315	10,602,315
Rental Income	0	0	0	0	0	0
Total Operating Revenues	$9,957,110	$10,602,315	$10,602,315	$9,957,110	$10,602,315	$10,602,315
Operating Expenses:						
Collecting Expense	837,259	854,004	871,084	837,259	854,004	871,084
Pumping Expense	749,462	764,451	779,740	749,462	764,451	779,740
Treatment Expense	2,075,090	2,116,592	2,158,924	2,075,090	2,116,592	2,158,924
Billing and collecting expense	771,944	787,383	803,131	771,944	787,383	803,131
Administrative and general	1,545,781	1,576,697	1,608,231	1,545,781	1,576,697	1,608,231
Total operating expenses	$5,979,536	$6,099,127	$6,221,110	$5,979,536	$6,099,127	$6,221,110
Operating income	3,977,574	4,503,188	4,381,205	3,977,574	4,503,188	4,381,205
Other income	99,734	101,729	103,764	99,734	101,729	103,764
Interest income	124,163	126,646	129,179	124,163	126,646	129,179
Income available for debt service	$4,201,471	$4,731,563	$4,614,148	$4,201,471	$4,731,563	$4,614,148
Other expenses:						
Bond interest expense 1992A	111,915	103,318	93,795	0	0	0
Bond interest expense 1992B	317,328	304,638	290,895	0	0	0
Bond interest expense 2002A	0	0	0	31,154	51,658	47,995
Bond interest expense 2002B	0	0	0	107,327	181,089	174,895
Bond interest expense (all other)	535,195	520,475	505,212	535,195	520,475	505,212
Bond discounts and issuance costs amortized	238,447	0	0	238,447	0	0
Depreciation expense	2,026,711	1,900,851	1,868,816	2,026,711	1,900,851	1,868,816
Fiscal and financial costs	63,804	63,804	63,804	63,804	63,804	63,804
Total other expenses	$3,293,400	$2,893,086	$2,822,522	$3,002,638	$2,717,877	$2,660,722
Net income	$908,071	$1,838,477	$1,791,626	$1,198,833	$2,013,686	$1,953,426
Maximum Annual Debt Service	$1,931,992	$1,931,992	$1,931,992	$1,931,992	$1,838,754	$1,838,754
Projected Debt Service Coverage	217%	245%	239%	217%	257%	251%

*All figures are estimates and subject to change. The City anticipates issuing bonds to make additional upgrades to the System. The Maximum Annual Debt Service will increase as a result. See "THE SYSTEM--Future Capital Improvement."

Annual Debt Service Requirements

The following table sets forth for each fiscal year during which the Bonds will be outstanding the amounts payable from Net Revenues as principal of and interest on the Bonds.

Debt Service Requirements
Dollars ($)

Year Ending June 30	Prior Bonds Debt Service	Series 2002 A Principal	Series 2002 A Interest	Series 2002 B Principal	Series 2002 B Interest	Total Debt Service
2004	1,122,825	170,000	56,769.38	290,000	194,679.07	1,834,273
2005	1,122,823	180,000	49,002.50	310,000	173,903.76	1,835,729
2006	1,122,825	185,000	45,402.50	315,000	167,703.76	1,835,931
2007	1,122,824	185,000	41,008.76	325,000	160,222.50	1,834,055
2008	1,122,823	195,000	35,458.76	335,000	150,472.50	1,838,754
2009	1,122,824	200,000	29,608.76	345,000	140,422.50	1,837,855
2010	1,122,824	205,000	23,108.76	355,000	129,210.00	1,835,143
2011	1,122,854	215,000	15,933.76	365,000	116,785.00	1,835,573
2012	1,122,824	220,000	8,140.00	380,000	103,553.76	1,834,518
2013	1,122,824			395,000	89,493.76	1,607,318
2014	1,109,937			410,000	74,483.76	1,594,421
2015	1,071,271			425,000	57,571.26	1,553,842
2016	1,071,270			445,000	40,040.00	1,556,310
2017	1,071,270			465,000	20,460.00	1,556,730
2018	1,012,654					1,012,654
2019	760,737					760,737
2020	461,495					461,495
2021	461,495					461,495
2022	461,495					461,495
2023	393,937					393,937
2024	393,937					393,937
2025	393,936					393,936
2026	393,937					393,937
2027	393,937					393,937
2028	324,963					324,963
2029	324,963					324,963
2030	324,963					324,963
Total	**$21,654,467**	**$1,755,000**	**$304,433.18**	**$5,160,000**	**$1,619,001.63**	**$30,492,902**

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RATING

Moody's Investors Service, Inc. is expected to assign this issue the rating of "Aaa" on the understanding that the standard municipal bond insurance policy of MBIA Insurance Corporation guaranteeing the timely payment of principal of and interest on the Series 2002 A Bonds and Series 2002 B Bonds, will be issued upon delivery of the Bonds. The Issuer has not applied for any other rating.

Such rating reflects only the views of such organizations, and an explanation of the significance of such rating may be obtained from the rating agency. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by any of the issuing agencies if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

TAX EXEMPTION

Jackson Kelly PLLC, Bond Counsel, is of the opinion that under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, interest on the Bonds is excludable from gross income of the holders thereof for federal income tax purposes, and interest on the Bonds is not a specific preference item for purposes of the federal alternative minimum tax imposed on individuals and corporations. However, interest paid to corporate holders of the Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Further, in the opinion of Bond Counsel, under existing laws of the State of West Virginia, the Bonds, and the interest thereon, are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

The Issuer has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3)(B) of the Code and covenants that the Bonds do not constitute private activity bonds as defined in Section 141 of the Code, and that not more than $10,000,000 aggregate principal amount of obligations the interest on which is excludable (under Section 103(a) of the Code) from gross income for federal income tax purposes (excluding, however, obligations issued to currently refund any obligation of the Issuer to the extent the amount of the refunding obligation does not exceed the amount of the refunded obligation and private activity bonds, as defined in Section 141 of the Code, other than qualified 501(c)(3) bonds as defined in Section 145 of the Code), including the Bonds, have been or shall be issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2002.

The initial public offering price of certain of the Series 2002 A Bonds maturing on January 1, 2005, January 1, 2006, January 1, 2008, January 1, 2011, and January 1, 2012, and the Series 2002 B Bonds maturing on January 1, 2005, January 1, 2006, January 1, 2008, January 1, 2011, January 1, 2012, January 1, 2013, January 1, 2015 and January 1, 2017, each inclusive (the "Discount Bonds"), is less than that amount payable on the Discount Bonds at maturity. The difference between the initial public offering price at which the Discount Bonds were sold and the amount payable at maturity constitutes an original issue discount ("OID"). In the case of any original Holder of a Discount Bond, the amount of the OID which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the Holder in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity).

Bond Counsel is of the opinion that amounts received upon such disposition, which are attributable to accrued OID, will be treated as tax-exempt interest, rather than as taxable gain for Federal income tax purposes.

Interest in the form of OID is treated as compounding semiannually on days which are determined by reference to the maturity date of the Discount Bonds. The amount of OID, which is treated as having accrued in respect of a Discount Bond for any particular semiannual compounding period, is equal to the difference between the product of (a) one-half of the yield for the Discount Bonds (adjusted as necessary for an initial short period) and (b) the tax basis of the Discount Bond during such period. For purposes of the preceding sentence, the tax basis of a Discount Bond, if held by an original purchaser, can be determined by adding to the initial public offering price of such Discount Bond the OID that is treated as having accrued during all prior semiannual compounding periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, the OID that would have accrued for that semiannual compounding period for Federal income tax purposes is to be apportioned in equal amount among the days in such compounding period.

Holders of Discount Bonds should consult their own tax advisors with respect to the determination for Federal income tax purposes of OID accrued upon sale or redemption of such Discount Bonds, and with respect to the state and local tax consequences of owning such Discount Bonds.

The accrual or receipt of the interest on the Series 2002 Bonds may otherwise affect the federal income tax liability of certain recipients. The extent of these and other consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences, and investors should consult their tax advisors regarding the tax consequences of purchasing or holding the Series 2002 Bonds.

The Series 2002 A Bonds maturing on January 1, 2004, January 1, 2007, January 1, 2009 and January 1, 2010, and the Series 2002 B Bonds maturing on January 1, 2004, January 1, 2007, January 1, 2009 and January 1, 2010, each inclusive. ("OIP Bonds"), will be sold with an original issue premium ("OIP"). The original issue premium will be equal to the excess of a holder's tax basis in the OIP Bonds over the amount payable at maturity, or in the case of an OIP Bonds subject to redemption, the amount payable on the redemption date. Under current law, the original issue premium for an OIP Bonds must be amortized on an annual basis by the holder thereof. The amount of original issue premium amortized each year will not be deductible for federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed. Holders of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable original issue premium for federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.

NO LITIGATION

There is no litigation or other proceeding pending or, to the knowledge of the Issuer, threatened to restrain or enjoin the issuance, sale, or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds, the proceedings pursuant to which the Bonds are issued, or the collection, application or pledge of the Net Revenues and other moneys purported to be pledged by the Ordinance.

UNDERWRITING

Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. as Underwriters, have agreed, subject to certain conditions, to purchase the Series 2002 A Bonds at a price of $1,729,693.20 (par amount, less an Underwriters' discount of $26,325 plus a net original issue premium of $1,018.20), plus accrued interest. Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. as Underwriters, have agreed, subject to certain conditions, to purchase the Series 2002 B Bonds at a price of $5,073,093.48 (par amount, less an Underwriters' discount of $77,400 less a net orignal discount of $11,004.05), plus accrued interest. The Underwriters will be obligated to purchase all of the Bonds if any are purchased. The Bonds may be offered and sold to certain dealers (including investment trusts, certain of which may be sponsored or managed by the Underwriters) at prices lower than the public offering price stated on the cover page of this Official Statement, and such public offering price also may be changed without prior notice, from time to time, by the Underwriters.

APPROVAL OF LEGALITY

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the unqualified approving opinion of Jackson Kelly PLLC, Bond Counsel, whose opinion will be delivered concurrently with the delivery, upon original issuance, of the Bonds. Certain legal matters will be passed upon for the Issuer by Goodwin & Goodwin, LLP, Special City Attorney. John T. Poffenbarger, Esq., will pass upon certain matters as counsel for the Underwriters.

EXPERTS

Included in Appendix A are the Audited Financial Statements pertaining to the System as of and for the fiscal years ended June 30, 2000 and 2001, prepared by Grigoraci, Trainer, Wright & Paterno, Certified Public Accountants. Such statements have been included herein in reliance upon the reports of such accountants as experts in auditing and accounting.

CONTINUING DISCLOSURE

The Issuer has agreed for the benefit of the holders of the Bonds to provide each Nationally Recognized Municipal Securities Information Repository and, if established the State Information Depository, on an annual basis on or before 12 months after the end of each fiscal year certain financial and operating data and in a timely manner, notices of certain material events, in order to assist the Underwriter in complying with Rule 15c2-12 promulgated by the Securities Exchange Commission. A summary of the Continuing Disclosure Certificate is attached hereto as Exhibit F.

MISCELLANEOUS

The foregoing summaries of the Bonds and the Ordinance, and references to the Act, do not purport to be comprehensive and are qualified in their entirety by the exact provisions thereof. Copies of the Ordinance (including the form of the Bonds) and the Act may be obtained from the Issuer or, during the period of offering of the Bonds, from the Underwriters. All estimates and assumptions herein have been made upon the best information available and are believed to be reliable, but no representation whatsoever is made that such estimates or assumptions are correct or will be realized. Statements involving matters of opinion, whether or not so expressly stated, are set forth as opinions and are not presentations of fact.

This Official Statement has been duly approved and its distribution authorized by the Issuer.

THE CITY OF CHARLESTON, WEST VIRGINIA

By: /s/ Jay Goldman
Mayor

APPENDIX A

THE SANITARY BOARD OF THE CITY OF CHARLESTON

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION

YEARS ENDED JUNE 30, 2001 AND 2000

THE SANITARY BOARD OF THE CITY OF CHARLESTON

FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION

Years Ended June 30, 2001 and 2000

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THE SANITARY BOARD OF THE CITY OF CHARLESTON

BOARD OFFICIALS

For the Fiscal Year Ended June 30, 2001

Office	Name	Term
Board Officials:	Kathleen Rushworth	Appointed
	Sam Bowling	8/01 - 8/04
	John Tinney	3/00 - 3/03
Board Chairman:	Jay Goldman	6/99 - 6/03

G | T
& |
W | P

GRIGORACI, TRAINER, WRIGHT & PATERNO

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)

608 TENNESSEE AVENUE
P. O. BOX 1191
CHARLESTON, WV 25324
(304) 343-5511
FAX: (304) 343-5514

INDEPENDENT AUDITORS' REPORT

The Sanitary Board of
The City of Charleston
Charleston, West Virginia

We have audited the accompanying general-purpose financial statements of The Sanitary Board of The City of Charleston as of and for the years ended June 30, 2001 and 2000, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of The Sanitary Board of The City of Charleston's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of The Sanitary Board of The City of Charleston as of June 30, 2001 and 2000, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2001, on our consideration of The Sanitary Board of The City of Charleston's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying schedule of expenditures of Federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Grigoraci, Trainer, Wright & Paterno

Charleston, West Virginia
September 28, 2001

THE SANITARY BOARD OF THE CITY OF CHARLESTON

BALANCE SHEETS

June 30, 2001 and 2000

ASSETS	2001	(As Restated) 2000
Current assets:		
Cash	$ 829,674	$ 282,072
Deposits - State Sinking Fund - regular account	992,823	926,202
Deposits - restricted	1,291,324	48,080
Accounts receivable less allowance for doubtful accounts of $72,000 in 2001 and $302,004 in 2000	822,133	946,100
Accounts receivable - other	31,439	27,457
Prepaid expenses	121,467	32,608
Unamortized bond issuance costs	29,271	30,822
Total current assets	4,118,131	2,293,341
Property, plant and equipment:		
Land and land rights	752,227	752,227
Structures and improvements	7,991,912	7,987,390
Collection system	46,032,412	42,662,370
Pumping system	1,650,116	1,640,245
Treatment and disposal plant equipment	17,070,223	17,046,698
General plant equipment	2,810,432	2,301,928
Construction in progress	1,292,542	408,256
Sewer system, July 1, 1952 (nominal value)	1	1
Total property, plant and equipment	77,599,865	72,799,115
Less accumulated depreciation	28,861,911	26,370,903
	48,737,954	46,428,212
Other assets:		
Deposits - State Sinking Fund - reserve account	2,009,027	1,872,605
Deferred charges:		
Unamortized bond issuance costs	229,447	258,720
	$ 55,094,559	$ 50,852,878

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

BALANCE SHEETS

June 30, 2001 and 2000

LIABILITIES AND CAPITAL	2001	(As Restated) 2000
Current liabilities:		
Current portion long-term debt - revenue bonds	$ 870,326	$ 834,101
Current portion - capital lease	426,429	0
Accounts payable	515,167	418,914
Accrued payroll	100,501	86,541
Accrued pension	8,700	16,254
Accrued vacation	104,815	98,679
Accrued bond interest payable	329,934	423,100
Total current liabilities	2,355,872	1,877,589
Long-term debt - revenue bonds, net of current portion, less unamortized bond discounts of $10,186 in 2001 and $11,427 in 2000	21,006,251	20,171,059
Long-term debt - capital lease	683,712	0
	21,689,963	20,171,059
Capital:		
Contributions in aid of construction	24,229,261	22,014,364
Retained earnings	6,819,463	6,789,866
Total capital	31,048,724	28,804,230
	$ 55,094,559	$ 50,852,878

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

STATEMENTS OF INCOME AND RETAINED EARNINGS

For the Years Ended June 30, 2001 and 2000

	2001	(As Restated) 2000
Revenue	$ 8,167,289	$ 7,148,600
Other operating revenue	132,305	80,597
	8,299,594	7,229,197
Operating expenses:		
Collecting expense	662,911	616,634
Pumping system	666,190	706,283
Treatment and disposal system	2,002,009	1,935,198
Billing and collection department	862,711	959,259
Administrative and general	2,848,845	2,930,784
Total operating expenses	7,042,666	7,148,158
Operating income	1,256,928	81,039
Interest income	204,795	159,234
	1,461,723	240,273
Other expenses:		
Interest	886,575	957,304
Bond discounts and issuance costs amortized	32,064	33,588
Fiscal and financial costs	65,258	62,130
Total other expenses	983,897	1,053,022
Net income (loss)	477,826	(812,749)
Retained earnings - beginning of year	6,789,866	7,602,615
Retained Earnings - from Guthrie PSD Merger	(448,229)	0
Retained earnings - end of year	$ 6,819,463	$ 6,789,866

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

STATEMENTS OF CONTRIBUTIONS IN AID OF CONSTRUCTION

For the Years Ended June 30, 2001 and 2000

	2001	2000
Contributions in aid of construction - beginning of year	$ 22,014,364	$ 21,960,176
Contributions in aid of construction - from Guthrie PSD Merger	2,214,897	0
Customer contributions	0	54,188
Contributions in aid of construction - end of year	$ 24,229,261	$ 22,014,364

The accompanying notes are an integral part of these financial statements.

THE SANITARY BOARD OF THE CITY OF CHARLESTON

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2001 and 2000
Increase (Decrease) in Cash and Cash Equivalents

	2001	2000
Cash flows from operating activities:		
Cash received from customers	$ 8,419,579	$ 7,221,822
Cash payments to suppliers for goods and services	(3,278,343)	(3,237,003)
Cash payments to employees for services	(2,155,089)	(2,116,356)
Net cash provided by operating activities	2,986,147	1,868,463
Cash flows from capital and related financing activities:		
Proceeds from revenue bonds	1,704,278	840,404
Principal paid on revenue bond maturities	(834,101)	(802,452)
Interest and fees paid on revenue bonds	(1,212,604)	(1,186,107)
Purchase of property, plant, and equipment	(4,662,100)	(1,200,718)
Merger with Guthrie Public Service District	2,529,727	0
Contributions in aid of construction	0	54,188
Proceeds from capital lease agreement	1,315,000	0
Capital lease payments	(204,859)	0
Interest paid on lease obligations	(35,437)	0
Net cash (used) for capital and related financing activities	(1,400,096)	(2,294,685)
Cash flows from investing activities:		
Interest received	204,795	159,234
Net cash provided by investing activities	204,795	159,234
Net increase (decrease) in cash and cash equivalents	1,790,846	(266,988)
Cash and cash equivalents, beginning of year (including restricted assets of $48,080)	330,152	597,140
Cash and cash equivalents, end of year (including restricted assets of $1,291,324)	2,120,998	330,152
Reconciliation of operating income to net cash provided by operating		
Operating income	1,256,928	81,039
Adjustments to reconcile operating income to net		
cash provided by operating activities:		
Depreciation expense	1,589,298	1,600,319
(Increase) decrease in accounts receivable	119,985	(7,375)
(Increase) decrease in prepaid and other	(88,859)	64,038
Increase (decrease) in accounts payable	96,253	118,412
Increase (decrease) in accrued salaries and benefits	6,406	11,978
Increase (decrease) in accrued vacation	6,136	52
Total adjustments	1,729,219	1,787,424
Net cash provided by operating activities	$ 2,986,147	$ 1,868,463
Schedule of noncash investing, capital, and financing activities:		
Assets purchased under capital lease	$ 404,914	$ 0
Interest paid	$ 979,741	$ 965,112
Bad debts written off	$ 484,690	$ 2,955

The accompanying notes are an integral part of these financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Sanitary Board of The City of Charleston (the Board) was created by virtue of an ordinance adopted March 17, 1952 by the City of Charleston. The Sanitary Board was established to oversee administration of the city sewer system. Although it is a legally separate entity, The Sanitary Board is a blended component unit of the City of Charleston and is also included in the City's financial statements.

A summary of the significant accounting policies of The Board is presented below.

(a) Basis of Accounting - The Board employs the accrual basis of accounting in accordance with generally accepted accounting principles, whereby revenues are recognized when earned and expenses are recognized when incurred.

(b) Property, plant, and equipment are recorded at cost, or if donated, at fair value at the date of receipt, with the exception of the sewer system prior to July 1, 1952 which is recorded at a nominal value of $1.

(c) Unamortized bond issuance costs and bond discounts - Unamortized bond issuance costs and bond discounts are deferred and amortized over the term of the related issues.

(d) Income - The Board is responsible for all sanitary sewage collection and treatment within the city limits. Income from domestic service is based on water usage as provided by The West Virginia American Water Company.

(e) Capitalized interest - The Board follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. As of June 30, 2001 and 2000, total interest incurred was $886,575 and $963,917, respectively, of which $0 and $6,613, respectfully, was capitalized.

(f) Use of estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(g) Fair value of financial instruments - Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

(h) Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 2. CONCENTRATIONS OF CREDIT RISK

The Board's cash balance of $829,674 at June 30, 2001 and $282,072 at June 30, 2000 was held in various checking accounts primarily with Bank One and exceeded the F.D.I.C. insured amount of $100,000 by $728,060 and $142,204, respectively.

NOTE 3. DEPOSITS

State Sinking Funds:

Reserve Accounts - Amounts held by the West Virginia Municipal Bond Commission in accordance with the provisions of the various bond issues.

Regular Account - Used for the payment of current debt service requirements.

Restricted:

Proceeds from loans from the West Virginia Water Pollution Control Revolving Fund - amounts are deposited at BB&T. As of June 30, 2001, $682 is designated for use in the Combined Sewer Overflow Project (CSO), $1,049 is designated for use in the Composting Project, and $2 is designated for use in the Porters Hollow Pump Upgrade Project. As of June 30, 2000, $644 was designated for use in the Combined Sewer Overflow Project (CSO) and $47,436 was designated for use in the Composting Project.

Proceeds from a capital leasing program with Bank One on deposit in an escrow account designated for equipment purchases totaled $1,177,242 as of June 30, 2001.

Cash balances transferred from Guthrie Public Service District upon the merger of the two entities is maintained in a trust account at BB&T. As of June 30, 2001, $84,867 is designated for extensions and improvements in the Guthrie service area.

As part of a consent decree with the Office of Water Resources, West Virginia Division of Environmental Protection, The Board was required to establish an escrow account to cover future violation of its NPDES permit. The balance of the escrow account maintained at Bank One as of June 30, 2001 is $27,482.

NOTE 4. CONSTRUCTION IN PROGRESS

Construction in progress consists of the following projects:

	Costs Incurred Years Ended June 30, 2001	2000
Construction Engineering - project is complete	$ 0	$ 30,600
CSO Phase II Project - project is underway	48,683	0
GIS Mapping Project - project is underway	255,582	252,866
South Hills/Davis Creek Sewer Project - project is not currently budgeted for completion	0	10,592
Carbide Property Project - project is in the negotiation stage	111,155	106,632
Porters Hollow Pump Upgrade Project - project is underway	877,122	7,566
	$ 1,292,542	$ 408,256

NOTE 5. ENVIRONMENTAL REMEDIATION LOSS CONTINGENCY

In 1997, The Board was ordered by regulatory authorities to submit a plan for environmental remediation relating to sludge removal at a certain site. The Board has submitted the required plan for corrective action and anticipates no significant additional future costs will be incurred in environmental restoration of the site.

NOTE 6. LONG-TERM DEBT

At June 30, 2001, long-term debt consists of the following:

Dates Service Revenue Bonds	Maturity Date	Interest Rate	Face Amount	Current Portion
April 1, 1989	2002-2029	8.4%	$ 1,805,506	$ 16,183
	2002-2029	None	210,776	7,268
November 21, 1989	2002-2029	8.4%	783,568	7,023
	2002-2029	None	91,473	3,154
June 1, 1992	2002-2012	5.15-6.25%	2,025,000	135,000
November 1, 1992	2002-2017	4.75-6.5%	5,360,000	210,000
December 2, 1993	2002-2014	3.0%	542,937	35,616
October 3, 1996	2002-2018	2.0%	2,084,103	117,120
November 26, 1996	2002-2018	2.0%	332,673	17,507
July 22, 1997	2002-2018	2.0%	609,237	31,968
October 7, 1997	2002-2019	2.0%	4,730,177	225,121
December 9, 1998	2002-2019	2.0%	812,235	42,534
July 1, 1999	2002-2026	8.38%	672,162	7,929
July 1, 1999	2002-2026	None	122,638	4,717
February 22, 2001	2002-2022	2.0%	850,045	0
May 22, 2001	2002-2029	7.85%	823,741	8,135
May 22, 2001	2002-2029	None	30,492	1,051
Total			21,886,763	$ 870,326
			870,326	
Long-term debt, face amount			21,016,437	
Less unamortized bond discounts			10,186	
			$ 21,006,251	

NOTE 6. LONG-TERM DEBT (CONTINUED)

Scheduled principal repayments on long-term debt for five years subsequent to June 30, 2001:

Year Ending June 30,	Amount
2002	$ 870,326
2003	944,081
2004	988,565
2005	1,023,568
2006	1,059,131
Thereafter	17,001,092
Total	$ 21,886,763

At June 30, 2000, long-term debt consists of the following:

Dates Service Revenue Bonds	Maturity Date	Interest Rate	Face Amount	Current Portion
April 1, 1989	2001-2029	8.4%	$ 1,820,436	$ 14,929
	2001-2029	None	218,045	7,268
November 21, 1989	2001-2029	8.4%	790,046	6,479
	2001-2029	None	94,627	3,154
June 1, 1992	2001-2012	5.30-6.25%	2,155,000	130,000
November 1, 1992	2001-2017	5.00-6.5%	5,560,000	200,000
December 2, 1993	2001-2014	3.0%	577,504	34,567
October 3, 1996	2001-2018	2.0%	2,198,910	114,807
November 26, 1996	2001-2018	2.0%	349,834	17,161
July 22, 1997	2001-2018	2.0%	640,572	31,335
October 7, 1997	2001-2019	2.0%	4,950,851	220,674
December 9, 1998	2001-2019	2.0%	853,929	41,694
July 1, 1999	2001-2026	8.38%	679,478	7,316
July 1, 1999	2001-2026	None	127,355	4,717
Total			21,016,587	$ 834,101
			834,101	
Long-term debt, face amount			20,182,486	
Less unamortized bond discounts			11,427	
			$ 20,171,059	

NOTE 6. LONG-TERM DEBT (CONTINUED)

General provisions of the various bond issues are as follows:

A. Bond principal payments and semi-annual interest payments are to be deposited with the State of West Virginia Sinking Fund Commission.

B. All Bond issues are callable prior to maturity at the option of The Board at various dates for each issue at rates ranging from 100-1/2 to 103 per centum of the par value.

C. The Bonds are collateralized by a first lien on the net revenues derived from operations of the sewer system except for subordinate sewer revenue bonds.

D. The Bonds were issued under authority of Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and Ordinances enacted by the Council of the City of Charleston.

E. The Board is required to maintain on deposit with the West Virginia Municipal Bond Commission, a reserve account which equals the largest amount of principal and interest which will become due in any succeeding year. As of June 30, 2001, the Board was in compliance with this provision.

NOTE 7. CAPITAL LEASE

The Board entered into a Lease-Purchase Agreement dated December 27, 2000 with Banc One Leasing Corporation of Columbus, Ohio. The economic substance of the lease is that The Sanitary Board is financing the acquisition of equipment/vehicles for its maintenance crews through the lease and, accordingly, it is recorded in The Board's assets and liabilities.

The following is an analysis of the leased assets included in property and equipment:

	June 30,	
	2001	2000
General plant equipment	$404,914	$ -0-

The lease agreement is secured by the leased assets. The lease agreement contains a purchase option under which The Board may purchase all of the equipment covered by the lease on any rent payment due date (bi-annual; June 27 and December 27) by paying Banc One Leasing Corporation all rent payments then due plus the termination value at such date.

NOTE 7. CAPITAL LEASE (CONTINUED)

The following is a schedule by years of future minimum payments required under the lease together with their present value as of June 30, 2001:

Year ending June 30:	
2002	$ 480,592
2003	480,592
2004	240,296
Total minimum lease payments	1,201,480
Less amount representing interest	91,339
Present Value of Minimum Lease Payments	$1,110,141

NOTE 8. DEPRECIATION EXPENSE

Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Depreciation expense recognized in the financial statements for the year ending June 30, 2001 and 2000 amounted to $1,589,298 and $1,600,319, respectively.

NOTE 9. RETIREMENT PLAN

All eligible Board employees participate in the West Virginia Public Employees' Retirement System, a multiple-employer public retirement system covering employees of the State of West Virginia and its participating political subdivisions of the State.

All eligible Board employees participate in the Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit pension plan administered by the West Virginia Consolidated Public Retirement Board. PERS provides retirement benefits to plan members and beneficiaries. The West Virginia Consolidated Public Retirement Board issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to West Virginia Consolidated Public Retirement Board, 1900 Kanawha Boulevard East, Building Five, Charleston, West Virginia 25305, or by calling (304) 558-3570.

The PERS funding policy has been established by action of the State Legislature. State statute requires that plan participants contribute 4.5% of compensation. The governmental entity contribution rate of 9.5% of covered payroll is determined by PERS. The current combined contribution rate is 14% of annual covered payroll. The Board's contributions to PERS for the years ending June 30, 2001, 2000, and 1999, were $214,209, $206,274, and $208,365, respectively, equal to the required contributions for each year.

NOTE 10. PRIOR PERIOD ADJUSTMENT

During fiscal year ended June 30, 2001, an adjustment was made to record depreciation of the sewer system. The depreciation expense for fiscal year ended June 30, 2000 was restated from $92,041 to $1,600,319, resulting in a reported net loss of $812,749 from a reported net income of $695,529. Beginning retained earnings for fiscal year ended June 30, 2000 were decreased from $30,669,899 to $7,602,615 to record depreciation expense for prior years in the amount of $23,067,284.

NOTE 11. ALLOWANCE FOR DOUBTFUL ACCOUNTS

For fiscal year ended June 30, 2001, the allowance for doubtful accounts is estimated at $72,000. For fiscal year ended June 30, 2000 the allowance for doubtful accounts was increased by $297,304. The allowance at June 30, 2000 includes amounts outstanding for greater than twelve months. The previous method used was 0.55% of the accounts receivable at year end. Due to legislation passed disallowing The Board to hold landlords responsible for tenant usage, the amount of outstanding receivables has steadily increased over the past few years. Therefore, the prior method no longer provides an adequate allowance.

NOTE 12. TECHNICAL DEFAULT OF WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT

Section 4.1(b)(ii) of the Water Pollution Control Revolving Fund Loan Agreement with the West Virginia Water Development Authority and the West Virginia Division of Environmental Protection requires:

> 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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefore, 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.

Due to extraordinary expenses incurred during fiscal year ended June 30, 2000 and the change in estimate of allowance for doubtful accounts identified in Note 10, The Board did not meet this loan covenant. The revenues available for debt service for fiscal year ended June 30, 2000 were 102.8% of the maximum amount required in any year for debt service.

This default was remedied for fiscal year ended June 30, 2001 through a rate increase. The revenues available for debt service for fiscal year ended June 30, 2001 were 156.1%.

REQUIRED SUPPLEMENTARY INFORMATION

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2001

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Environmental Protection Agency:			
Pass-Through From: State Division of Environmental Protection:			
State Revolving Fund Loan - Porters Hollow Pump Upgrade Project	66.458	SRF Project #C 544 232	$ 850,045
Total Expenditures of Federal Awards			$ 850,045

The accompanying notes are an integral part of this schedule.

THE SANITARY BOARD OF THE CITY OF CHARLESTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of The Board and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general-purpose financial statements.

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CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Sanitary Board of The City of Charleston
Charleston, West Virginia

We have audited the financial statements of The Sanitary Board of The City of Charleston as of and for the year ended June 30, 2001 and have issued our report thereon dated September 28, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether The Sanitary Board of The City of Charleston's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered The Sanitary Board of The City of Charleston's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Grigoraci, Trainer, Wright & Paterno

Charleston, West Virginia
September 28, 2001

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&
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Sanitary Board of The City of Charleston
Charleston, West Virginia

Compliance

We have audited the compliance of The Sanitary Board of The City of Charleston with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major Federal programs for the year ended June 30, 2001. The Sanitary Board of The City of Charleston's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major Federal programs is the responsibility of The Sanitary Board of The City of Charleston's management. Our responsibility is to express an opinion on The Sanitary Board of The City of Charleston's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about The Sanitary Board of The City of Charleston's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on The Sanitary Board of The City of Charleston's compliance with those requirements.

In our opinion, The Sanitary Board of The City of Charleston complied, in all material aspects, with the requirements referred to above that are applicable to each of its major Federal programs for the year ended June 30, 2001.

Internal Control Over Compliance

The management of The Sanitary Board of The City of Charleston is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to Federal programs. In planning and performing our audit, we considered The Sanitary Board of The City of Charleston's internal control over compliance with requirements that could

The Sanitary Board of
The City of Charleston

Internal Control Over Compliance (Continued)

have a direct and material effect on a major Federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major Federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, and Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Brown, Traeger, Wright & Patterson

Charleston, West Virginia
September 28, 2001

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

A. SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _X_ no
Reportable condition(s) identified that are not considered to be material weakness(es)?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	___ yes _X_ no
Reportable condition(s) identified that are not considered to be material weakness(es)?	___ yes _X_ none reported
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	___ yes _X_ no

Identification of major programs:

Federal CFDA No.	Federal Grantor/Pass-Through Grantor/Program Title	Agency or Pass Through Number
	U.S. Environmental Protection Agency:	
	Pass-through from State Division of Environmental Protection:	
66.458	State Revolving Fund Loan - Porters Hollow Pump Upgrade Project	SRF Project #C 544 232

Dollar threshold used to distinguish between type A and type B programs:	$300,000
Auditee qualified as low-risk auditee?	___ yes _X_ no

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

SECTION II - FINANCIAL STATEMENT FINDINGS

No reportable conditions, material weaknesses, or instances of noncompliance were identified for the year ended June 30, 2001.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

	Questioned Costs
U. S. ENVIRONMENTAL PROTECTION AGENCY:	
Pass-through from State Division of Environmental Protection - CFDA No. 66.458:	
State Revolving Fund Loan - Porters Hollow Pump Upgrade Project - Project #C 544 232	$ -0-

No audit findings were disclosed relative to Federal programs for the year ended June 30, 2001.

THE SANITARY BOARD OF THE CITY OF CHARLESTON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2001

U. S. ENVIRONMENTAL PROTECTION AGENCY:
FINDING 00-1. Pass-through from State Division of Environmental Protection -
CFDA No. 66.458:
State Revolving Fund Loan - Ruthdale Pump Upgrade Project - Project No. C544150
State Revolving Fund Loan - Oakvale Sewer Project - Project No. C544187
State Revolving Fund Loan - Sludge Dewatering Project (Belt Press) - Project No. C544228
State Revolving Fund Loan - Composting Project - Project No. C544043
State Revolving Fund Loan - Combined Sewer Overflow Project - Project No. C544188

Condition: The Sanitary Board of The City of Charleston is a sub-recipient of Federal awards from the Environmental Protection Agency by way of loans through the Water Pollution Control Revolving Fund administered by the West Virginia Water Development Authority and the West Virginia Division of Environmental Protection. Section 4.1(b)(ii) of this loan agreement requires:

> 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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefore, 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.

Due to extraordinary expenses incurred during fiscal year ended June 30, 2000 and a change in estimate of allowance for doubtful accounts The Sanitary Board did not meet this loan covenant. The revenues available for debt service for fiscal year ended June 30, 2000 were 102.8% of the maximum amount required in any year for debt service.

Recommendation: The Sanitary Board should evaluate the areas of increased costs, look for possible reductions, and, if necessary, take the steps to obtain a rate increase.

Current Status: Corrected this fiscal year by obtaining a rate increase effective for the January 2001 billings.

APPENDIX B

CITY OF CHARLESTON (WEST VIRGINIA)

Introduction

Charleston, located at the convergence of the Kanawha and Elk Rivers in the southwestern part of West Virginia, is the Capital of West Virginia, the county seat of Kanawha County, and the center of the State's greatest concentration of people and commerce. Charleston, which encompasses an area of 29.3 square miles, had a 2000 U.S. Census population of 53,421.

The City's economic base is diversified on the cornerstones of retail and wholesale trade, manufacturing, government and services. The increasing diversity of the area's employment base has been enhanced by tourism, improved transportation facilities, including the interconnection of interstate highways in Charleston.

Principal manufactured products in the Charleston area include a broad range of chemicals, plastics, industrial and mining equipment, petroleum products and steel fabrication.

Government Services

The present charter of the City is a legislative charter enacted in 1929, which provides for a mayor-council form of government. Elected officials are the mayor, city treasurer, municipal judge and members of the Council from each of the 20 wards in the City, plus 6 Council persons-at-large, all elected to serve concurrent terms on a quadrennial basis. In addition, the City has certain appointed officials including: city manager, city clerk, director of finance, city auditor, public works director, chief of police, city solicitor, chief of fire department, director of mayor's office of economic and community development, and director of parks, recreation and public grounds. All appointive officers have salaries fixed by the Council.

The mayor is the chief executive officer of the City and the presiding officer and a member of the Council with right to vote on all issues. The mayor, without any requirement or confirmation by Council, has the right of appointment and removal of the director of finance, city auditor, public works director, chief of police, director of finance, chief of fire department, director of mayor's office of economic and community development, and director of parks, recreation, and public grounds.

The mayor also appoints the city manager by and with the consent of Council. The city manager is the chief business and administrative officer of the City under the supervision and direction of the mayor. All real property of the City is under his immediate care and supervision, and he is required to make all contracts for labor and supplies. Custody of all contracts, insurance policies, and papers relating to the business affairs of the City are under the supervision of the city manager who is required to make monthly reports to the Council.

The Council acts as the legislative body for the City and selects one of its members as president pro tempore, to preside in the absence of the mayor. The duties of the Council are primarily carried on through standing and special committees: finance, streets and traffic, planning, parks and recreation, cemetery, ordinance and rules, public safety, special committees of housing and human rights, and a select committee of urban renewal. Council also appoints a city clerk, who in addition to keeping minutes of all meetings, is the custodian of all records and papers of the City for which no other custodian is designated.

Population

	2000	1990	1980	1970
Charleston	53,421	57,287	63,968	71,505
Kanawha County	200,073	207,619	231,414	229,515

Source: U.S. Department of Labor, Bureau of the Census; Charleston Chamber of Commerce

Transportation

The convergence of three interstate highways, I-64, I-77 and I-79, interconnecting Charleston as well as Appalachian Corridor "G," brings the Charleston area within the overnight road-travel distance of 60% of the nation's principal industrial and commercial markets. Charleston is one of 13 cities in the nation where three interstate highways converge. East-West I-64 extends from Norfolk, Virginia to St. Louis, Missouri; North-South I-77 from Cleveland, Ohio to Columbia, South Carolina; Northeast-Southwest I-79 from Erie, Pennsylvania to Charleston, West Virginia; and Appalachian Corridor "G" from Charleston, West Virginia to Pikeville, Kentucky. In addition to the superhighways, three national and several state highways presently serve the SMSA.

Yeager Airport accommodates commercial, general aviation and military air traffic. Major improvements to the airport have been made in the last few years including terminal remodeling, additional parking, and a building within the airport complex to house FAA offices and the National Weather Service. Charter air service and cargo air services are available from several companies at the airport. Charleston was officially designated a "port of entry" by the United States Customs in 1973. Airlines serving Yeager include: US Airways/Express, Delata Connection (ASA and ComAir), Continental Express, Northwest Airlink (Mesaba), United Express (Atlantic Coast).

The Greyhound Bus Line offers interstate and intrastate service, with both freight and passenger capacity. Local bus service is furnished by the Kanawha Regional Transportation Authority. It operates a 60+ fleet bus system throughout the City and the Kanawha Valley. The system, commonly known as KRT, serves approximately 20 routes covering nearly 200 miles. Service is provided 7 days a week from 4:00 a.m. to 1:00 a.m.

Three major rail companies, providing passenger as well as freight service, operate within the region: Norfolk Southern, CSX Transportation, and Amtrak.

Telecommunications

The Charleston area has one of the nation's most advanced telecommunications networks, consisting of fiber optic lines, digital switching, dual redundancy and microwave and satellite transmission facilities. The local carrier is Verizon West Virginia. A host of companies, including AT&T, MCI and US Sprint, provide cell, broad band and long distance service to Metro Charleston area customers.

Water

The Kanawha and Elk Rivers, tributaries of the Ohio River system, flow through Charleston. Both rivers are navigable, with the Kanawha River Basin being the largest northwardly flowing river system in the nation. Approximately 69% of the Basin lies within West Virginia. The U.S. Army Corps of Engineers maintains a nine-foot channel for navigation with three locks located on the Kanawha River to accommodate barges. Waterborne commerce has tripled in the last 30 years with commodities transported on the Kanawha River including: coal and coke (35%); sand and gravel (25%); oil and gas (10%); iron, steel and other miscellaneous products (30%).

COUNTY OF KANAWHA

Source: West Virginia Bureau of Employment Program unless otherwise noted.

Introduction

Kanawha County (the "County"), 913.30 square miles in size, is located in the southwestern part of West Virginia. Charleston, is located in the County. The County is located 51 miles from Huntington, WV; 76 miles from Parkersburg, WV; 170 miles from Columbus, Ohio; 237 miles from Pittsburgh, Pennsylvania; and 288 miles from Charlotte, North Carolina.

Population

Year	Kanawha County	West Virginia	United States
1990	207,619	1,793,477	248,710,000
1999	199,263	1,806,928	270,029,000
2000	200,073	1,808,344	281,421,906

Economy

Kanawha County's employment and business structure today reveals a multi-faceted economic base. The most identifiable enterprises, coal and chemical, actually count for a relatively small portion of the region's total economic activity. The relative strength of the economy may be seen by the following:

Year		Kanawha County	West Virginia
2002 (June)	Labor Force	107,110	828,100
	Total Employed	101,510	776,600
	Total Unemployed	5,600	51,500
	Percent Unemployed	5.2%	6.2%
2001	Labor Force	109,110	833,000
	Total Employed	105,460	792,000
	Total Unemployed	4,380	41,000
	Percent Unemployed	4.0%	4.9%
2000	Labor Force	109,360	825,000
	Total Employed	104,690	779,000
	Total Unemployed	4,670	46,000
	Percent Unemployed	4.3%	5.5%
1999	Labor Force	107,450	816,000
	Total Employed	104,370	763,000
	Total Unemployed	5,080	54,000
	Percent Unemployed	4.7%	6.6%
1998	Labor Force	104,200	797,000
	Total Employed	99,300	744,000
	Total Unemployed	4,900	53,000
	Percent Unemployed	4.7%	6.6%

Year		Kanawha County	West Virginia
1997	Labor Force	104,950	803,000
	Total Employed	99,820	748,000
	Total Unemployed	5,130	55,000
	Percent Unemployed	4.9%	6.9%
1996	Labor Force	105,420	808,000
	Total Employed	99,710	747,000
	Total Unemployed	5,710	61,000
	Percent Unemployed	5.4%	7.5%
1995	Labor Force	102,370	785,000
	Total Employed	96,520	723,000
	Total Unemployed	5,850	62,000
	Percent Unemployed	5.7%	7.9%
1994	Labor Force	102,560	787,000
	Total Employed	95,780	717,000
	Total Unemployed	6,780	70,000
	Percent Unemployed	6.6%	8.9%
1993	Labor Force	102,470	789,000
	Total Employed	94,080	703,000
	Total Unemployed	8,390	86,000
	Percent Unemployed	8.2%	10.9%

Source: West Virginia Department of Employment Security,
Labor and Economic Research Division

Civilian Labor Force (2001):

	Total Workers	Average Annual Wage
Civilian Labor Force		
Agriculture	400	$19,500
Manufacturing	7,401	56,949
Non Manufacturing		
Mining	2,573	54,625
Construction	4,693	35,531
Transportation & Public		
Utilities	7,029	44,110
Trade- Wholesale	5,671	38,707
Trade- Retail	19,991	16,222
Finance, Insurance &		
Real Estate	6,746	36,672
Services and Health	35,793	27,943

	Total Workers	Average Annual Wage
Government		
Federal	2,398	44,635
State	10,874	33,043
Local	8,001	27,361

Source: West Virginia Department of Employment Security

Top 10 Employers in Kanawha County:

1. Charleston Area Medical Center
2. Kanawha County Board of Education
3. Union Carbide Corporation/Dow Corp.
4. Minneapolis Postal Data Center
5. Wal-Mart Associates, Inc.
6. Herbert J. Thomas Memorial Hospital Assoc.
7. West Virginia Bureau of Employment Programs
8. Ticketmaster, LC
9. West Virginia Dept.of Highways
10. West Virginia Dept. of Health and Human Resoruces

Average Annual Unemployment Rates:

Year	Kanawha County	West Virginia
1992	8.7	11.4
1993	8.2	10.9
1994	6.6	8.9
1995	5.7	7.9
1996	5.4	7.5
1997	4.9	6.9
1998	4.7	6.6
1999	5.1	7.5
2000	4.5	5.6
2001	4.0	4.9
2002	5.2	6.2

Average Annual Nonfarm Payroll Employment by Industry:

Industry	1996	1997	1998	2001
Mining	1,910	1,830	1,870	2,573
Construction	4,700	4,960	4,970	4,693
Manufacturing	8,590	8,700	8,590	7,401
Transportation & Public Utilities	7,810	7,830	7,460	7,029
Wholesale & Retail Trade	26,252	5,760	25,970	31,333
Finance, Insurance & Real Estate	6,740	7,110	7,410	6,746
Services	35,110	36,540	37,190	35,793
Government	20,930	21,370	21,500	21,272
TOTAL	112,040	114,090	114,960	116,840

Average Employment and Annual Wage:

	Average Employment			Average Annual Wage		
	1990	1998	2001	1990	1998	2001
Kanawha County	97,046	112,251	113,019	$22,559	$29,224	$30,155
West Virginia	602,237	680,865	685,771	$20,708	$26,009	$27,981

Per Capita Personal Income:

County	1996	1998	2000	Rank In WV
United States	$24,651	$27,203	$29,469	--
West Virginia	$18,566	$20,185	$21,738	--
Kanawha County	$24,284	$26,421	$28,681	7

Wages Per Industry (2000):

Industry	Total Wages	Average Annual Wage
Agriculture	$ 7,800,188	$ 19,500
Mining	140,551,920	54,625
Construction	166,750,690	35,531
Manufacturing	421,481,262	56,949
Transportation & Public Utilities	310,053,855	44,110
Trade – Wholesale	219,510,795	38,707
Trade - Retail	324,309,649	16,222
Finance, Insurance & Real Estate	247,389,379	36,672
Services	1,000,189,404	27,943
Government	685,269,340	32,214

Total Wages ($Millions):

Year	Kanawha County	West Virginia
1995	2,763	15,367
1996	2,899	15,952
1997	3,031	15,537
1998	3,163	17,153
1999	3,280	17,708
2000	3,408	19,189

Community Data

Educational Facilities:

Public Schools	Facilities
Elementary	59
Middle/Junior High	14
High	8
Vocational	2
Other	3

Colleges
University of Charleston, Charleston (Kanawha)
WV State College, Institute (Kanawha)
Marshall University Graduate College, South Charleston (Kanawha)
WVU Institute of Technology, Montgomery (Fayette)

Recreational Facilities:

Parks	10
Baseball Fields	43
Basketball Courts	
Indoor	42
Outdoor	80
Playgrounds	109
Swimming pools	30
Tennis courts	
Indoor	28
Outdoor	49
Auditoriums	40
Stadiums	11
Theaters	
Gas	
Indoor	14
Outdoor	2*D*
Country Clubs	4
Golf Courses	9

Medical:

Doctors	675
Dentists	138
Hospitals	8

Transportation:

Highways	
Interstates	64,77,79
WV Routes	622,601,501,214,114 94,62,61,35,25,4
US Routes	119,60,35
Motor Freight	Carriers available
	Parcel service available
Industrial Parks	6
Airports	3
Railroads:	CSXT
	Winifrede
	Kelly's Creek & Northwestern
	Amtrak
	Norfolk & Southern

Communications:

Newspapers	9
TV Stations	1
Telephone	Verizon
Telegraph	Western Union
Radio Stations	16

Utilities:

Electricity	American Electric Power
Natural Gas	Allegheny Power
	Union Oil & Gas
	WV Power Gas
	Southern Public Service
Sewer	City of Charleston
Water	WV America Water Co.

Other:

Child Care-Day Care Centers	54
Financial Institutions-Banks	61
Libraries-Public	12

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APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE ORDINANCE

The following are definitions of certain words and terms used in this Official Statement and summaries of the Ordinance. These definitions and summaries do not purport to be final, complete or definitive, and reference is made in each case to the entire text of the final Ordinance which reference is made for the complete and actual terms thereof. Words and terms used herein that are not defined herein shall have the same meanings as set forth in the Ordinance.

Definitions

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 2002 Bonds.

"Authorized Officer" means the Mayor of the Issuer or any other officer of the Issuer specifically designated by resolution of the Council of the Issuer.

"Board" or "Sanitary Board" means The City of Charleston Sanitary Board, or any successor thereto.

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

"Bond Counsel" means any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, appointed by the Issuer or the Board, and shall initially mean Jackson Kelly PLLC, Charleston, West Virginia.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Series 2002 Bonds and which shall be designated as such in the Supplemental Resolution, and in the event no such entity is so designated, all references in the Ordinance to the Bond Insurer shall be null and void and have no force and effect.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"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 2002 Bonds, the Prior Bonds and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained in the Ordinance.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 2002 Bonds, in substantially the form set forth in EXHIBIT A - BOND FORM of the Ordinance.

"Certificate of Determination" means the Certificate of Determination setting forth the specific terms of the Series 2002 Bonds, to be executed by the Mayor upon the sale of the Series 2002 Bonds, the form of which shall be approved in the Supplemental Resolution.

"City" or "Issuer" means The City of Charleston, a municipal corporation and political subdivision of the State of West Virginia, in Kanawha County thereof, and, where appropriate, the Council, the Board and any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the Series 2002 Bonds for the proceeds representing the original purchase price thereof.

"Code" means the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Series 1992 Bonds, interest accruing or to accrue thereon, redemption premiums, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental, desirable or appurtenant to the issuance of the Series 2002 Bonds and the refunding of the Series 1992 Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by the Ordinance.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"DTC-eligible" means, with respect to the Series 2002 Bonds, meeting the qualifications prescribed by The Depository Trust Company, New York, New York.

"Escrow Agent" means, collectively, the Escrow Agent under the respective Escrow Agreement, which shall be appointed pursuant to the Supplemental Resolution.

"Escrow Agreement" means, collectively, the respective Escrow Agreements to be entered into between the Issuer and the Escrow Agent, providing for the defeasance and ultimate payment of the Series 1992 A Bonds and the Series 1992 B Bonds, the deposit therein of proceeds of the Series 2002 A Bonds and the Series 2002 B Bonds, the disposition of moneys in the various funds and accounts of the Series 1992 A Bonds and the Series 1992 B Bonds and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the respective Escrow Agreement.

"Event of Default" means any occurrence or event specified in the Ordinance.

"FDIC" means the Federal Deposit Insurance Corporation or 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.

"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 Revenues" means all rates, rents, fees, charges or other income received by or accrued to the Sanitary Board from the operation of the System, as calculated in accordance with generally accepted accounting principles.

"Independent Accountants" or "Independent Certified Public Accountants" means 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 purpose except keeping the accounts of the System in the normal operations of its business and affairs.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy, if any, issued by the Bond Insurer simultaneously with the delivery of the Series 2002 Bonds, insuring the payment of the principal of and interest on all or any of the Series 2002 Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Series 2002 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in any Reserve Account for the Series 2002 Bonds. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2002 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds or any other proceeds of the Series 2002 Bonds and is not acquired in order to carry out the governmental purpose of the Series 2002 Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance 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 fees and expenses of 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.

"Ordinance" regardless of whether preceded by the article "the" or "this," means the Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"1992 Ordinance" means Ordinance No. 4828, passed by the Issuer on April 20, 1992, authorizing the Series 1992 Bonds.

"Original Purchaser" means, collectively, Ferris, Baker Watts, Incorporated, Charleston, West Virginia, and Crews & Associates, Inc., Charleston, West Virginia, as the purchasers of the Series 2002 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 2002 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 2002 Bonds directly from the Issuer, as determined by a supplemental resolution; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 2002 Bonds, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of the Series 2002 Bonds.

"Outstanding," when used with reference to Bonds and as of any particular date, describes all Bonds theretofore and thereupon being issued and delivered except (a) any Bond canceled by the registrar for such Bond at or prior to said date; (b) any Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Registered Owners for the purpose of consents, notices and the like, any Bond registered to the Issuer.

"Paying Agent" means the Bond Commission or any other Paying Agent designated as such for the Series 2002 Bonds in the Supplemental Resolution, and any successor thereto.

"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.

"Purchase Price," for the purpose of computation of the Yield of the Series 2002 Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Series 2002 Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Series 2002 Bonds of each maturity is sold or, if the Series 2002 Bonds are privately placed, the price paid by the first buyer of the Series 2002 Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series 2002 Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Series 2002 Bonds.

"Qualified Investments" means and includes any of the following, unless otherwise set forth in the Supplemental Resolution:

(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 Code of West Virginia, 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.

"Record Date" means the day of the month which shall be so stated in the Series 2002 Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Redemption Date" means, collectively, the dates fixed for redemption of the Series 1992 A Bonds and the Series 1992 B Bonds of the Issuer called for redemption.

"Redemption Price" means, collectively, the prices at which the Series 1992 A Bonds and the Series 1992 B Bonds of the Issuer may be called for redemption and includes the principal amount of such Bonds to be redeemed, plus the interest and premium, if any, required to be paid to effect such redemption.

"Registered Owner,"or "Owner" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Registrar" means the bank to be designated in the Supplemental Resolution as the Registrar for the Series 2002 Bonds, and any successor thereto.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1986, as amended.

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

"Reserve Accounts" means, collectively, the respective reserve accounts created for the Series 2002 Bonds and the Prior Bonds.

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

"Revenue Fund" means the Revenue Fund created by the Prior Ordinances and continued by the Ordinance.

"Series 2002 Bonds" means, collectively, the Series 2002 A Bonds and the Series 2002 B Bonds.

"Series 2002 A Bonds" means the Sewerage System Refunding Revenue Bonds, Series 2002 A, of the Issuer, originally authorized to be issued pursuant to the Ordinance and the Supplemental Resolution.

"Series 2002 A Bonds Rebate Fund" means the Series 2002 A Bonds Rebate Fund created by the Ordinance.

"Series 2002 A Bonds Redemption Account" means the Series 2002 A Bonds Redemption Account created by the Ordinance.

"Series 2002 A Bonds Reserve Account" means the Series 2002 A Bonds Reserve Account created by the Ordinance.

"Series 2002 A Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 A Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 A Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 A Bonds.

"Series 2002 A Bonds Sinking Fund" means the Series 2002 A Bonds Sinking Fund created by the Ordinance.

"Series 2002 B Bonds" means the Sewerage System Refunding Revenue Bonds, Series 2002 B, of the Issuer, originally authorized to be issued pursuant to the Ordinance and the Supplemental Resolution.

"Series 2002 B Bonds Rebate Fund" means the Series 2002 B Bonds Rebate Fund created by the Ordinance.

"Series 2002 B Bonds Redemption Account" means the Series 2002 B Bonds Redemption Account created by the Ordinance.

"Series 2002 B Bonds Reserve Account" means the Series 2002 B Bonds Reserve Account created by the Ordinance.

"Series 2002 B Bonds Reserve Requirement" means, as of any date of calculation, the lesser of (i) 10% of the original stated principal amount of the Series 2002 B Bonds; (ii) the maximum amount of principal and interest which will become due on the Series 2002 B Bonds in any year; or (iii) 125% of the average amount of principal and interest which will become due on the Series 2002 B Bonds.

"Series 2002 B Bonds Sinking Fund" means the Series 2002 B Bonds Sinking Fund created by the Ordinance.

"Sinking Funds" means, collectively, the respective sinking funds created for the Series 2002 Bonds and the Prior Bonds.

"Supplemental Resolution" means any ordinance or resolution amendatory of or supplemental to the Ordinance and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of the Ordinance, setting forth the final amounts, maturities, interest rates and other terms of the Series 2002 Bonds, authorizing the sale of the Series 2002 Bonds to the Original Purchaser and setting forth provisions specific to the Bond Insurer, if any; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and any additions, improvements and extensions thereto hereafter constructed or acquired for the System from any sources whatsoever.

"Term Bonds" means Series 2002 Bonds subject to mandatory sinking fund redemption, as described in the Ordinance.

Funds and Accounts.

The Ordinance establishes the following funds with the Depository Bank:

(1) Revenue Fund;
(2) Renewal and Replacement Fund;
(3) Costs of Issuance Fund;
(4) Series 2002 A Bonds Rebate Fund; and
(5) Series 2002 B Bonds Rebate Fund.

The Ordinance establishes the following funds and accounts with the Bond Commission:

(1) Series 2002 A Bonds Sinking Fund;
(2) Series 2002 A Bonds Reserve Account;
(3) Series 2002 A Bonds Redemption Account;
(4) Series 2002 B Bonds Sinking Fund;
(5) Series 2002 B Bonds Reserve Account; and
(6) Series 2002 B Bonds Redemption Account.

Payments into Funds and Accounts.

The Ordinance provides that the entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund and pay 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of the interest on the First Lien Bonds; (ii) commencing

6 months prior to the first interest payment date of the Series 2002 A Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 A Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 A Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 A Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 A Bonds deposited therein; and (iii) commencing 6 months prior to the first interest payment date of the Series 2002 B Bonds, a sum equal to 1/6th of the amount of interest which will become due on the Series 2002 B Bonds on the next ensuing semiannual interest payment date for deposit in the Series 2002 B Bonds Sinking Fund; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date; and provided further that, the initial amount required to be transferred from the Revenue Fund and deposited in the Series 2002 B Bonds Sinking Fund shall be reduced by the amount of accrued interest on the Series 2002 B Bonds deposited therein.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Sinking Funds of the First Lien Bonds for payment of principal of the First Lien Bonds; (ii)commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 A Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 A Bonds on the next ensuing annual principal payment date or mandatory Redemption Date for deposit in the Series 2002 A Bonds Sinking Fund and in the Series 2002 A Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption Date, the required amount of principal coming due on such date; and (iii) commencing 12 months prior to the first principal payment date or mandatory Redemption Date of the Series 2002 B Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Series 2002 B Bonds on the next ensuing principal payment date or mandatory Redemption Date for deposit in the Series 2002 B Bonds Sinking Fund and in the Series 2002 B Bonds Redemption Account in the case of the Term Bonds which are to be redeemed; provided that, in the event the period to elapse between the date of such initial deposit and the next ensuing annual principal payment date or mandatory Redemption Date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing principal payment date or mandatory Redemption 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 Bond Commission (i) the amounts required by the Prior Ordinances to be deposited in the Reserve Accounts of the First Lien Bonds; (ii) an amount to be deposited in the Series 2002 A Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 A Bonds Reserve Account below the Series 2002 A Bonds Reserve Requirement or any withdrawal from the Series 2002 A Bonds Reserve Account, beginning with the first full calendar month following the date on which (A) the valuation of investments in the Series 2002 A Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 A Bonds Reserve Account is less than the Series 2002 A Bonds Reserve Requirement, or (B) any amount is withdrawn from the Series 2002 A Bonds Reserve Account for deposit into the Series 2002 A Bonds Sinking Fund; and (iii) an amount to be deposited in the Series 2002 B Bonds Reserve Account which will be sufficient to remedy any decrease in value of the Series 2002 B Bonds Reserve Account below the Series 2002 B Bonds Reserve Requirement or any withdrawal from the Series 2002 B Bonds Reserve Account, beginning with the first full calendar month following the date on which

(a) the valuation of investments in the Series 2002 B Bonds Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Series 2002 B Bonds Reserve Account is less than the Series 2002 B Bonds Reserve Requirement, or (b) any amount is withdrawn from the Series 2002 B Bonds Reserve Account for deposit into the Series 2002 B Bonds Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Series 2002 A Bonds Reserve Account or the Series 2002 B Bonds Reserve Account to an amount equal to the respective Reserve Requirement; provided, that no payments shall be required to be made into the such Reserve Accounts whenever and as long as the amounts deposited therein shall be equal to the respective Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, transfer to the Renewal and Replacement Fund, a sum equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any 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 as provided in the Ordinance. 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 any 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) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, from the moneys remaining in the Revenue Fund, remit to the Bond Commission the principal, interest and reserve account payments for the Second Lien Bonds.

Bonds not to be Indebtedness of the Issuer.

The Series 2002 Bonds shall not be or constitute a corporate indebtedness of the Issuer within the meaning of any statutory or constitutional limitation but shall be payable solely from the funds pledged for such payment by the Ordinance. No Registered Owner of any Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 Bonds or the interest thereon.

Bonds Secured by Pledge of Net Revenues.

The payment of the debt service of all of the Series 2002 Bonds shall be secured equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity in all respects with the lien on the Net Revenues in favor of the Registered Owners of the First Lien Bonds and senior to the lien on the Net Revenues in favor of the Registered Owners of the Second Lien Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 2002 Bonds and the Prior Bonds, and all other payments provided for in the Ordinance, are irrevocably pledged in the manner provided in the Ordinance to such payments as the same become due and for the other purposes provided in the Ordinance.

Rates.

Equitable rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay all Operating Expenses and to make the prescribed payments into the funds and accounts created in the Ordinance. Such schedule or schedules of rates and charges shall be revised from time to time, 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 covenanted and agreed that the schedule or schedules 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 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts for the Series 2002 Bonds and reserve accounts for obligations on a parity with the Series 2002 Bonds, including the Prior 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 Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds.

The Issuer covenanted to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 60 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Operation and Maintenance.

The Issuer will operate and maintain the System in good condition and as a revenue-producing enterprise in an efficient and economical manner, making all necessary expenditures for equipment renewal, repair and replacement. The Issuer will also operate and maintain the System in compliance with all federal and state laws.

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 2002 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 the Series 2002 Bonds or to effectively defease the pledge created by the Ordinance. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2002 Bonds, be immediately remitted to Bond Commission for deposit in the Sinking Funds for the Series 2002 Bonds, and the Issuer shall direct the Bond Commission to apply such proceeds to the payment of principal of and interest on the Series 2002 Bonds. Any balance remaining after the payment of the Series 2002 Bonds and the interest thereon shall be remitted to the Issuer by the Bond 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 reserved the right to sell, lease or otherwise dispose of any of the property comprising a part of the System determined in the manner provided in the Ordinance 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 $10,000, the Issuer shall, by resolution duly adopted, 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 $10,000 but not in excess of $100,000, the Issuer shall first, determine upon consultation with the Consulting Engineers 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 $10,000 and not in excess of $100,000, shall 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 redemption prices of such Bonds. 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 the Ordinance. 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 $100,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Registered Owners, 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 Registered Owners of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances.

The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in the Ordinance, payable from the Net Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Net 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 Bonds; provided that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

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, except with respect to such additional parity Bonds, 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 the Ordinance or upon the System or any part thereof.

Additional Parity Bonds.

So long as the First Lien 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 the Series 2002 Bonds pursuant to the Ordinance, without complying with the conditions and requirements provided in the Ordinance (unless less restrictive than the provisions of the Prior Ordinances).

All Parity Bonds shall be on a parity in all respects with the Series 2002 Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Bonds, 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, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months in 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 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall be not 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 the Ordinance 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 3 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 enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance 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 of the Issuer prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period referred to above may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate filed with the City Clerk, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

The term "Parity Bonds" shall be deemed to mean additional Bonds issued under the provisions and within the limitations of the Ordinance, payable from the Net Revenues of the System on a parity with the Series 2002 Bonds, and all covenants and other provisions of the Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Series 2002 Bonds and the Registered Owners of any Parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with the Ordinance and the Prior Ordinances. All such Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any such Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Ordinance required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Ordinance.

The term "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 lien of the Series 2002 Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or equally, as to lien on and source of and security for payment from such revenues, with the Bonds except in the manner and under the conditions provided in the Ordinance.

No additional parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Ordinance and the Prior Ordinances with respect to the Bonds then Outstanding, and any other payments provided for in the Ordinance and the Prior Ordinances, shall have been made in full as required to the date of issuance of the Parity Bonds, and the Issuer then be in full compliance with all the covenants, agreements and terms of the Ordinance and the Prior Ordinances and every ordinance supplemental thereto, or shall have fully corrected any delinquency or deficiency in such payments and compliance.

Insurance.

The Issuer shall carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks, so long as the Series 2002 Bonds

are outstanding. The Issuer 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 and shall verify such insurance prior to commencement of construction. The Issuer shall itself, or shall require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form), such insurance to be made payable to the order of the Issuer, the prime contractor and all subcontractors, as their interests may appear. In time of war, the Issuer shall also carry in said amount such insurance as may be available against loss or damage by 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 repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer shall also carry liability insurance for death or injury to persons or damage to property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The Issuer shall carry flood insurance and business interruption insurance, to the extent available at reasonable cost to the Issuer.

No Free Services.

The Issuer will not render or cause to be rendered any free services of any nature by the System nor shall any preferential rates be established for users of the same class; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail 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 Board, 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.

Enforcement of Collections.

The Issuer or the Board 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 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 and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, 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 and facilities of the System and any services and facilities of the waterworks system, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid. The Issuer shall maintain the termination agreement with the water provider as such agreement has been approved by the Public Service Commission of West Virginia.

No Competing Franchise.

To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Books and Records.

The Board or 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 Board or the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner shall have the right at all reasonable times to inspect the System, and all parts thereof, and all records, accounts and data of the Board or the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board or the Issuer. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board or the Issuer. The Board or the Issuer 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 Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall also file with the Original Purchaser, and mail to any Registered Owner requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from the System.

(B) A statement of account balances in all funds and accounts provided for in this Ordinance and status of said funds.

(C) The amount of any Bonds, notes or other obligations payable from revenues of the System outstanding.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Registered Owner of the Series 2002 Bonds and shall file said report with the Original Purchaser.

Operating Budget.

The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 Board 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 such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Registered Owner or anyone acting for and on behalf of such Registered Owner who requests the same.

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 waterborne 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, to the extent permitted by the laws of the State 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 and every such owner, tenant or occupant shall, after a 30-day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or waterborne waste matter and which is not so connected with the System is declared and found to be a hazard to the health, safety, comfort and welfare of the residents 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.

Tax Covenants.

The Issuer further covenanted and agreed as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2002 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 Series 2002 Bonds during the term thereof is, under the terms of the Series 2002 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) in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2002 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 Series 2002 Bonds during the term thereof is, under the terms of the Series 2002 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 Series 2002 Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Series 2002 Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2002 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 2002 Bonds to be directly or indirectly "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 2002 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 all actions that may be required of it so that the interest on the Series 2002 Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Events of Default

Each of the following events shall constitute an "Event of Default" under the Ordinance:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Series 2002 Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in the Ordinance or any Supplemental Resolution or in the Series 2002 Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Registered Owner or any Bond Insurer;

(C) 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

(D) If default occurs with respect to the Prior Bonds or the Prior Ordinances.

Enforcement.

Upon the happening and continuance of any Event of Default, any Registered Owner or any Bond Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal of or interest on the Series 2002 Bonds then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Registered Owners, including the right to require the Issuer to perform its duties under the Act and the Ordinance;

(C) Bring suit upon the Series 2002 Bonds;

(D) 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; and

(E) By action or bill in equity enjoin any acts in violation of the Ordinance or the rights of the Registered Owners.

No remedy by the terms of the Ordinance conferred upon or reserved to the Registered Owners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owners under the Ordinance or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Registered Owners shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

All rights and remedies of the Registered Owners of the Series 2002 Bonds shall be on a parity with those of the Registered Owners of the First Lien Bonds.

Appointment of Receiver.

If there be any Event of Default existing and continuing, any Registered Owner (or any Bond Insurer if the defaulted Bonds are insured) 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 on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Ordinance and the Act.

The receiver so appointed shall forthwith, directly or by his agents and attorneys, enter into and upon and take possession of all facilities of the System and shall hold, operate, 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 Series 2002 Bonds and interest thereon and under any covenants of the Ordinance for reserve, sinking or other funds and accounts 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 the Ordinance 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 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 conferred upon him, 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 appointed in the discretion of such court. Nothing in the Ordinance 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 in the Ordinance.

Any receiver appointed shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Registered Owners of the Bonds issued pursuant to the Ordinance. 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 the Registered Owners, and the curing and making good of any default under the provisions of the Ordinance, 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, mortgage or otherwise dispose of any assets of the System.

Restoration of Issuer and Registered Owner.

In case any Registered Owner shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Registered Owner shall be restored to their former positions and rights, and all rights and remedies of such Registered Owner shall continue as if no such proceedings had been taken.

Defeasance of Bonds.

If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Registered Owners of all the Series 2002 Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the Ordinance and the pledges of the Net Revenues and other moneys and securities pledged, and all covenants, agreements and other obligations of the Issuer on behalf of the Registered Owners of the Series 2002 Bonds made under the Ordinance, shall thereupon cease, terminate and become void and be discharged and satisfied, except as may be necessary to assure the exclusion of interest on the Series 2002 Bonds from gross income for federal income tax purposes.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the above paragraph. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the above paragraph if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations or such additional securities as shall be set forth in the Supplemental Resolution.

Amendment of Ordinance.

Prior to issuance of the Series 2002 Bonds, the Ordinance may be amended or supplemented in any way by the Supplemental Resolution. All provisions required by the Bond Insurer, if any, shall be set forth in the Supplemental Resolution and to the extent they constitute an amendment or modification of the Ordinance, shall be controlling. Following issuance of the Series 2002 Bonds, the Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Registered Owner or other person, solely for the purpose of maintaining the tax-exempt status of the Series 2002 Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to the Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Registered Owners of the Bonds then Outstanding and affected thereby and the Bond Insurer. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Registered Owner of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

[PAR]
[LEGAL NAME OF ISSUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

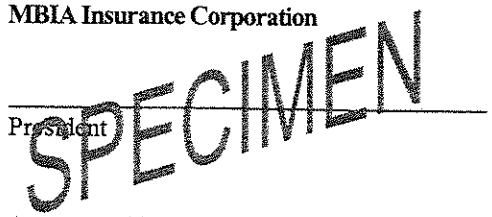
As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation



President

Attest: _____
Assistant Secretary

STD-R-6
4/95

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APENDIX E

[Form of Opinion of Bond Counsel]

December 4, 2002

The City of Charleston
Charleston, West Virginia

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Ladies and Gentlemen:

We have served as bond counsel to The City of Charleston (the "Issuer"), a duly created and presently existing municipal corporation under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the issuance of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds"), dated December 1, 2002, issued in the original aggregate principal amount of $1,755,000 and $5,160,000, respectively. The Bonds are issued in fully registered form, mature on January 1 in the years and amounts and bear interest payable each July 1 and January 1, commencing July 1, 2003, all as set forth in the Official Statement relating to the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Official Statement relating to the Bonds.

The Bonds are issued for the purposes, along with other funds available therefor, of (i) paying a portion of the costs of currently refunding the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), of the Issuer; (ii) funding a reserve account for the Bonds; and (iii) paying certain issuance and other costs in connection therewith.

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of July 1, 2002

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

$1,755,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS
SERIES 2002 A

$5,160,000
THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS
SERIES 2002 B

BOND PURCHASE AGREEMENT

November 21, 2002

The City of Charleston
Court and Virginia Streets
Charleston, WV 26301

Ladies and Gentlemen:

1. Ferris, Baker Watts, Incorporated, on behalf of itself, and Crews and Associates, Inc. (the "Underwriters") offers to enter into the following agreement with The City of Charleston (the "Issuer" or the "City") which, upon your acceptance of this offer, will become binding upon you and upon the Underwriters. This offer is made subject to your acceptance by due enactment of an Ordinance and execution of this Bond Purchase Agreement (this "Agreement") and its delivery to us on or before 5:00 P.M., prevailing time, today. Terms used and not defined in this Agreement have the meanings given to them in the Ordinance hereinafter referred to.

2. Upon the terms and conditions and upon the basis of the representations and warranties hereinafter set forth, the Underwriters hereby agrees to purchase from you for offering to the public, and you hereby agree to sell to the Underwriters for such purpose, all (but not less than all) of $1,755,000 aggregate principal amount of the Sewerage System Refunding Revenue Bonds, Series 2002 A, of the Issuer, dated December 1, 2002, having the principal amounts and maturities and bearing interest at the rates set forth in Exhibit A hereto and as stated in the Official Statement hereinafter referred to, at the purchase price of $1,730,129.89 (This purchase price reflects a net original issue premium of $1,018.20, an underwriters' discount of $26,325 and accrued on the Bonds from December 1, 2002 to the date of the Closing, as hereinafter defined, in the amount of $436.69.) and $5,160,000 aggregate principal amount of the Sewerage System Refunding Revenue Bonds, Series 2002 B, of the Issuer, dated December 1, 2002, having the principal amounts and maturities and bearing interest at the rates set forth in Exhibit A hereto and as stated in the Official Statement hereinafter referred to, at the purchase price of $5,073,093.48 (This purchase price reflects a net original issue discount of $11,004.05, an underwriters' discount of $77,400 and accrued on the Bonds from December 1, 2002 to the date of the Closing, as hereinafter defined, in the amount of $1,497.53.) (collectively, the "Bonds").

3. The Bonds shall be as described in, and shall be issued pursuant to, the Ordinance enacted by the City Council of the City on November 18, 2002, and a Supplemental Resolution enacted by the City Council of the City on November 18, 2002 (collectively, the "Ordinance"). Pursuant to the Ordinance, Bank One, Charleston, West Virginia, has been appointed Bond Registrar and Authenticating Agent, and the West Virginia Municipal Bond Commission, Charleston, West Virginia, has been appointed Paying Agent.

4. We agree to make a bona fide public offering of all the Bonds at not in excess of the initial public offering prices (which may be expressed in terms of yields), set forth on the cover page of the Official Statement (hereinafter defined), plus interest accrued thereon from the date thereof, reserving, however, the right to change such yields or prices as the Underwriters shall deem necessary in connection with the offering of the Bonds.

5. (a) Prior to the date hereof, you have provided for our review a form of Official Statement that the Issuer deems final as of its date, except for certain omissions in connection with the pricing of the Bonds. At the time of or before your acceptance hereof, you shall deliver to us:

(i) two executed copies of the Official Statement of the Issuer dated today relating to the Bonds (the form of which, together with the cover page and all appendices or supplements thereto as are enacted by the Issuer in accordance herewith and other reports or statements attached thereto or included therein, is called the "Official Statement") executed on behalf of the Issuer by its Mayor containing as part of the Appendices thereto audited financial statements of the Charleston Sanitary Board (the "Board") and a report thereon executed by Grigoraci, Trainer, Wright & Paterno, Certified Public Accountants, Charleston, West Virginia, independent certified public accountants; and

(ii) certified copies of the Ordinance of the Issuer, together with such reasonable number of certified copies of the foregoing as the undersigned shall request.

(b) You authorize any and all of this material, including specifically the Official Statement, the Ordinance and the information therein contained, to be used in connection with the public offering and sale of the Bonds. The Issuer hereby ratifies the use by the Underwriters prior to the date hereof of the Preliminary Official Statement of the Issuer, dated November 15, 2002, in connection with the public offering of the Bonds.

(c) You agree to deliver or cause to be delivered to the Underwriters, at such address as the Underwriters shall specify, as many additional copies of the Official Statement as the Underwriters shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 CFR §240.15c2-12) (the "Rule") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. You agree to deliver such additional copies of the Official Statement, complete as of its date of delivery and in form satisfactory to the Underwriters, upon acceptance hereof or as soon as practicable thereafter (but in any event within seven (7) business days after the date hereof and in sufficient time to accompany any confirmation that requests payment from any customer).

The Underwriters agree to give notice to the Issuer on the date after which the Underwriters shall no longer be obligated to deliver Official Statements pursuant to paragraph (b)(4) of the Rule.

(d) From the date hereof, if, until the earlier of (i) 90 days from the end of the underwriting period or (ii) the time when the Official Statement is available to any person from a nationally recognized municipal securities information repository (but in no case less than twenty-five (25) days following the end of the underwriting period), any event occurs as a result of which, it may be necessary to amend or supplement the Official Statement in order to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall notify the Underwriters and, if in the opinion of the Issuer or the Underwriters, such event requires the preparation and publication of an amendment or supplement to the Official Statement, the Issuer, at its expense, promptly will prepare an appropriate amendment or supplement thereto (and file, or cause to be filed, the same with a nationally recognized municipal securities information repository) so that the statements in the Official Statement as so amended or supplemented will not, in light of the circumstances under which they were made, be misleading.

6. The Issuer represents and warrants to the Underwriters that:

(a) The Issuer is a municipal corporation of the State of West Virginia (the "State"), established and existing under the laws of the State, and has, and at the date of the Closing will have, full legal right, power and authority (i) to enter into this Agreement, (ii) to enact the Ordinance, (iii) to issue, sell and deliver the Bonds to the Underwriters as provided herein, and (iv) to carry out and to consummate the transactions contemplated by this Agreement, the Ordinance and the Official Statement;

(b) The Issuer has complied, and will at the Closing be in compliance, in all respects with the Ordinance and with Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act");

(c) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly enacted the Ordinance, has duly ratified the distribution of the Preliminary Official Statement and the execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations contained in, the Bonds and this Agreement and has duly authorized and approved the performance by the Issuer of its obligations contained in the Ordinance and the consummation by it of all other transactions contemplated by the Official Statement;

(d) The execution and delivery of this Agreement and the Bonds and the enactment of the Ordinance and compliance with the provisions of each will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State of West Virginia or the United States or any applicable judgment or decree or any agreement or other instrument to which the Issuer is a party or is otherwise subject;

(e) The financial statements relating to the Issuer in the Official Statement fairly present the financial positions and results of operations of the Issuer as of the dates and for the periods therein set forth, and such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, and since such date there has been no adverse change in the general affairs or financial position or net assets of the Issuer as shown in the Official Statement;

(f) At the time of the Issuer's acceptance hereof, the Preliminary Official Statement was and the Official Statement, as of the date hereof is, and as it may be amended or supplemented at the date of delivery to the Underwriters and at the Closing will be, true and correct in all material respects and the Preliminary Official Statement did not, and the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, in addition, any amendments or supplements to the Official Statement prepared and furnished by the Issuer pursuant hereto will not contain any untrue statement of a material fact or omit to state any material facts necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(g) Between the date of this Agreement and the Closing, the Issuer will not, without the prior written consent of the Underwriters, issue any bonds, notes or other obligations for borrowed money, and, except as described in or contemplated by the Official Statement, the Issuer will not incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Issuer;

(h) No litigation is pending or, to the knowledge of the Issuer, threatened in any court in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of receipts or assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or this Agreement, or contesting the powers of the Issuer or the Board with respect to the Bonds, the Ordinance or this Agreement;

(i) The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, as the Underwriters may request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate and to provide for the continuance of such qualifications; and

(j) If between the date of this Agreement and the date of the Closing an event occurs affecting the Issuer which is materially adverse for the purpose for which the Official Statement is to be used and is not disclosed in the Official Statement, the Issuer shall notify the Underwriters and if in the opinion of the Underwriters and counsel to the Underwriters such event requires a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriters and counsel to the Underwriters.

7. At 10:00 A.M., prevailing time, on December 4, 2002, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by you and us, you will deliver to us the Bonds in definitive form, duly executed and authenticated, together with the other documents hereinafter mentioned; and, subject to the terms and conditions hereof, the undersigned will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 2 hereof, by a wire transfer in federal funds to the West Virginia Municipal Bond Commission (the "Bond Commission"), as Paying Agent. Upon payment as aforesaid to the West Virginia Municipal Bond Commission, Charleston, West Virginia, the Bonds will be delivered by the Bond Registrar, to The Depository Trust Company in New York, New York, using the DTC FAST closing procedure. This payment and delivery is herein called the "Closing." The Bonds will be delivered as fully registered bonds, one for each stated maturity of the Bonds in the aggregate principal amount of such maturity, bearing proper, duly assigned CUSIP numbers, and registered in the name of The Depository Trust Company's nominee, Cede & Co., and, if the Underwriters shall so request, will be made available to the Underwriters at least twenty-four (24) hours before the Closing for inspection and packaging.

8. The Underwriters have entered into this Agreement in reliance upon the representations and warranties of the Issuer contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of Closing. Accordingly, the Underwriters' obligations under this Agreement to purchase, accept delivery of and to pay for the Bonds shall be subject to the accuracy in all material respects of the representations and warranties of the Issuer contained herein as of the date hereof and the date of Closing, to the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and to the following conditions:

(a) At the time of the Closing (i) the Ordinance shall be in full force and effect and shall not have been amended, modified or supplemented since the date hereof except as may have been agreed to in writing by us, and you shall have duly enacted and there shall be in full force and effect such additional ordinances, resolutions or agreements, as shall, in the opinion of Jackson Kelly PLLC, Bond Counsel to the Issuer, be necessary in connection with the transactions contemplated hereby; (ii) the Issuer shall perform or have performed all of its obligations required under or specified in this Agreement and the Ordinance to be performed at, simultaneously with or prior to the Closing; and (iii) the Bonds shall have been authorized, executed and authenticated in accordance with the Ordinance.

(b) The Underwriters may terminate this Agreement by notification to you if at any time subsequent to the date hereof and at or prior to the Closing, (i) legislation shall be enacted by the Congress or enacted by either House thereof or a decision by a Court of the United States or the Tax Court of the United States shall be rendered, or a ruling, regulation or official statement by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made, with respect to federal taxation upon revenues or other income of the general character expected to be derived by you and pledged under the Ordinance or upon interest received on bonds of the general character of the Bonds or which would have the effect of changing, directly or indirectly, the federal income tax treatment of interest on bonds of

the general character of the Bonds in the hands of the holders thereof, which in our opinion materially affects the market price of the Bonds; or (ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds is in violation of any provisions of the Securities Act of 1933, as amended or of the Trust Indenture Act of 1939, as amended; or (iii) legislation shall be enacted by the Congress or enacted by either House, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the Issuer or any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended or the Trust Indenture Act of 1939, as amended; (iv) other than conflicts underway involving the United States as of the date hereof, a war involving the United States which shall have been declared, or any conflict involving the armed forces of the United States which shall have escalated, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriters, would materially adversely affect the market for the Bonds, or the sale, at the contemplated offering prices by the Underwriters; (v) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by United States or West Virginia State authorities, which in our opinion materially affects the market price of the Bonds; (vi) an event described in paragraph 6(j) hereof occurs which in our opinion requires a supplement or amendment to the Official Statement; or (vii) the market for the Bonds or the sale thereof by the Underwriters at the contemplated offering prices shall have been materially and adversely affected, in the opinion of the Underwriters, by reason of the fact that there has occurred a default with respect to the payment of principal of or interest on the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, any state of the United States or public agency thereof or any city located in the United States with a population of more than 500,000;

(c) At or prior to the Closing, the Underwriters shall receive the following documents:

(1) The Official Statement of the Issuer, executed on behalf of the Issuer by its Mayor;

(2) The Ordinance, certified by the City Clerk and enacted by the Issuer and as being in effect, with such changes or amendments as may have been agreed to by the Underwriters;

(3) An opinion, dated the date of the Closing and addressed to the Issuer and MBIA Insurance Corporation (the "Insurer), of Jackson Kelly PLLC, Bond Counsel for the Issuer, in substantially the form attached as Appendix E to the Official Statement;

(4) An opinion, dated the date of the Closing and addressed to the Underwriters and the Insurer, of Jackson Kelly PLLC, Bond Counsel for the Issuer, to the effect that (i) this Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the Underwriters and that it is a binding agreement of the Underwriters in accordance with its terms) constitutes a binding agreement of the Issuer in accordance with its terms; (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance are exempt from qualification pursuant to the Trust Indenture Act

of 1939, as amended; (iii) the statements contained in the Official Statement under the caption "Tax Matters" are true and accurate in all material respects and presents a fair and accurate summary and description of the matters summarized and described under such caption; and (iv) the statements contained in the Official Statement under the captions "Security for the Bonds," "The Bonds" and "Summary of Certain Provisions of the Ordinance," insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, are complete and accurate and present a fair summary of the matters referred to therein and of the Ordinance;

(5) An opinion, dated the date of Closing and addressed to the Underwriters, of John T. Poffenbarger, Esq., counsel for the Underwriters, to the effect that (i) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance are exempt for qualification pursuant to the Trust Indenture Act of 1939, as amended; and (ii) based upon its participation in the preparation of the Official Statement as counsel for the Underwriters and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that as of the date of the Closing the Official Statement, as of its date, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for the statements in the Official Statement with respect to The Depository Trust Company and Bonds being available in book-entry form only and except for information concerning the Insurer and the financial statements and other financial and statistical data included therein, as to which no view need be expressed) or that the Official Statement, as amended or supplemented to the date of Closing (except as aforesaid) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(6) A certificate dated the date of the Closing and signed by the Mayor of the Issuer stating that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (ii) (a) except as set forth in the Official Statement, no litigation is pending or, to their knowledge, threatened in any court to restrain or enjoin the issuance or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds, the Ordinance, or this Agreement, or contesting the powers of the Issuer or any authority for the issuance of the Bonds or the Ordinance, and (b) except as set forth in the Official Statement, there is no litigation pending, or, to the knowledge of said Mayor, threatened against the Issuer in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of revenues and assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or this Agreement, or contesting the powers of the Issuer with respect to the Bonds, the Ordinance or this Agreement or any transaction described in or contemplated by the Official Statement, which certificates shall be in form and substance acceptable to us (but in lieu of or in conjunction with such certificate, the Underwriters may, in its sole discretion, accept an opinion of Goodwin & Goodwin LLP,Special Counsel for the Issuer, that in his opinion the issues raised in any pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are

without merit with respect to the Bonds referred to in the Official Statement); and (iii) to the best of his knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect;

(7) Two counterpart originals of a transcript of all proceedings relating to the authorization and issuance of the Bonds, certified by the City Clerk of the Issuer;

(8) An opinion of special counsel to the Issuer to the effect that no litigation is pending, or to their knowledge, threatened in any court in any way affecting the existence of the Issuer or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the issuance or delivery of the Bonds, or the collection of revenues and assets of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Ordinance or this Agreement, or contesting the powers of the Issuer with respect to the Bonds, the Ordinance or this Agreement or any transaction described in or contemplated by the Official Statement;

(9) Evidence that the Insurer has insured payment of the Bonds as described in the Official Statement;

(10) Evidence satisfactory to the Underwriters of the assignment of a rating on the Bonds by Moody's Investors Service, Inc. of "Aaa" and such ratings shall not have been modified or withdrawn;

(11) Such additional legal opinions, certificates, instruments and other documents as the Underwriters or their counsel, John T. Poffenbarger, Esq., may deem necessary or advisable to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

All of the opinions, letters, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriters and to John T. Poffenbarger, Esq., counsel to the Underwriters.

If you shall be unable to satisfy the conditions of the Underwriters contained in this Agreement, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor you shall be under further obligation hereunder, except that the respective obligations of you and the Underwriters for the payment of expenses, as provided in Paragraph 9 hereof, shall continue in full force and effect.

9. (a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay from Bond Proceeds or other funds, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to, (i) the underwriter's discount of $103,725, (ii) the fees and disbursements of Jackson Kelly, PLLC, John T. Poffenbarger, Esq., Goodwin & Goodwin, LLP and any other experts or consultants retained by the Issuer; (iii) the fees of bond rating agencies in connection with the Bonds; (iv) the cost of the preparation and the printing of the Bonds; (v) the insurance premium payable to the Insurer; (vi) the cost of printing and distribution in connection with the Preliminary Official Statement and Official Statement; and (vii) costs of issuance.

(b) The Underwriters shall pay (i) all advertising expenses in connection with the public offering of the Bonds; (ii) all other expenses incurred by us in connection with the public offering and distribution of the Bonds; and (iii) the cost of printing any Blue Sky and Legal Investment Surveys to be used by us. Any expenses with respect to the Official Statement which are incurred following the issuance of the Bonds and which relate to compliance with Rule 15c2-12 shall be the obligation of the Issuer, and the Issuer shall pay any expense related thereto.

10. Any notice or other communication to be given to you under this Agreement may be given by delivering the same in writing at your address set forth above, and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to Ferris, Baker Watts, Incorporated, 100 Laidley Tower, Charleston, West Virginia 25301, Attention: Marie L. Prezioso, Senior Vice President.

11. This Agreement is made solely for the benefit of you and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. All your representations, warranties and agreements in this Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of, and payment for, the Bonds hereunder, and (c) any termination of this Agreement.

12. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

13. This Agreement shall be construed and enforceable in accordance with the laws of the State of West Virginia.

Very truly yours,

FERRIS, BAKER WATTS, INCORPORATED, FOR AND ON BEHALF OF ITSELF AND CREWS AND ASSOCIATES

By: _____
Senior Vice President

Accepted by:

THE CITY OF CHARLESTON

By: _____

Its: Mayor

The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 A
"Aaa" MBIA Insured
Uniform Savings Analysis

PRICING SUMMARY

Maturity	Type	of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price	CUSIP BN: 160609
1/01/2004	Serial	Coupon	2.000%	1.720%	170,000.00	100.296%	170,503.20	JB 0
1/01/2005	Serial	Coupon	2.000%	2.050%	180,000.00	99.898%	179,816.40	JC 8
1/01/2006	Serial	Coupon	2.375%	2.400%	185,000.00	99.925%	184,861.25	JD 6
1/01/2007	Serial	Coupon	3.000%	2.720%	185,000.00	101.071%	186,981.35	JE 4
1/01/2008	Serial	Coupon	3.000%	3.030%	195,000.00	99.858%	194,723.10	JF 1
1/01/2009	Serial	Coupon	3.250%	3.240%	200,000.00	100.053%	200,106.00	JG 9
1/01/2010	Serial	Coupon	3.500%	3.480%	205,000.00	100.122%	205,250.10	JH 7
1/01/2011	Serial	Coupon	3.625%	3.650%	215,000.00	99.824%	214,621.60	JJ 3
1/01/2012	Serial	Coupon	3.700%	3.750%	220,000.00	99.616%	219,155.20	JK 0
Total	-	-	-	-	**1,755,000.00**	-	**1,756,018.20**	

BID INFORMATION

Par Amount of Bonds	$1,755,000.00
Reoffering Premium or (Discount)	1,018.20
Gross Production	$1,756,018.20
Total Underwriter's Discount (1.500%)	$(26,325.00)
Bid (98.558%)	1,729,693.20
Accrued Interest from 12/01/2002 to 12/04/2002	436.69
Total Purchase Price	$1,730,129.89
Bond Year Dollars	$9,281.25
Average Life	5.288 Years
Average Coupon	3.2800881%
Net Interest Cost (NIC)	3.5527540%
True Interest Cost (TIC)	3.5707518%

The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 B
"Aaa" MBIA Insured
Uniform Savings Analysis

PRICING SUMMARY

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price	CUSIP BN: 160609
1/01/2004	Serial Coupon	2.000%	1.720%	290,000.00	100.296%	290,858.40	JL 8
1/01/2005	Serial Coupon	2.000%	2.050%	310,000.00	99.898%	309,683.80	JM 6
1/01/2006	Serial Coupon	2.375%	2.400%	315,000.00	99.925%	314,763.75	JN 4
1/01/2007	Serial Coupon	3.000%	2.720%	325,000.00	101.071%	328,480.75	JP 9
1/01/2008	Serial Coupon	3.000%	3.030%	335,000.00	99.858%	334,524.30	JQ 7
1/01/2009	Serial Coupon	3.250%	3.240%	345,000.00	100.053%	345,182.85	JR 5
1/01/2010	Serial Coupon	3.500%	3.480%	355,000.00	100.122%	355,433.10	JS 3
1/01/2011	Serial Coupon	3.625%	3.650%	365,000.00	99.824%	364,357.60	JT 1
1/01/2012	Serial Coupon	3.700%	3.750%	380,000.00	99.616%	378,540.80	JU 8
1/01/2013	Serial Coupon	3.800%	3.900%	395,000.00	99.171%	391,725.45	JV 6
1/01/2015	Term 1 Coupon	4.125%	4.210%	835,000.00	99.199%	828,311.65	JX 2
1/01/2017	Term 2 Coupon	4.400%	4.430%	910,000.00	99.685%	907,133.50	JW 4
Total	- -	-	-	**5,160,000.00**	-	**5,148,995.95**	

BID INFORMATION

Par Amount of Bonds	$5,160,000.00
Reoffering Premium or (Discount)	(11,004.05)
Gross Production	$5,148,995.95
Total Underwriter's Discount (1.500%)	$(77,400.00)
Bid (98.287%)	5,071,595.95
Accrued Interest from 12/01/2002 to 12/04/2002	1,497.53
Total Purchase Price	$5,073,093.48
Bond Year Dollars	$42,010.00
Average Life	8.141 Years
Average Coupon	3.8538482%
Net Interest Cost (NIC)	4.0642839%
True Interest Cost (TIC)	4.0766917%

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Certificate") is made and entered into by The City of Charleston, a municipal corporation of the State of West Virginia (the "Issuer"), in connection with the issuance of $1,755,000 City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 A Bonds (the "2002 A Bonds") and $5,160,000 The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 B Bonds (the "2002 B Bonds") (collectively referred to as the "Bonds"). The Bonds are being issued pursuant to the Issuer's Ordinance enacted on November 18, 2002, and its Supplemental Resolution adopted on November 18, 2002 (collectively, the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Issuer for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinance and the Bond Purchase Agreement dated November 21, 2002, which apply to any capitalized term used in this Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in Sections 3 and 4 of this Certificate.

"Beneficial Owner" shall mean any person that has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall initially mean the Issuer and any later appointed Dissemination Agent or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Certificate.

"National Repository" shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. The National Repositories currently approved by the Securities and Exchange Commission are set forth in Exhibit B.

"Participating Underwriter" shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean each National Repository and the State Repository.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of West Virginia.

"State Repository" shall mean any public or private repository or entity designated by the State as the state repository for the purpose of the Rule and recognized as such by the Securities and Exchange Commission. [As of the date of this Certificate, there is no State Repository.]

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than 8 months after the end of the Issuer's fiscal year (presently June 30), commencing with the report for the 2003 Fiscal Year, provide to each Repository an Annual Report, which is consistent with the requirements of Section 4 of this Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Certificate; provided, that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and not later than 15 days after receipt by the Issuer. If the Issuer's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a).

(b) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and the State Repository, if any; and

(ii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Certificate, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or include by reference the following:

(a) Within ninety (90) days after the end of its 2003 fiscal year and each subsequent fiscal year, to each National Repository and any State Depository, unaudited general purpose financial statements of the Issuer, and

(b) Within fifteen (15) days after receipt by the Issuer of its 2003 fiscal year-end, and each subsequent fiscal year, to each nationally recognized municipal securities information repository ("National Repository") and to any West Virginia State information repository ("State Repository"), core financial information and operating data of the Issuer for the prior fiscal year, including (i) the audited financial statements, prepared in accordance with generally accepted auditing principles in effect from time to time, and (ii) material historical quantitative data of the type found in the Official Statement under the caption "Financial Statements of the Issuer":

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document included by reference is a final official statement it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events, if applicable, with respect to the Bonds, if material:

1. principal and interest payment delinquencies;

2. non-payment related defaults;

3. unscheduled draws on debt service reserves reflecting financial difficulties;

4. unscheduled draws on credit enhancements reflecting financial difficulties;

5. substitution of credit or liquidity providers, or their failure to perform;

6. adverse tax opinions or events affecting the tax-exempt status of the security;

7. modifications to rights of security holders;

8. bond calls;

9. defeasances;

10. release, substitution, or sale of property securing repayment of the securities; and

11. rating changes.

(b) Whenever the Issuer obtains knowledge of the occurrence of any of the Listed Events, the Issuer shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the Issuer determines that knowledge of the occurrence of any of the Listed Events would be material under applicable federal securities laws, the Issuer shall promptly file a notice of such occurrence with the Municipal Securities Rulemaking Board or the National Repository and the State Repository. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Ordinance.

SECTION 6. Termination of Reporting Obligation. The Issuer's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Issuer shall give notice of such termination in the same manner as for any of the Listed Events under Section 5(a).

SECTION 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Issuer pursuant to this Certificate.

SECTION 8. Amendment, Waiver. Notwithstanding any other provision of this Certificate, the Issuer may amend this Certificate, and any provision of this Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and

(c) The amendment or waiver either (i) is approved by the Holders of the Bonds in the same manner as provided in the Ordinance for amendments to the Ordinance with the consent of Holders, or (ii) does not, in the

opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for any of the Listed Events under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of any of the Listed Events, in addition to that which is required by this Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of any of the Listed Events in addition to that which is specifically required by this Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it is any future Annual Report or notice of occurrence of any of the Listed Events.

SECTION 10. Default. In the event of a failure of the Issuer to comply with any provision of this Certificate (and, at the request of the Original Purchaser), any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Certificate in the event of any failure of the Issuer to comply with this Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

SECTION 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Issuer, the Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: December 4, 2002

THE CITY OF CHARLESTON

By: _____
Mayor

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	The City of Charleston
Name of Issue:	$1,755,000 The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 A $5,160,000 The City of Charleston, West Virginia Sewerage System Refunding Revenue Bond, Series 2002 B
Date of Issuance:	December 4, 2002

Notice is hereby given that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by its covenant made in connection with the above-referenced bond issue. The Issuer anticipates that the Annual Report will be filed by _____.

Dated this _____.

THE CITY OF CHARLESTON

By: _____
Mayor

EXHIBIT B

Nationally Recognized Municipal
Securities Information Repositories
Approved by the Securities and Exchange
Commission as of July 1, 2002

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
FAX: (609) 279-5962
E-mail: munis@Bloomberg.com

FT Interactive Data
Attn: NRMSIR
100 William Street
New York, NY 10038
Phone: (212) 771-6999
FAX: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
E-mail: NRMSIR@FTID.com

Standard & Poor's J.J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
FAX: (212) 438-3975
E-mail: nrmsir_repository@sandp.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
FAX: (201) 947-0107
E-mail: nrmsir@dpcdata.com

Moody's Investors Service

99 Church Street
New York, New York 10007

December 4, 2002

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504

To Whom It May Concern:

Moody's Investors Service has assigned the rating of **Aaa** (MBIA Insurance Corporation Insured - Policy No. **39653**) to the **$1,755,000.00 , The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A** , dated December 1, 2002 which sold through negotiation on November 21, 2002. The rating is based upon an insurance policy provided by MBIA Insurance Corporation.

Should you have any questions regarding the above, please do not hesitate to contact the assigned analyst, Margaret Kessler at (212) 553-7884.

Sincerely yours,

Margaret Kessler

Margaret L. Kessler
Vice President/Senior Analyst

MK:SY

Moody's Investors Service

99 Church Street
New York, New York 10007

December 4, 2002

MBIA Insurance Corporation
113 King Street
Armonk, New York 10504

To Whom It May Concern:

Moody's Investors Service has assigned the rating of **Aaa** (MBIA Insurance Corporation Insured - Policy No. **39654**) to the **$5,160,000.00 , The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 B** , dated December 1, 2002 which sold through negotiation on November 21, 2002. The rating is based upon an insurance policy provided by MBIA Insurance Corporation.

Should you have any questions regarding the above, please do not hesitate to contact the assigned analyst, Margaret Kessler at (212) 553-7884.

Sincerely yours,

Margaret Kessler

Margaret L. Kessler
Vice President/Senior Analyst

MK:SY

FERRIS, BAKER WATTS, INCORPORATED

FINAL

Closing and Wiring Memorandum
Relating to:
The City of Charleston (West Virginia)
Sewage System Refunding Revenue Bonds
Series 2002 A ($1,755,000)
Series 2002 B ($5,160,000)
PF2003/052

Closing –December 4, 2002

TO:	Kathleen Rushworth	e-mail: krushworth@csbwv.com
	Bill Collison	e-mail: bcollison@csbwv.com
	Charleston Sanitary Board	
	Witter Hallan	
	WV Municipal Bond Comm.	e-mail: whallan@state.wv.us
	MBIA	
	Salvatore A. D'Addio	e-mail: sal.daddio@mbia.com
	Samme Gee	
	Jackson Kelly	e-mail: sgee@jacksonkelly.com
	John Poffenbarger	e-mail: jtpoff57@yahoo.com
	Len Coleman	
	Goodwin & Goodwin	e-mail: lsc@goodwingoodwin.com
	Ferris, Baker Watts:	
	Jon Rourke	e-mail: jrourke@fbw.com
	Sharon Pennington	e-mail: spenningtno@fbw.com
	Dennis Benevicz	e-mail: dbenevicz@fbw.com
CC:	Ferris, Baker Wattts:	
	Carol Converso	e-mail: cconverso@fbw.com
	Liz Andersini	e-mail: landresini@fbw.com
	Dan Leatherman	e-mail: dleatherman@fbw.com
FROM:	Marie Prezioso	e-mail: mprezioso@fbw.com
DATE:	December 2, 2002	

PAYMENT OF 2002 SERIES A & B BONDS:

The 2002 Series A & B transactions will close with the Issuer on Wednesday, December 4, 2002. Ferris, Baker Watts (FBW) must initiate the following three (3) fed funds wires on that date as soon as possible:

Wire #1:	$6,667,338.72
To:	Branch Banking & Trust
ABA#:	051503394
For Account:	527-051-7317
For Account:	State Treasurer
RE:	Municipal Bond Commission
Wire #2:	$74,884.65
To:	Bank One, NA, Columbus, OH
ABA#:	044000037
F/A/O:	Bank One Trust Company, NA
For Credit to DDA:	#980900666
F/B/O:	City of Charleston 2002A&B
Contact:	Lorene Mullins
	304/348-4463
Wire #3:	$61,000
To:	JP Morgan Chase Bank NY, NY
ABA#:	021-000021
Account #:	910-2-721728
MBIA Policies:	39653 and 39654

These funds represent:

	Series 2002A Bonds	Series 2002B Bonds
Par Amount	$1,755,000.00	$5,160,000.00
Plus: Accrued Interest:	436.69	1,497.53
Less: Original Issue Discount: (net)	-0-	11,004.05
Plus: Premium: (net)	1,018.20	-0-
Less: Underwriter's Discount:	(26,325.00)	77,400.00
Total Wire Amounts:	$1,730,129.89	$5,073,093.48

Delivery:

Upon confirmation of the above funds transfer, DTC will be notified of FBW's DTC participation #039. Bonds to be credited: $1,755,000 (Series A) and $5,160,000 (Series B)

MATURITY SCHEDULE, COUPON/YIELD/PRICE AND CUSIP NUMBERS ARE LISTED BELOW

The City of Charleston, West Virginia
Sewage System Refunding Revenue Bonds
Series 2002 A

Maturity	Par Amount	Coupon/Yield	CUSIP # Base No.: 160609
2004	$170,000	2.00%/1.72%	JB 0
2005	$180,000	2.00%/2.05%	JC 8
2006	$185,000	2.375%/2.40%	JD 6
2007	$185,000	3.00%/2.72%	JE 4
2008	$195,000	3.00%/3.03%	JF 1
2009	$200,000	3.25%/3.24%	JG 9
2010	$205,000	3.50%/3.48%	JH 7
2011	$215,000	3.625%/3.65%	JJ 3
2012	$220,000	3.70%/3.75%	JK 0

The City of Charleston, West Virginia
Sewage System Refunding Revenue Bonds
Series 2002 B

Maturity	Par Amount	Coupon/Yield	CUSIP # Base No.: 160609
2004	$290,000	2.00%/1.72%	JL 8
2005	$310,000	2.00%/2.05%	JM 6
2006	$315,000	2.375%/2.40	JN 4
2007	$325,000	3.00%/2.72%	JP 9
2008	$335,000	3.00%/3.03%	JQ 7
2009	$345,000	3.25%/3.24%	JR 5
2010	$355,000	3.50%/3.48%	JS 3
2011	$365,000	3.625%/3.65%	JT 1
2012	$380,000	3.70%/3.75%	JU 8
2013	$395,000	3.80%/3.90%	JV 6

$835,000	4.125%	Term Bonds due January 1, 2015 at 4.21%	160609 JX 2
$910,000	4.40%	Term Bonds due January 1,2017 at 4.43%	160609 JW 4

These issues will close under the DTC "FAST" program

	Series 2002A	Series 2002 B
Wire to MBC	$1,697,191.69	$4,970,147.03
Deposit Sinking Fund	- 436.69	- 1,497.53
Deposit DSRF	- 175,500.00	- 485,472.50
	$1,521,255.00	$4,483,177.00
Funds on deposit with MBC (Sinking Fund)	+ 197,970.00	+ 381,688.75
DSRF on deposit	+ 263,745.00	+ 545,423.00
	$1,982,970.00	$5,410,288.75

Principal and interest due 1/1/03	$ 197,970.00	$ 381,688.75
Bonds called 1/1/03	1,750,000.00	4,930,000.00
Premium due (102%)	35,000.00	98,600.00
Payment to Bondholders 1/1/03	$1,982,970.00	$5,410,288.75

*$1,982,970 and $5,410,288.75 will need to be invested until funds are sent to DTC for 1/1/03 payments in the West Virginia Investment Management Board Government Money Market Fund.

JACKSONKELLY
ATTORNEYS AT LAW PLLC

1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

DIRECT NO. (304) 340-1318 EMAIL: sgee@jacksonkelly.com FAX NO. (304) 340-1080 OR 1040

November 12, 2002

NOV 13 2002
MEC
NOV 3 2002
MEC

VIA FAX AND REGULAR MAIL

Mr. R. Witter Hallan
Executive Director
West Virginia Municipal
Bond Commission
8 Capitol Street, Suite 500
Charleston, WV 25301

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Dear Witter:

Please be advised that The City of Charleston intends to issue the above-captioned bonds (the "Bonds") for the purpose of currently refunding all of its outstanding Sewerage System Refunding Revenue Bonds, Series 1992 A, dated June 1, 1992, and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, dated November 1, 1992, to their first redemption date, being January 1, 2003, at which time they will be redeemed in full.

A copy of the Bond Ordinance authorizing the Bonds is enclosed. We will deliver the Supplemental Resolution, the Escrow Agreements and other documents relating to the refunding shortly.

The original purchasers of the above-captioned Bonds are Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. Settlement is anticipated on or about December 3, 2002. Please give me a call if you have any questions at this time.

Very truly yours,

Samme L. Gee

SLG/lp

Enclosure

M0378723.1

Copy of letter only to via email:

Sherry Risk
Kathy Rushworth
Bill Collison
Marie Prezioso
Joseph Nassif
Greg Isaacs
Leonard Coleman, Esquire
John Poffenbarger, Esquire
Francesca Tan, Esquire

JACKSONKELLY
ATTORNEYS AT LAW PLLC
1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

DIRECT NO. (304) 340-1318 EMAIL: sgee@jacksonkelly.com FAX NO. (304) 340-1080 OR 1040

November 12, 2002

VIA FAX AND REGULAR MAIL

Mr. R. Witter Hallan
Executive Director
West Virginia Municipal
Bond Commission
8 Capitol Street, Suite 500
Charleston, WV 25301

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Dear Witter:

Please be advised that The City of Charleston intends to issue the above-captioned bonds (the "Bonds") for the purpose of currently refunding all of its outstanding Sewerage System Refunding Revenue Bonds, Series 1992 A, dated June 1, 1992, and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, dated November 1, 1992, to their first redemption date, being January 1, 2003, at which time they will be redeemed in full.

A copy of the Bond Ordinance authorizing the Bonds is enclosed. We will deliver the Supplemental Resolution, the Escrow Agreements and other documents relating to the refunding shortly.

The original purchasers of the above-captioned Bonds are Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. Settlement is anticipated on or about December 3, 2002. Please give me a call if you have any questions at this time.

Very truly yours,

Samme L. Gee

SLG/lp

Enclosure

M0378723.1

Copy of letter only to via email:

Sherry Risk
Kathy Rushworth
Bill Collison
Marie Prezioso
Joseph Nassif
Greg Isaacs
Leonard Coleman, Esquire
John Poffenbarger, Esquire
Francesca Tan, Esquire

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

JOINT CERTIFICATE OF THE ISSUER AND ESCROW AGENT

The undersigned Jay Goldman, Mayor of The City of Charleston, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and the undersigned R. Witter Hallan, Executive Director of the West Virginia Municipal Bond Commission (the "Escrow Agent"), hereby jointly certify as follows in connection with the above-captioned Bond issue:

1. We have executed the Escrow Agreement between the Issuer and the Escrow Agent, dated December 4, 2002 (the "Escrow Agreement"), on behalf of the Issuer and the Escrow Agent, respectively.

2. The Escrow Agent has the authority to act as Escrow Agent for and in connection with the Series 1992 Bonds (defined under the Escrow Agreement) and has the requisite powers to carry out its duties under the Escrow Agreement, and the Escrow Agreement has been duly and validly authorized, executed and delivered by the Escrow Agent, and assuming due authorization, execution and delivery thereof by the Issuer, the Escrow Agreement constitutes a valid and legally binding obligation of the Escrow Agent, enforceable in accordance with its terms.

3. The funds on deposit in the Escrow Fund established by the Escrow Agreement have been invested as provided in the Escrow Agreement.

4. The invested funds are sufficient to fully pay the Series 1992 Bonds, including payment of the principal of, redemption premium and interest on the Series 1992 Bonds on their first redemption date being January 1, 2003, and the liens of the Series 1992 Bonds and the ordinance pursuant to which the Series 1992 Bonds were issued have been discharged.

WITNESS our signatures on this 4th day of December, 2002.

THE CITY OF CHARLESTON

Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

Executive Director

NOTICE OF FULL REDEMPTION TO THE HOLDERS OF

CITY OF CHARLESTON, WV

Sewerage System Refunding Revenue Bonds, Series 1992A

NOTICE IS HEREBY GIVEN pursuant to the applicable provisions of the governing documents of the above captioned Bonds (the "Bonds"), that the herein described Bonds are called for redemption prior to their maturity and will be redeemed on January 1, 2003 (the "Redemption Date"). Redemption will be made by payment of the principal amount of each such Bond, together with interest accrued to the Redemption Date plus applicable premium, if any. From and after January 1, 2003, interest on the Bonds shall cease to accrue and any lien or interest in or to any pledge of security or collateral for the Bonds hereby called shall also cease and become null on the Redemption Date.

PLEASE NOTE: Such redemption is subject to the deposit of the Redemption Price with the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Escrow Agent for the Series 1992A Bonds, not later than the opening of business on the Redemption Date and shall be of no effect unless the Redemption Price is so deposited. If the Redemption Price is not deposited with the Escrow Agent by such date and time, the Registrar of the Series 1992A Bonds shall promptly notify the owners of the Series 1992A Bonds of such fact. On the Redemption Date, interest will cease to accrue on all Series 1992A Bonds and the Series 1992A Bonds will be deemed to be paid from such date.

The following Bonds will be redeemed and paid upon presentation to the office(s) shown below.

*CUSIP	Maturity	Rate	Amount	Price
160609HC	1/1/04	5.90%	$155,000	102.00%
160609HE	1/1/05	6.00%	$165,000	102.00%
160609HF	1/1/06	6.10%	$170,000	102.00%
160609HG	1/1/07	6.15%	$180,000	102.00%
160609HH	1/1/08	6.20%	$190,000	102.00%
160609HD8	1/1/12	6.25%	$890,000	102.00%

Payment of the Bonds called for redemption will be made upon presentation and surrender of said Bonds. In the case of any registered Bonds to be redeemed in part only, upon presentation of such Bond for redemption, there will be issued in lieu of the unredeemed principal portion a new bond(s) equal to such unredeemed portion.

Called Bonds should be presented as follows:

By U.S. Mail:
Bank One Trust Company, NA
Corporate Trust Operations
P.O. Box 710184
Columbus, OH 43271-0184

By Overnight or Courier Delivery:
Bank One/CT0
Suite 1-N (OH1-0184)
1111 Polaris Parkway
Columbus, OH 43240

Registered or certified insured mail is suggested when submitting Bonds for payment.

When inquiring about this redemption, please have the Bond number available. Please inform the customer service representative of the CUSIP number(s) of the affected Bonds. Customer Service 1-800-346-5153.

By: Bank One Trust Company, N.A.
as Trustee

BANK ONE

Dated: November 27, 2002

NOTICE

Federal law requires the payor to withhold at the current rate of withholding from the payment if a certified taxpayer (social security) number is not provided. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**The Issuer and Trustee shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

Fiduciary Communications Company
Phone: (212) 803-8611(8612/8619) Fax: (212) 803-8660
Directory: h:\users\common\nonpubs
Job #: 769044
Source File: CHASEW92A11-26-02COL.ONE Produced: 11/27/02 10:24:38 AM
mm
DisclosureLink Approval for Release to DTC and NRMSIRs
Mailing Date 11/27/02
Signature 11/27/02

NOTICE OF FULL REDEMPTION TO THE HOLDERS OF

CITY OF CHARLESTON, WV

Sewerage System Refunding & Improvement Revenue Bonds, Series 1992B

NOTICE IS HEREBY GIVEN pursuant to the applicable provisions of the governing documents of the above captioned Bonds (the "Bonds"), that the herein described Bonds are called for redemption prior to their maturity and will be redeemed on January 1, 2003 (the "Redemption Date"). Redemption will be made by payment of the principal amount of each such Bond, together with interest accrued to the Redemption Date plus applicable premium, if any. From and after January 1, 2003, interest on the Bonds shall cease to accrue and any lien or interest in or to any pledge of security or collateral for the Bonds hereby called shall also cease and become null on the Redemption Date.

PLEASE NOTE: Such redemption is subject to the deposit of the Redemption Price with the West Virginia Municipal Bond Commission, Charleston, West Virginia, as Escrow Agent for the Series 1992B Bonds, not later than the opening of business on the Redemption Date and shall be of no effect unless the Redemption Price is so deposited. If the Redemption Price is not deposited with the Escrow Agent by such date and time, the Registrar of the Series 1992B Bonds shall promptly notify the owners of the Series 1992B Bonds of such fact. On the Redemption Date, interest will cease to accrue on all Series 1992B Bonds and the Series 1992B Bonds will be deemed to be paid from such date.

The following Bonds will be redeemed and paid upon presentation to the office(s) shown below.

*CUSIP	Maturity	Rate	Amount	Price
160609HU0	1/1/04	5.65%	$235,000	102.00%
160609HV8	1/1/05	5.80%	$245,000	102.00%
160609HW6	1/1/06	5.90%	$260,000	102.00%
160609HX4	1/1/07	6.00%	$275,000	102.00%
160609JA2	1/1/08	6.10%	$290,000	102.00%
160609HY2	1/1/12	6.40%	$1,365,000	102.00%
160609HZ9	1/1/17	6.50%	$2,260,000	102.00%

Payment of the Bonds called for redemption will be made upon presentation and surrender of said Bonds. In the case of any registered Bonds to be redeemed in part only, upon presentation of such Bond for redemption, there will be issued in lieu of the unredeemed principal portion a new bond(s) equal to such unredeemed portion.

Called Bonds should be presented as follows:

By U.S. Mail:
Bank One Trust Company, NA
Corporate Trust Operations
P.O. Box 710184
Columbus, OH 43271-0184

By Overnight or Courier Delivery:
Bank One/CT0
Suite 1-N (OH1-0184)
1111 Polaris Parkway
Columbus, OH 43240

Registered or certified insured mail is suggested when submitting Bonds for payment.

When inquiring about this redemption, please have the Bond number available. Please inform the customer service representative of the CUSIP number(s) of the affected Bonds. Customer Service 1-800-346-5153.

By: Bank One Trust Company, N.A.
as Trustee

BANK ONE

Dated: November 27, 2002

NOTICE

Federal law requires the payor to withhold at the current rate of withholding from the payment if a certified taxpayer (social security) number is not provided. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

**The Issuer and Trustee shall not be responsible for the use of the CUSIP number(s) selected, nor is any representation made as to their correctness indicated in the notice or as printed on any Bond. They are included solely for the convenience of the holders.*

Fiduciary Communications Company
Phone: (212) 803-8611(8612/8619) Fax: (212) 803-8660
Directory: h:\users\common\nonpubs Job #: 769048
Source File: CHASEW92B11-26-02COL.ONE Produced: 11/27/02 10:28:46 AM
rm
DisclosureLink Approval for Release to DTC and NRMSIRs
Mailing Date 11/27/02 Signature 11/27/02

SANITARY BOARD
CITY OF CHARLESTON
P.O. BOX 1026
CHARLESTON, WV 25324

November 25, 2002

Ms. Lorene Mullins
Bank One, West Virginia, National Association
707 Virginia Street, East
Charleston, WV 25301

Re: The City of Charleston, West Virginia
Sewerage System Refunding Revenue Bonds, Series 1992 A and
Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B

Dear Ms. Mullins:

The City of Charleston (the "Issuer") intends to currently refund and defease the outstanding principal amount of The City of Charleston, West Virginia, Sewerage System Refunding Revenue Bonds, Series 1992 A and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), with the proceeds of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds"), pursuant to a Bond Ordinance passed by the Council of the Issuer on November 4, 2002, effective November 18, 2002, as supplemented by the Supplemental Resolution adopted on November 18, 2002 (collectively, the "Ordinance").

A cash amount will be deposited in the Escrow Fund to be established under the Escrow Agreement, under which the West Virginia Municipal Bond Commission will serve as Escrow Agent, and such cash will be used solely to fully pay the Redemption Price of the Series 1992 Bonds on the Redemption Date, being January 1, 2003.

Bank One, West Virginia, National Association, Charleston, West Virginia, serves as Registrar and Paying Agent of the Series 1992 Bonds. In connection with the redemption and defeasance of the Series 1992 Bonds, you are hereby requested to:

1. Provide the Notices of Redemption, substantially in the forms attached hereto, not more than 60 days nor less than 30 days prior to the Redemption Date, by first-class mail, postage prepaid, to the registered owners, the Bond Insurer and the rating agencies of the Series 1992 Bonds, in accordance with the redemption notice provisions of the ordinance authorizing the Series 1992 Bonds. The Notice of Redemption must be mailed by November 27, 2002.

2. Provide the Notices of Redemption, substantially in the forms attached hereto, to all nationally recognized municipal securities information repositories.

Please provide copies of each of the notices requested above to the Issuer and to the Issuer's Bond Counsel, Jackson Kelly PLLC. The Issuer will pay your fees and extraordinary costs involved in providing these notices upon the submission of an invoice for services.

Very truly yours,

Kathleen Rushworth

General Manager, Charleston Sanitary Board

THE CITY OF CHARLESTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BONDS,
SERIES 2002 A AND SERIES 2002 B

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this "Agreement"), made and entered into as of the 4th day of December, 2002, by and between THE CITY OF CHARLESTON, a municipal corporation of the State of West Virginia (the "Issuer") and the WEST VIRGINIA MUNICIPAL BOND COMMISSION (the "Escrow Agent").

W I T N E S S E T H:

WHEREAS, the Issuer, pursuant to a Bond Ordinance passed on April 20, 1992 (the "1992 Ordinance"), issued its Sewerage System Refunding Revenue Bonds, Series 1992 A (the "Series 1992 A Bonds"), in the original principal amount of $2,955,000, dated June 1, 1992, of which $1,890,000 principal amount remains outstanding; and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B (the "Series 1992 B Bonds"), in the original principal amount of $6,670,000, dated November 1, 1992, of which $5,150,000 principal amount remains outstanding (collectively, the "Series 1992 Bonds");

WHEREAS, the Issuer, pursuant to a Bond Ordinance passed on November 4, 2002 (the "Ordinance"), authorized the issuance of its Sewerage System Refunding Revenue Bonds, Series 2002 A (the "Series 2002 A Bonds"), in the original principal amount of $1,755,000, dated December 1, 2002, and its Sewerage System Refunding Revenue Bonds, Series 2002 B (the "Series 2002 B Bonds"), in the original principal amount of $5,160,000, dated December 1, 2002 (collectively, the "Series 2002 Bonds"), to currently refund the

Series 1992 Bonds, and contemporaneously with the issuance thereof, legally defease the Series 1992 Bonds by applying a portion of the proceeds of the Series 2002 Bonds and certain moneys of the Issuer ("Issuer's Funds") to gross fund the Escrow Fund herein described;

WHEREAS, the cash amounts in the Escrow Fund which will be delivered to the Escrow Agent simultaneously with the delivery of the Series 2002 Bonds, are in such amounts as to insure the payment on January 1, 2003 (the "Redemption Date"), of the entire principal amount of the Series 1992 Bonds then outstanding, together with the redemption premium and interest accrued thereon (collectively, the "Redemption Price");

WHEREAS, the Issuer has found it desirable to appoint the Escrow Agent and the Escrow Agent has agreed to such appointment for the purposes of holding title, as trustee, to the cash deposit, disbursing to the paying agent such amounts as may be necessary to provide for payment of the Redemption Price of the Series 1992 Bonds on the Redemption Date and holding, investing and reinvesting any cash balances which may at any time not be needed for immediate disbursement.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH: That for and in consideration of the mutual agreements contained herein, and in order further to secure payment of the Series 1992 Bonds, as hereinabove provided, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns, as follows:

1. The Issuer hereby appoints the West Virginia Municipal Bond Commission as Escrow Agent for the Escrow Fund. The Escrow Agent hereby acknowledges receipt of true and correct copies of the 1992 Ordinance and the Ordinance, copies of which

are made a part hereof and incorporated herein. Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance.

2. There is hereby created and established with the Escrow Agent a special and irrevocable trust fund designated the "Escrow Fund", to be held in the custody of the Escrow Agent, separate and apart from any other funds of the Issuer or the Escrow Agent. The deposit of moneys in the Escrow Fund shall constitute an irrevocable deposit of said moneys in trust for, and such moneys together with any income or interest earned thereon, shall be applied, except as otherwise provided herein, to the payment of the Redemption Price on the Redemption Date, all in accordance with paragraph 6 hereof.

3. Concurrently with the delivery of the Series 2002 A Bonds, the Escrow Agent shall deposit in the Escrow Fund (i) the sum of $197,970 from the Series 1992 A Bonds Sinking Fund; (ii) the sum of $263,745 from the Series 1992 A Bonds Reserve Account, (iii) the sum of $381,688.75 from the Series 1992 B Bonds Sinking Fund; and (iv) the sum of $545,423 from the Series 1992 B Bonds Reserve Account.

4. Concurrently with the delivery of the Series 2002 Bonds, the Issuer and the Escrow Agent shall cause (i) Series 2002 A Bonds proceeds in the amount of $1,521,255; (ii) Series 2002 B Bonds proceeds in the amount of $4,483,177; and (iii) the amounts described in paragraph 3 above, on deposit with the Escrow Agent in the sinking funds and reserve accounts of the Series 1992 Bonds in the amount of $461,715 (1992 A) and $927,111.75 (1992 B), respectively (total of 1,982,970 (1992 A) and $5,410,288.75, respectively) to be deposited in the Escrow Fund and the cash in the Escrow Fund shall be applied solely to the payment of the Series 1992 Bonds on January 1, 2003.

5. If the Issuer requests that the Escrow Agent use the moneys in the Escrow Fund to purchase certain United States Treasury Obligations, and upon receipt of an opinion of nationally recognized bond counsel that such substitution will not affect the tax-exempt status of interest on the Series 2002 Bonds under the Internal Revenue Code of 1986, as amended and then in effect (the "Code"), the Escrow Agent may substitute United States Treasury Obligations for the cash in the Escrow Fund, provided that such United States Treasury Obligations being substituted must be non-callable obligations of the United States of America ("Direct Obligations"), must be sufficient to pay the Redemption Price on the Redemption Date and provided further, that the Escrow Agent receives verification by a certified public accountant of the sufficiency of the escrowed securities to pay the Redemption Price on the Redemption Date.

6. The Escrow Agent shall transfer from the Escrow Fund and deposit directly with the paying agent for the Series 1992 Bonds, in immediately available funds on the Redemption Date, an amount sufficient to pay Redemption Price. The Issuer has requested the registrar of the Series 1992 Bonds to provide a notice of redemption by first-class mail to the registered owners of the Series 1992 Bonds not more than 60 days nor less than 30 days prior to the Redemption Date, in accordance with the requirements of the 1992 Ordinance and written instructions of the Issuer.

7. The holders of the Series 1992 Bonds shall have an express lien on all moneys and assets in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

8. After the provision for payment of all the Outstanding Series 1992 Bonds, the redemption premium and the interest thereon, any amounts remaining in the Escrow Fund

shall be immediately transferred to the Issuer and applied to the next ensuing interest payment on the Series 2002 Bonds.

9. The Escrow Agent shall be entitled to fees for services rendered under this Agreement and reasonable expenses. The Issuer shall pay those fees and expenses from its own funds. In no event shall the Escrow Agent or any paying agent have any lien whatsoever upon any of the moneys or assets in the Escrow Fund for the payment of any fees or expenses.

10. The Issuer and the Escrow Agent independently hereby covenant that no part of the moneys or funds at any time in the Escrow Fund shall be used directly or indirectly to acquire any securities or obligations, the acquisition of which would cause any of the Series 1992 Bonds or the Series 2002 Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, or to be subject to treatment under Section 148 as an obligation not described in Section 103 of the Code.

11. The Escrow Agent shall not have any responsibility with respect to the sufficiency of this Agreement to effect payment, redemption or defeasance of the Series 1992 Bonds. The liability of the Escrow Agent for the payment of the principal of and the interest, including any redemption premium, on the Series 1992 Bonds shall be limited to the application of the moneys and assets available for such purposes in the Escrow Fund, and the Escrow Agent shall not be liable or responsible because of the failure of the Issuer to perform any act required of it by this Agreement. The Escrow Agent shall have no responsibility to the Issuer or any other person in connection with this Agreement, except as specifically provided herein, and shall not be responsible for anything done or omitted to be done by it except for its own negligence or willful default in the performance of any obligation imposed on it hereunder.

12. By execution of this Agreement, the Escrow Agent accepts the duties and obligations as Escrow Agent hereunder. The Escrow Agent represents that it has all requisite power, and has taken all action necessary to execute the trusts hereby created.

13. If the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may inquire and consult with the Issuer, at any time. The Escrow Agent may request an opinion of counsel for a determination of any legal issue which might arise in the performance of its duties hereunder and may act in accordance with the advice given in such opinion.

14. The Escrow Agent shall not be liable for any loss resulting from any investment made pursuant to the terms and provisions of this Agreement.

15. The Escrow Agent may act upon any notice, request, waiver, consent, certificate, receipt, authorization, power of attorney or other instrument or document which the Escrow Agent in good faith believes to be genuine and correct and to have been signed or sent by the proper person or persons.

16. The Escrow Agent may resign or be removed by the Issuer, and thereby become discharged from the trusts hereby created, by notice given to the Issuer and each insurer of any of the Series 1992 Bonds not less than thirty (30) days before such resignation or removal shall take effect. Such resignation or removal shall take effect immediately, however, upon the earlier appointment of a new Escrow Agent hereunder and acceptance of the trusts hereby created. The Escrow Agent shall continue to serve as Escrow Agent until a

successor is appointed and the funds held hereunder transferred. The Escrow Agent shall provide a proper accounting to the Issuer of all funds deposited pursuant to this Agreement within 30 days of the appointment of a successor Escrow Agent. If no such appointment has been made at the end of the 30 day period, the Escrow Agent may petition a court of competent jurisdiction for appointment of a successor or temporary Escrow Agent. In the event of the resignation or removal of the Escrow Agent, the Escrow Agent shall rebate to the Issuer any fees theretofore paid in advance by the Issuer to the Escrow Agent for its services under this Agreement.

17. This Agreement is made for the benefit of the Issuer, the Escrow Agent and the holders from time to time of the Series 1992 Bonds, except as otherwise expressly provided herein. This Agreement may be modified or amended at anytime, provided, however, that no such modification or amendment shall be made which would materially adversely affect the interest of any of the holders of the Series 1992 Bonds.

18. If any of the Outstanding Series 1992 Bonds are not presented for payment on the Redemption Date, and moneys are held by the Escrow Agent for payment thereof, but not including any funds held by the paying agent for the Series 1992 Bonds, such moneys shall be held for such purposes for a period of one year from the date such payment was due, at which time such moneys shall be paid to the Issuer. Following such payment to the Issuer, the Issuer shall be responsible for payment to any holder of the Series 1992 Bonds presenting the Series 1992 Bonds to the Escrow Agent of the amount payable to such holder.

19. The Escrow Agent shall act on behalf of the Issuer in the conduct of the proceedings for the redemption of the Outstanding Series 1992 Bonds to be redeemed in accordance with the 1992 Ordinance and the Ordinance.

20. This Agreement shall terminate on the earlier of the date on which all the Outstanding Series 1992 Bonds have been paid in full and discharged in accordance with the respective provisions of the 1992 Ordinance and the Ordinance or, as described in Paragraph 18 above, one year after the last date on which payment on the Series 1992 Bonds is due, and at such time the balance of the Escrow Fund shall be transferred to the Issuer.

21. If any one or more of the covenants or agreements provided in this Agreement to be performed on the part of any of the parties hereto should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement.

22. This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument.

23. This Agreement is made in the State of West Virginia under the Constitution and laws of such state and is to be so construed.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

THE CITY OF CHARLESTON

Mayor

WEST VIRGINIA MUNICIPAL BOND COMMISSION

Executive Director

JACKSONKELLY
ATTORNEYS AT LAW PLLC

1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

DIRECT NO. (304) 340-1318 EMAIL: sgee@jacksonkelly.com FAX NO. (304) 340-1080 OR 1040

November 26, 2002 5.5

VIA FAX AND REGULAR MAIL

Mr. R. Witter Hallan
Executive Director
West Virginia Municipal
Bond Commission
8 Capitol Street, Suite 500
Charleston, WV 25301

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Dear Witter:

As bond counsel for The City of Charleston (the "Issuer"), we wish to advise you that on December 4, 2002 (the "Closing Date"), the Issuer will deliver the above-captioned bonds (the "Bonds") to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Purchaser"). A portion of the proceeds of the Bonds will be used for the purpose of currently refunding all of the Issuer's outstanding Sewerage System Refunding Revenue Bonds, Series 1992 A, dated June 1, 1992, and Sewerage System Refunding and Improvement Revenue Bonds, Series 1992 B, dated November 1, 1992 (collectively, the "Series 1992 Bonds"), to their first redemption date, being January 1, 2003, at which time they will be redeemed in full.

On the Closing Date, the Issuer will be required to fund an Escrow Fund, pursuant to an Escrow Agreement dated December 4, 2002, by and between the Issuer and the West Virginia Municipal Bond Commission (the "Commission"), as Escrow Agent.

The Escrow Fund will be funded with a portion of the proceeds of the Bonds and transfers from the Series 1992 A Bonds Sinking Fund and Reserve Accounts. The sum of $6,667,338.72 (2002 A/$1,697,191.69 and 2002 B/$4,970,147.03) will be wired by the Purchaser to the Commission on the Closing Date. The Commission shall deposit (i) $1,521,255 and $4,483,177, respectively of such amount into the Escrow Fund; (ii) $436.69 of such amount, being the accrued interest on the Series 2002 A Bonds, into the Series 2002 A Bonds Sinking Fund; (iii) $175,500 of such amount into the Series 2002 A Bonds Reserve Account; (iv) $1,497.53 of such amount, being the accrued interest on the Series 2002 B

Bonds, into the Series 2002 B Bonds Sinking Fund; and (v) $485,472.50 of such amount into the Series 2002 B Bonds Reserve Account.

In addition, the moneys in the Series 1992 A Bonds Sinking Fund ($197,970), the Series 1992 A Bonds Reserve Account ($263,745), the Series 1992 B Bonds Sinking Fund ($381,688.75) and the Series 1992 B Bonds Reserve Account ($545,423) shall be transferred to the Escrow Fund. Any balances remaining in these accounts following defeasance of the Series 1992 Bonds shall be returned to the Charleston Sanitary Board.

Very truly yours,

Samme L. Gee

SLG/lp

Copy of letter via email to:
Sherry Risk
Kathy Rushworth
Bill Collison
Marie Prezioso
Joseph Nassif
Greg Isaacs
Leonard Coleman, Esquire
John Poffenbarger, Esquire
Francesca Tan, Esquire

FINANCIAL GUARANTY INSURANCE POLICY
MBIA Insurance Corporation
Armonk, New York 10504

Policy No. 39653

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to West Virginia Municipal Bond Commission, Charleston, West Virginia or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$1,755,000
The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 A

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this 4th day of December, 2002.

COUNTERSIGNED:

C. Edward Hamrick
Resident Licensed Agent

Charleston, WV
City, State

MBIA Insurance Corporation

Gary C. Dunton
President

Attest: Amy R. Doscher
Assistant Secretary

STD-RCS-6
4/95

FINANCIAL GUARANTY INSURANCE POLICY
MBIA Insurance Corporation
Armonk, New York 10504

Policy No. 39654

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to West Virginia Municipal Bond Commission, Charleston, West Virginia or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts." "Obligations" shall mean:

$5,160,000
The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 B

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with State Street Bank and Trust Company, N.A., in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentment and surrender of such Obligations or presentment of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to State Street Bank and Trust Company, N.A., State Street Bank and Trust Company, N.A. shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this 4th day of December, 2002.

COUNTERSIGNED:

C. Edward Gaunch
Resident Licensed Agent

Charleston, WV
City, State

MBIA Insurance Corporation

Gary C. Dunton
President

Attest: Amy R. Gach
Assistant Secretary

STD-RCS-6
4/95

MBIA Insurance Corporation
113 King Street, Armonk, NY 10504
Tel 914-273-4545
www.mbia.com

MBIA

Capital Strength. Triple-A Performance.

December 4, 2002

West Virginia Municipal Bond Commission
Charleston, West Virginia

$1,755,000
The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 A

Gentlemen:

In connection with the above-described obligations (the "Obligations") of which you are acting as paying agent (the "Paying Agent"), please be advised that the payment to you of principal of and interest on the Obligations has been guaranteed by a policy of financial guaranty insurance (the "Policy") issued by the MBIA Insurance Corporation (the "Insurer"). State Street Bank and Trust Company, N.A., New York, New York, (the "Fiscal Agent") is acting as the fiscal agent for the Insurer.

The Policy unconditionally and irrevocably guarantees to any owner or holder of the Obligations or, if applicable, of the coupons appertaining thereto (the "Owner"), the full and complete payment required to be made by or on behalf of the issuer of the Obligations (the "Issuer") to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference (a "Preference") to the Owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence are referred to collectively in this letter as the "Insured Amounts."

The Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligations. The Policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Obligations upon tender by an Owner thereof; or (iv) any Preference relating to (i) through (iii) above.

In the event that the Issuer does not make full and complete payment when due of the principal of and interest on the Obligations, please immediately notify, by telephone or telegraph, the Insurer, 113 King Street, Armonk, New York, 10504, (914) 273-4545. On the due date or within one business day after receipt of such notice, whichever is later, the Insurer will deposit funds with the Fiscal Agent sufficient to pay the Obligations (or, if applicable, coupons appertaining thereto) then due. Upon presentment and surrender of such Obligations (or, if applicable, coupons) or presentment of such other proof of ownership of Obligations together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for the Owners in any legal proceeding related to payment of Insured Amounts on the Obligations (or, if applicable, coupons), such instruments being in a form satisfactory to the Fiscal Agent, the Fiscal Agent shall disburse to you payment of the Insured Amounts due on such Obligations (and, if applicable, coupons), less any amount held by you for the payment of such Insured Amounts and legally available therefor.

Forms of such instruments of assignment and instruments to effect the appointment of the Insurer as such agent for the Owners (collectively, the "Claim Documents"), which are currently acceptable to the Fiscal Agent and the Insurer, are on file with the Fiscal Agent. The Insurer may, from time to time, file revised forms of Claim Documents with the Fiscal Agent in substitution for the forms previously filed with the Fiscal Agent, and upon such filing, the revised forms shall supersede all forms of Claim Documents previously filed with the Fiscal Agent, except as otherwise directed by the Insurer in writing.

In the event that you shall have prior knowledge of an impending failure by the Issuer to make payment on the Obligations (or, if applicable, coupons) when due, please immediately notify the Insurer so that it will be possible to have funds available for you on the due date to make payments against surrendered Obligations (and, if applicable, coupons).

Your cooperation in this matter will be most appreciated and will make it possible for the Owners of Obligations guaranteed by the Insurer to be assured of all payments when due.

Very truly yours,

Gary C. Dunton
President

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Tel 914-273-4545
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December 4, 2002

West Virginia Municipal Bond Commission
Charleston, West Virginia

$5,160,000
The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 B

Gentlemen:

In connection with the above-described obligations (the "Obligations") of which you are acting as paying agent (the "Paying Agent"), please be advised that the payment to you of principal of and interest on the Obligations has been guaranteed by a policy of financial guaranty insurance (the "Policy") issued by the MBIA Insurance Corporation (the "Insurer"). State Street Bank and Trust Company, N.A., New York, New York, (the "Fiscal Agent") is acting as the fiscal agent for the Insurer.

The Policy unconditionally and irrevocably guarantees to any owner or holder of the Obligations or, if applicable, of the coupons appertaining thereto (the "Owner"), the full and complete payment required to be made by or on behalf of the issuer of the Obligations (the "Issuer") to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference (a "Preference") to the Owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence are referred to collectively in this letter as the "Insured Amounts."

The Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligations. The Policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Obligations upon tender by an Owner thereof; or (iv) any Preference relating to (i) through (iii) above.

In the event that the Issuer does not make full and complete payment when due of the principal of and interest on the Obligations, please immediately notify, by telephone or telegraph, the Insurer, 113 King Street, Armonk, New York, 10504, (914) 273-4545. On the due date or within one business day after receipt of such notice, whichever is later, the Insurer will deposit funds with the Fiscal Agent sufficient to pay the Obligations (or, if applicable, coupons appertaining thereto) then due. Upon presentment and surrender of such Obligations (or, if applicable, coupons) or presentment of such other proof of ownership of Obligations together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for the Owners in any legal proceeding related to payment of Insured Amounts on the Obligations (or, if applicable, coupons), such instruments being in a form satisfactory to the Fiscal Agent, the Fiscal Agent shall disburse to you payment of the Insured Amounts due on such Obligations (and, if applicable, coupons), less any amount held by you for the payment of such Insured Amounts and legally available therefor.

Forms of such instruments of assignment and instruments to effect the appointment of the Insurer as such agent for the Owners (collectively, the "Claim Documents"), which are currently acceptable to the Fiscal Agent and the Insurer, are on file with the Fiscal Agent. The Insurer may, from time to time, file revised forms of Claim Documents with the Fiscal Agent in substitution for the forms previously filed with the Fiscal Agent, and upon such filing, the revised forms shall supersede all forms of Claim Documents previously filed with the Fiscal Agent, except as otherwise directed by the Insurer in writing.

In the event that you shall have prior knowledge of an impending failure by the Issuer to make payment on the Obligations (or, if applicable, coupons) when due, please immediately notify the Insurer so that it will be possible to have funds available for you on the due date to make payments against surrendered Obligations (and, if applicable, coupons).

Your cooperation in this matter will be most appreciated and will make it possible for the Owners of Obligations guaranteed by the Insurer to be assured of all payments when due.

Very truly yours,

Gary C. Dunton
President

MBIA

CERTIFICATE OF MBIA INSURANCE CORPORATION

I, Amy R. Gonch, Assistant Secretary of MBIA Insurance Corporation, do hereby certify that the information concerning MBIA Insurance Corporation and its policies as set forth in the Official Statement, dated November 21, 2002 under the caption "Financial Guaranty Insurance Policy", regarding $1,755,000 The City of Charleston (West Virginia), Sewerage System Refunding Revenue Bonds, Series 2002 A, and $5,160,000 The City of Charleston (West Virginia), Sewerage System Refunding Revenue Bonds, Series 2002 B, is accurate.

IN WITNESS WHEREOF, I hereunto set my hand and deliver this Certificate on this 4th day of December, 2002.

Assistant Secretary

MBIA Insurance Corporation
113 King Street, Armonk, NY 10504
Tel 914-273-4545
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December 4, 2002

The City of Charleston (West Virginia)
501 Virginia Street
Charleston, West Virginia 25301

Ferris, Baker, Watts, Inc.
100 Laidley Tower
Charleston, West Virginia 25301

$1,755,000
The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 A

$5,160,000
The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds, Series 2002 B

Ladies and Gentlemen:

I am Deputy General Counsel of the MBIA Insurance Corporation, a New York corporation (the "Corporation"), and have acted as counsel to the Corporation in connection with the issuance of Financial Guaranty Insurance Policy Nos. 39653 and 39654 (the "Policies") relating to $1,755,000 The City of Charleston (West Virginia), Sewerage System Refunding Revenue Bonds, Series 2002 A, and $5,160,000 The City of Charleston (West Virginia), Sewerage System Refunding Revenue Bonds, Series 2002 B.

In so acting, I have examined copies of the Policies and such other relevant documents as I have deemed necessary.

Based upon the foregoing, I am of the following opinion:

1. The Corporation is a stock insurance corporation, duly incorporated and validly existing under the laws of the State of New York and is licensed and authorized to issue the Policy under the laws of the State of New York.

2. The Policies have been duly executed and are valid and binding obligations of the Corporation enforceable in accordance with their terms except that the enforcement of the Policies may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, receivership and other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Very truly yours,

Pauline M. Cullen

Pauline M. Cullen
Deputy General Counsel

JACKSONKELLY
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December 4, 2002

The City of Charleston
Charleston, West Virginia

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

7.1

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Ladies and Gentlemen:

We have served as bond counsel to The City of Charleston (the "Issuer"), a duly created and presently existing municipal corporation under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to the issuance of The City of Charleston (West Virginia) Sewerage System Refunding Revenue Bonds, Series 2002 A and Series 2002 B (collectively, the "Bonds"), dated December 1, 2002, issued in the original aggregate principal amount of $1,755,000 and $5,160,000, respectively. The Bonds are issued in fully registered form, mature on January 1 in the years and amounts and bear interest payable each July 1 and January 1, commencing July 1, 2003, all as set forth in the Official Statement relating to the Bonds.

The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity on the dates, in the amounts and at the redemption prices set forth in the Official Statement relating to the Bonds.

The Bonds are issued for the purposes, along with other funds available therefor, of (i) paying a portion of the costs of currently refunding the Sewerage System Refunding Revenue Bonds, Series 1992 A and the Sewerage System Refunding and Improvement Revenue

Bonds, Series 1992 B (collectively, the "Series 1992 Bonds"), of the Issuer; (ii) funding a reserve account for the Bonds; and (iii) paying certain issuance and other costs in connection therewith.

The 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 of the Code of West Virginia, 1931, as amended (the "Act"), an Ordinance duly passed by the Issuer on November 4, 2002, effective November 18, 2002, Supplemental Resolutions adopted on November 18, 2002 and December 2, 2002 and a Certificate of Determination dated November 21, 2002 (collectively, the "Ordinance"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Ordinance.

The Bonds have been sold to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc. (collectively, the "Purchaser"), pursuant to a Bond Purchase Agreement dated November 21, 2002, and accepted by the Issuer (the "Bond Purchase Agreement").

As to questions of fact material to our opinion, we have relied upon representations and certifications of the Issuer, the Escrow Agent and the Registrar contained in the Ordinance, the Escrow Agreement, the Registrar's Certificate and the Certificate as to Arbitrage and in the certified proceedings and other certifications of certain officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, and assuming compliance with the covenants, representations and certifications of the Issuer, the Escrow Agent and the Registrar pertaining to tax matters set forth in the Ordinance, the Escrow Agreement, the Registrar's Certificate and the Certificate as to Arbitrage and with certain certificates delivered in connection with the issuance of the Bonds, we are of the opinion, under existing law, that:

1. The Issuer is a duly created and presently existing municipal corporation and political subdivision under and pursuant to the laws of the State of West Virginia, with full power and authority to enact the Ordinance, to enter into the Escrow Agreement, the Continuing Disclosure Certificate and the Bond Purchase Contract and perform its obligations

under the terms and provisions thereof and to issue and sell the Bonds, all under the provisions of the Act and other applicable provisions of law.

2. The Issuer, through its governing body, has legally and effectively enacted the Ordinance, has authorized, executed and delivered the Escrow Agreement, the Bond Purchase Contract and the Continuing Disclosure Certificate and has issued and delivered the Bonds to the Purchaser pursuant to the Bond Purchase Contract. The Ordinance is in full force and effect as of the date hereof.

3. Assuming due authorization, execution and delivery by the other parties thereto, the Escrow Agreement, the Bond Purchase Contract and the Continuing Disclosure Certificate constitute valid, legal, binding and enforceable instruments of the Issuer in accordance with their respective terms; and the Bonds, subject to the terms thereof, constitute valid and legally enforceable special obligations of the Issuer, payable from the Net Revenues of the System and issued on a parity with respect to liens, pledge and source of and security for payment with the First Lien Bonds, and enforceable in accordance with their terms and the terms of the Ordinance, and are entitled to the benefits of the Ordinance and the Act.

4. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Ordinance and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be

includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect of the Bonds.

5. Under the Act, the Bonds and the interest thereon are exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

6. The Issuer has designated the Bonds as "qualified tax-exempt obligations" in the Ordinance and covenanted therein that it did not reasonably expect to issue more than $10,000,000 in aggregate principal amount of obligations (other than private activity bonds) the interest on which is excludable from the gross income of the holders thereof for federal income tax purposes during the calendar year 2002. Therefore, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

7. The Series 1992 Bonds have been paid within the meaning and with the effect expressed in the 1992 Ordinance, and the covenants, agreements and other obligations of the Issuer to the holders and owners of the Series 1992 Bonds have been satisfied and discharged. The Escrow Fund was funded to provide for the payment of the principal of, redemption premium and interest on the Series 1992 Bonds on their redemption date.

It is to be understood that the rights of the owners of the Bonds and the enforceability of liens, pledges, rights or remedies with respect to the Bonds, the Ordinance, the Escrow Agreement, the Continuing Disclosure Certificate and the Bond Purchase Contract are subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other similar laws heretofore or hereafter enacted affecting creditors' rights or remedies generally, and that their enforcement may also be subject to the application of public policy, general principles of equity and the exercise of judicial discretion in appropriate cases.

We have examined the executed and authenticated Bond No. AR-1 and Bond No. BR-1, and in our opinion the form of said bonds and their execution and authentication are regular and proper.

Very truly yours,

Jackson Kelly PLLC

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December 4, 2002

The City of Charleston
Charleston, West Virginia

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

7.2(a)

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the above-referenced Bonds (the "Bonds") of The City of Charleston (the "Issuer"), issued pursuant to the Constitution and laws of the State, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act") and pursuant to an Ordinance passed by the City Council on November 4, 2002, as supplemented by resolutions of the Issuer adopted November 18, 2002 and December 2, 2002 and a Certificate of Determination (collectively, the "Ordinance"). We are herewith rendering our final approving opinion of even date in connection with the authorization, issuance and delivery of the Bonds to Ferris, Baker Watts, Incorporated and Crews & Associates, Inc., as the Underwriters named in the Bond Purchase Agreement dated November 21, 2002 (the "Bond Purchase Agreement"), relating to the Bonds.

In rendering this opinion, we reviewed records of the acts taken by the Issuer in connection with the authorization, sale and issuance of the Bonds, including a record of proceedings of the Issuer relating to the authorization, execution and delivery of the Bond Purchase Agreement, and we were present at various meetings for the preparation of various parts of the Official Statement relating to the Bonds, dated and executed by the Mayor of the Issuer on November 21, 2002 (the "Official Statement").

1. The Bond Purchase Agreement has been duly authorized, executed and delivered by, and (assuming due authorization, execution and delivery by the Underwriters and that it is a binding agreement of the Underwriters in accordance with its terms) constitutes a binding agreement of the Issuer in accordance with its terms;

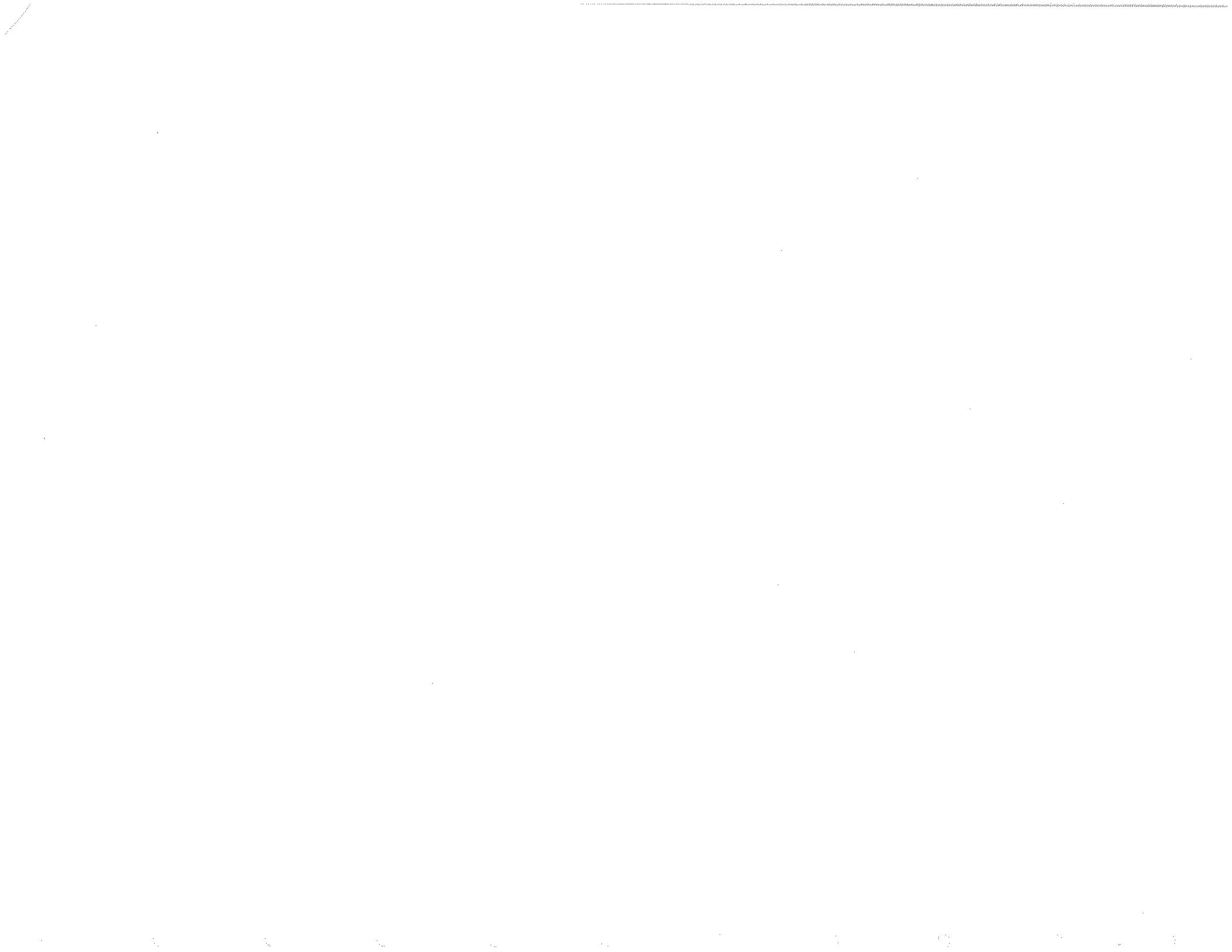
2. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

3. The statements contained in the Official Statement under the caption "Tax Matters" are true and accurate in all material respects and presents a fair and accurate summary and description of the matters summarized and described under such caption; and

4. The statements contained in the Official Statement under the captions "Security for the Bonds," "The Bonds" and "Summary of Certain Provisions of the Ordinance," insofar as such statements contained under such captions purport to summarize certain matters set forth therein and certain provisions of the Ordinance, are complete and accurate and present a fair summary of the matters referred to therein and of the Ordinance.

Very truly yours,

Jackson Kelly PLLC



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December 4, 2002

The City of Charleston
Charleston, West Virginia

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

7.2(b)

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Ladies and Gentlemen:

We have served as bond counsel with respect to the above-referenced bonds (the "Bonds"). The initial public offering price of certain of the Series 2002 A Bonds maturing on January 1, 2005, January 1, 2006, January 1, 2008, January 1, 2011, and January 1, 2012, and the Series 2002 B Bonds maturing on January 1, 2005, January 1, 2006, January 1, 2008, January 1, 2011, January 1, 2012, January 1, 2013, January 1, 2015 and January 1, 2017, each inclusive (the "Discount Bonds"), is less than that amount payable on the Discount Bonds at maturity. The difference between the initial public offering price at which the Discount Bonds were sold and the amount payable at maturity constitutes an original issue discount ("OID"). In the case of any original Holder of a Discount Bond, the amount of the OID which is treated as having accrued with respect to such Discount Bond is added to the cost basis of the Holder in determining, for federal income tax purposes, gain or loss upon its disposition (including its sale, redemption or payment at maturity). We are of the opinion that amounts received upon such disposition which are attributable to accrued OID will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

The Series 2002 A Bonds maturing on January 1, 2004, January 1, 2007, January 1, 2009 and January 1, 2010, and the Series 2002 B Bonds maturing on January 1, 2004, January 1, 2007, January 1, 2009 and January 1, 2010, each inclusive. ("OIP Bonds"), will be sold with an original issue premium ("OIP"). The original issue premium will be equal to the excess of a holder's tax basis in the OIP Bonds over the amount payable at maturity, or in the case of an OIP Bonds subject to redemption, the amount payable on the redemption date.

Under current law, the original issue premium for an OIP Bonds must be amortized on an annual basis by the holder thereof. The amount of original issue premium amortized each year will not be deductible for federal income tax purposes. Further, Section 1016 of the Code requires that the amount of annual amortization for the OIP Bonds be deducted from the holder's tax basis in such OIP Bonds. This reduction in a holder's tax basis will affect the amount of capital gain or loss to be recognized by the holder when the OIP Bonds are sold or redeemed. Holders of OIP Bonds should consult their tax advisors with respect to the determination and treatment of amortizable original issue premium for federal income tax purposes, and with respect to the state and local tax consequences of owning such OIP Bonds.

Very truly yours,

Jackson Kelly PLLC

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December 4, 2002

The City of Charleston
Charleston, West Virginia

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

Jackson Kelly PLLC
Charleston, West Virginia

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

Ladies and Gentlemen:

We have served as Special Counsel to The City of Charleston, West Virginia (the "Issuer") for the above-captioned bonds of the Issuer (the "Bonds"). As such counsel, we have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the Bonds, a Bond Purchase Agreement, dated November 21, 2002, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and between the Issuer and the Underwriters named therein, a Bond Ordinance duly passed by the Issuer on November 4, 2002, effective November 18, 2002, as supplemented by Supplemental

Resolutions duly adopted by the Issuer on November 18, 2002 and December 2, 2002 (collectively, the "Ordinance"), and other documents relating to the Bonds and the Issuer, including the Continuing Disclosure Certificate, the Preliminary Official Statement dated November 15, 2002, the Official Statement dated November 21, 2002 and the Certificate As to Arbitrage (collectively with the Bond Purchase Agreement and Ordinance, the "Bond Documents"). All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Purchase Agreement and the Ordinance when used herein.

We are of the opinion that:

1. The Issuer 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 refund the Series 1992 Bonds and to enact the Ordinance, all under the Act and other applicable provisions of law.

2. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

3. The members and officers of the Council of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

4. The Ordinance has been duly adopted and enacted by the Issuer and is in full force and effect. The Issuer has full power and authority to consummate all transactions contemplated by the Bonds and the Bond Documents.

5. The execution and delivery of the Bonds and the Bond Purchase Agreement and the consummation of the transactions contemplated by the Bonds, the Bond Purchase Agreement, the Ordinance and the Bond Documents, and the carrying out of the

terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer, a breach or default under any ordinance, order, resolution, agreement or other document to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

6. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement, the Bonds and the Ordinance, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues for the payment of the Bonds.

7. Based upon our experience as special counsel for the Issuer and on our review of and participation in the drafting of the Official Statement, and after diligent inquiry, we have no reason to believe that the information regarding the Issuer in the Official Statement contains any untrue statement of a material fact or omits any material facts necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

8. We hereby consent to the references made to us in the Official Statement.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

Goodwin & Goodwin, LLP

JOHN T. POFFENBARGER

Attorney at Law

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December 4, 2002

Ferris, Baker Watts, Incorporated
Charleston, West Virginia

Crews & Associates, Inc.
Charleston, West Virginia

MBIA Insurance Corporation
Armonk, New York

Re: The City of Charleston (West Virginia)
Sewerage System Refunding Revenue Bonds,
Series 2002 A and Series 2002 B

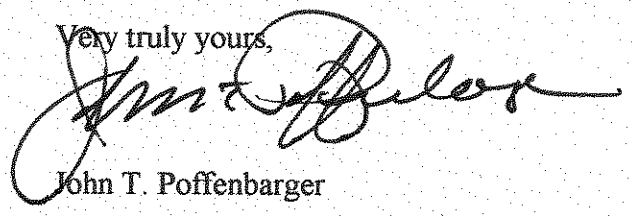
Ladies and Gentlemen:

I have acted as your counsel in connection with your purchase of the above-referenced bonds (the "Bonds") pursuant to a Bond Purchase Agreement dated November 21, 2002 (the "Agreement"), between The City of Charleston (the "Issuer") and you. Capitalized terms used and not otherwise defined herein have the respective meanings assigned to them in the Agreement.

I am of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Ordinance is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and (ii) based upon my participation of the Official Statement as counsel for the Underwriter and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, I have no reason to believe that as of the date of the Closing the Official Statement, as of its date, contain an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statement therein, in light of the circumstances under which they were made, not misleading (except for the statements in the Official Statement with respect to The Depository Trust Company and Bonds being available in book-entry form only and except for information concerning the Insurer and the financial statements and other financial and statistical data included therein, as to which I express no view) or that the Official Statement, as amended or supplemented to the date of Closing (except as

aforesaid) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Very truly yours,



John T. Poffenbarger