CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

Date of Closing: April 23, 2001

BOND TRANSCRIPT

STEPTOE & JOHNSON PLLC

Vincent A. Collins, Esquire
3rd and Main Street
Bank One Center, Sixth Floor
Clarksburg, WV 26302
(304)624-8161
collinva@steptoe-johnson.com

John C. Stump, Esquire
707 Virginia Street, East
Bank One Center, Seventh Floor
Charleston, WV 25326
(304)353-8196
stumpjc@steptoe-johnson.com

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Ordinance
2. Supplemental Resolution
3. Loan Agreement
4. Public Service Commission Orders
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Bond
9. RESERVED

OPINIONS OF COUNSEL

10. Approving Opinion of Steptoe & Johnson PLLC, Bond Counsel
11. Opinion of Young, Morgan & Cann PLLC, Counsel to Issuer
12. Opinion of John DePolo, Counsel to Clarksburg Water Board
13. Title Opinion of Waters, Warner & Harris, PLLC

CERTIFICATES

14. General Certificate of Issuer and Attorney

15. Certificate of Engineer, with Schedule Attached

16. Certificate of Certified Public Accountant

17. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

18. City Charter, with Amendments

19. Oaths of Office of Current Officers and Council members

20. Clarksburg Water Board Charter

21. Oaths of Office of Clarksburg Water Board Members

22. Authorizing Resolution of Board

23. Water Rate Ordinance

24. Minutes on Adoption and Enactment of Rate Ordinance

25. Affidavit of Publication of Rate Ordinance and Notice of Public Hearing

26. Public Service Commission Orders on Rates and CPA Certification

27. Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution

28. Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

29. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

30. Acceptance of Appointment as Depository Bank

31. Acceptance of Duties as Registrar

32. Certificate of Registration of Bonds

33. Registrar's Agreement

34. 1992 Bond Ordinance and Supplemental Resolution

35. Office of Environmental Health Services Permit

36. Closing Memorandum

CITY OF CLARKSBURG

WATER REVENUE BONDS, SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

BOND ORDINANCE

Table of Contents

Subject		Page
ARTICLE I		
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS		
Section 1.01	Authority for this Ordinance	1
Section 1.02	Findings	1
Section 1.03	Bond Legislation Constitutes Contract	4
Section 1.04	Definitions	4
ARTICLE II		
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT		
Section 2.01	Authorization of Acquisition and Construction of the Project	12
ARTICLE III		
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF LOAN AGREEMENT		
Section 3.01	Authorization of Bonds	13
Section 3.02	Terms of Bonds	13

Section 3.03	Execution of Bonds	14
Section 3.04	Authentication and Registration	14
Section 3.05	Negotiability, Transfer and Registration	14
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	15
Section 3.07	Bonds not to be Indebtedness of the Issuer	15
Section 3.08	Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds	16
Section 3.09	Delivery of Bonds	16
Section 3.10	Form of Series 2001 A Bonds	16
	FORM OF SERIES 2001 A BOND	17
Section 3.11	Sale of Bonds; Approval and Ratification of Execution of Loan Agreement	25
Section 3.12	"Amended Schedule" Filing	25

ARTICLE IV
[RESERVED] 26

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01	Establishment of Funds and Accounts with Depository Bank	27
Section 5.02	Establishment of Funds and Accounts with Commission	27
Section 5.03	System Revenues; Flow of Funds	28

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01	Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds	33
Section 6.02	Disbursements From the Bond Construction Trust Fund	33

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01	General Covenants of the Issuer	35
Section 7.02	Bonds not to be Indebtedness of the Issuer	35
Section 7.03	Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds	35
Section 7.04	Initial Schedule of Rates and Charges	35
Section 7.05	Sale of the System	36

Section 7.06	Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances	38
Section 7.07	Parity Bonds	39
Section 7.08	Books; Records and Audit	40
Section 7.09	Rates	42
Section 7.10	Operating Budget and Monthly Financial Report	43
Section 7.11	Engineering Services and Operating Personnel	43
Section 7.12	No Competing Franchise	44
Section 7.13	Enforcement of Collections	44
Section 7.14	No Free Services	45
Section 7.15	Insurance and Construction Bonds	45
Section 7.16	Connections	47
Section 7.17	Completion of Project; Permits and Orders	47
Section 7.18	Compliance with Loan Agreement and Law	47
Section 7.19	Reserved	47
Section 7.20	Statutory Mortgage Lien	47
Section 7.21	Securities Law Compliance	48
Section 7.22	Contracts; Public Releases	48

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01	Investments	49
Section 8.02	Certificate and Covenants as to Use of Proceeds	49

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default	51
Section 9.02	Remedies	51
Section 9.03	Appointment of Receiver	52

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Bonds	54

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation	55

Section 11.02	Bond Legislation Constitutes Contract	55
Section 11.03	Severability of Invalid Provisions	55
Section 11.04	Headings, Etc.	55
Section 11.05	Notices	55
Section 11.06	Conflicting Provisions Repealed	56
Section 11.07	Covenant of Due Procedure, Etc.	56
Section 11.08	Statutory Notice and Public Hearing	56
Section 11.09	Effective Date	57
	SIGNATURES	57
	CERTIFICATION	58

CITY OF CLARKSBURG

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE CITY COUNCIL OF THE CITY OF CLARKSBURG:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public waterworks system of the Issuer, consisting of a new 2 million-gallon water storage tank, together with all appurtenant facilities (collectively, the "Project") (the existing public waterworks system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than $3,000,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Drinking Water Treatment Revolving Fund pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), in the total aggregate principal amount of not more than $3,000,000 (the "Series 2001 A Bonds"), to be initially represented by a single bond, to permanently finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 2001 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2001 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2001 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2001 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

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

F. It is in the best interests of the Issuer that its Series 2001 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and between the Issuer and the Authority, on behalf of the West Virginia Bureau for Public Health (the "BPH"), in form satisfactory to the Issuer, the Authority and the BPH (the "Loan Agreement"), to be approved hereby if not previously approved by ordinance of the Issuer.

G. There is an outstanding obligation of the Issuer which will rank on a parity with the Series 2001 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992 (the "Prior Bonds"), dated December 1, 1992, issued in the original aggregate principal amount of $25,500,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Prior Ordinance").

The Series 2001 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2001 A Bonds, the Issuer will obtain a certificate of an Independent Certified Public Accountant stating that the parity test of the Prior Bonds is met. 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.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bonds (as hereinafter defined) and payments into all funds and accounts and other payments provided for herein and in the Prior Ordinance (as hereinafter defined).

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2001 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the obtaining of a certificate of public convenience and necessity and approval of this financing and necessary user rates and charges described herein from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2001 A Bonds or such final order will not be subject to appeal or rehearing.

J. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council (the

"Council") as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2001 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such 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 Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Administrative Fee" means any administrative fee required to be paid pursuant to the Loan Agreement for the Series 2001 A Bonds.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2001 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the BPH under the Act.

"Authorized Officer" means the Mayor or City Manager of the Issuer, or any other officer of the Issuer specifically designated by resolution of the Governing Body.

"Board" means the Clarksburg Water Board, existing under Section 25 of the Charter of the Issuer and having powers and duties set forth in Section 27 of such Charter.

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

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

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

"Bonds" means, collectively, the Series 2001 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"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.

"BPH" means the West Virginia Bureau for Public Health, a division of the West Virginia Department of Health and Human Resources, or any successor thereto.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 2001 A Bonds for all or a portion of the proceeds of the Series 2001 A Bonds from the Authority.

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

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

"Consulting Engineers" means Gannett Fleming Inc., Morgantown, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"Depository Bank" means the bank designated as such in the Supplemental Resolution, and its successors and assigns, which shall be a member of FDIC.

"Depreciation Fund" means the Depreciation Fund created by the Prior Ordinance and continued hereby.

"DWTRF Regulations" means the DWTRF regulations set forth in the West Virginia Code of State Regulations, as amended from time to time.

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

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

"Governing Body" means the council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the council as presently constituted.

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

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

"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 other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"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).

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

"Loan Agreement" means, the Loan Agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority, on behalf of the BPH, providing for the purchase of the Series 2001 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2001 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2001 A Bonds Reserve Account. 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 2001 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses, as hereinafter defined.

"Nonpurpose Investment" means any Investment Property as defined in Section 148(b) of the Code, that is not a purpose investment.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, supplies, labor, wages, cost of materials and supplies used for current operations, the Administrative Fee, fees and expenses

of the Authority, fiscal agents, the Depository Bank, the Registrar and Paying Agent (all as hereinafter defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund created by the Prior Ordinance and continued hereby.

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

"Parity Bonds" means additional Bonds issued under the provisions and within the limitations prescribed by Section 7.07 hereof.

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2001 A Bonds by the Issuer in the Supplemental Resolution.

"Prior Bonds" means the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued in the original principal amount of $25,500,405.

"Prior Ordinance" means, collectively, the ordinance of the Issuer enacted December 17, 1992, and the Supplemental Resolution of the Issuer adopted December 17, 1992, authorizing the issuance of the Prior Bonds.

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

"Project" means the Project as described in Section 1.20B hereof.

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase

agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2001 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amounts to be on deposit in any Reserve Account for the Prior Bonds and the Series 2001 A Bonds.

"Revenue Fund" means the Revenue Fund created by the Prior Ordinance and continued hereby.

"Series 2001 A Bonds" means not more than $3,000,000 in aggregate principal amount of Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, authorized by this Ordinance.

"Series 2001 A Bonds Construction Trust Fund" means the Series 2001 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2001 A Bonds Reserve Account" means the Series 2001 A Bonds Reserve Account established in the Series 2001 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2001 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2001 A Bonds in the then current or any succeeding year.

"Series 2001 A Bonds Sinking Fund" means the Series 2001 A Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2001 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2001 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds, the Sinking Funds, the Reserve Accounts and the Depreciation Fund.

"System" means, collectively, the complete existing municipal waterworks system of the Issuer, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"West Virginia DWTRF Program" means the West Virginia Drinking Water Treatment Revolving Fund program established by the State, administered by the BPH and funded by capitalization grants awarded to the State pursuant to the federal Safe Drinking Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the acquisition, construction and improvement of drinking water projects.

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing

the masculine, feminine or neuter gender shall include any other gender; and any requirement for execution or attestation of the Bonds or any certificate or other document by the Mayor or the City Clerk shall mean that such Bonds, certificate or other document may be executed or attested by an Acting Mayor or Acting City Clerk.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2001 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and has entered into or will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority and the BPH.

The cost of the Project is estimated not to exceed $3,000,000, of which the entire amount will be obtained from proceeds of the Series 2001 A Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2001 A Bonds, funding a reserve account for the Series 2001 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2001 A Bonds of the Issuer. The Series 2001 A Bonds shall be issued as a single bond, designated "Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program)", in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2001 A Bonds remaining after funding of the Series 2001 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2001 A Bonds, if any, shall be deposited in or credited to the Series 2001 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2001 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2001 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2001 A Bonds shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2001 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2001 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2001 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. Such Bonds shall be dated and shall bear interest, if any, as set forth in a Supplemental Resolution.

Section 3.03. Execution of Bonds. The Series 2001 A Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2001 A Bonds shall cease to be such officer of the Issuer before the Series 2001 A 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 Series 2001 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2001 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2001 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2001 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2001 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2001 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Bonds.

The registered Series 2001 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2001 A Bonds or transferring the registered Series 2001 A Bonds are exercised, all Series 2001 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2001 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2001 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2001 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2001 A Bonds or, in the case of any proposed redemption of Series 2001 A Bonds, next preceding the date of the selection of Series 2001 A Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2001 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be canceled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer, if any, to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2001 A Bonds shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operations of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. Such Gross Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 2001 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2001 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2001 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2001 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2001 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2001 A Bonds.

Section 3.10. Form of Series 2001 A Bonds. The text of the Series 2001 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATER REVENUE BONDS,
SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ _____ ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200_, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200__, at the rate per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20____, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Branch Banking and Trust Company, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated _____, 2001.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2001, and a Supplemental Resolution duly adopted by the Issuer on _____, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, DATED DECEMBER 1, 1992, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,500,405 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2001 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall

be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the CITY OF CLARKSBURG has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 2001.

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2001 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2001.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2001 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor and/or the City Manager are specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Authority and the BPH an amended schedule, the form of which will be provided by the BPH, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or continued if previously established by the Prior Ordinance) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Prior Ordinance);

(2) Depreciation Fund (established by the Prior Ordinance);

(3) Operation and Maintenance Fund (established by the Prior Ordinance); and

(4) Series 2001 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by Prior Ordinance) and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1992 Bonds Sinking Fund (established by the Prior Ordinance);

(2) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1992 Bonds Sinking Fund, the Series 1992 Bonds Redemption Account (established by the Prior Ordinance);

(4) Series 2001 A Bonds Sinking Fund; and

(5) Within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt

in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Prior 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 this Bond Legislation and in the Prior 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, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Sinking Fund, the amount required by the Prior Ordinance for payment of interest on the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of interest on the Series 2001 A Bonds, for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2001 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2001 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2001 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Sinking Fund, and in the Series 1992 Bonds Redemption Account therein in the case of Term Bonds which are to be redeemed, the amount required by the Prior Ordinance for payment of principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2001 A Bonds on the next ensuring quarterly principal payment; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2001 A Bond Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay all Operating Expenses of the System.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1992 Bonds Reserve Account, the amount required by the Prior Ordinance; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2001 A Bonds, if not fully funded upon issuance of the Series 2001 A Bonds, for deposit in the Series 2001 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2001 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2001 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2001 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund to the Depreciation Fund (as required in the Prior Ordinance and not in addition thereto), an amount equal to not less than 5% of the Gross Revenues each month, so long as the Prior Bonds are outstanding, and thereafter, 2 1/2% of such amount. All funds in the Depreciation Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Depreciation Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with moneys from the Depreciation Fund.

Moneys in the Series 2001 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2001 A Bonds as the same shall become due. Moneys in the Series 2001 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 2001 A Bonds as the

same shall come due, when other moneys in the Series 2001 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2001 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2001 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2001 A Bonds Reserve Account which result in a reduction in the balance of the Series 2001 A Bonds Reserve Account to below the Series 2001 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full in the priority set forth above.

As and when additional Bonds ranking on a parity with the Series 2001 A 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 2001 A Bonds Sinking Fund or the Series 2001 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2001 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2001 A Bonds and the Prior Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by either the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2001 A Bonds Sinking Fund and the Series 2001 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2001 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the first business day of each month), deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2001 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the Administrative Fee as set forth in the Schedule Y attached to the Loan Agreement.

C. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement and submit a copy of said form along with a copy of its payment check to the Authority by the 5th day of such calendar month.

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 Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the 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. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

F. 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.

G. 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 5.03 and the relevant provisions of the Prior Ordinance, and the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. The Gross Revenues of the System shall only be used for purposes of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of the Series 2001 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2001 A Bonds, there shall first be deposited with the Commission in the Series 2001 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2001 A Bonds for the period commencing on the date of issuance of the Series 2001 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2001 A Bonds, there shall be deposited with the Commission in the Series 2001 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2001 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2001 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2001 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2001 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2001 A Bonds shall be applied as directed by the BPH.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 2001 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the moneys therein set forth in the Bond Legislation. Moneys in the Series 2001 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 2001 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the BPH a report listing the specific purposes for which the proceeds of the Series 2001 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2001 A Bonds Construction Trust Fund shall be made only after submission to the Authority and the BPH of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

(A) None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

(B) Each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) Each of such costs has been otherwise properly incurred; and

(D) Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2001 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2001 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2001 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2001 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2001 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2001 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2001 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of the Series 2001 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on the Gross Revenues in favor of the Holders of the Prior Bonds. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2001 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the water rate ordinance of the Board enacted on September 28, 1999, as amended by Commission Orders of the Public Service Commission of West Virginia dated May 12, 2000, and June 15, 2000, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2001 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2001 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Board shall not sell, mortgage, lease or otherwise dispose of the System, except as provided in the Prior Ordinance. Additionally, so long as the Series 2001 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the BPH, 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 fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2001 A Bonds, immediately be remitted to the Commission for deposit in the Series 2001 A Bonds Sinking Fund, and, with the written permission of the Authority and the BPH, or in the event the Authority is no longer a Bondholder, the Board shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2001 A Bonds. Any balance remaining after the payment of the Series 2001 A Bonds and interest, if any, thereon shall be remitted to the Board by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board 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 $50,000, the Board shall, in writing, 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 Revenue 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 $50,000 but not in excess of $200,000, the Board shall first, in writing, 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 the Governing Body may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, shall be deposited in the Depreciation Fund. Payment of such proceeds into the Depreciation Fund shall not reduce the amount required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer or the Board 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 $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2001 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2001 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 2001 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2001 A Bonds, and the interest thereon, if any, upon any or all of the income and revenues of the System pledged for payment of the Series 2001 A Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority and the BPH prior written notice of its issuance of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance 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 2001 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the BPH and without complying with the conditions and requirements herein provided. All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2001 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 2001 A Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion required under the Prior Ordinance, so long as the Prior Bonds are outstanding, and thereafter that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall, so long as the Series 1992 Bonds are outstanding, not be less than 120%, unless waived by the Holders of the Series 1992 Bonds, and thereafter, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Bond Legislation then Outstanding; and

(3) The Parity Bonds then proposed to be issued.

The "estimated average increased annual Net Revenues to be received in each of the 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 the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) 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 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.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the revenues of the System and their source of and security for payment from said revenues, without preference of any Bond of one series over any other Bond of the same series. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Bond Legislation required for and on account of such Parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 2001 A 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, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2001Bonds.

No Parity Bonds shall be issued any time, however, unless all the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer shall then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Board shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer or the Board shall permit the Authority and the BPH, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer or the Board shall submit to the Authority and the BPH such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer or the Board shall permit the Authority and the BPH, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and

commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Board shall 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 City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds issued pursuant to this Bond Legislation shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer or the Board shall file with the BPH, the Authority, or any other original purchaser of the Series 2001 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2001 A Bonds, requesting the same, an annual report containing the following:

(A) A statement of Gross Revenues, Operating Expenses, Net Revenues and Surplus Revenues derived from and relating to the System.

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Bond Legislation, and the status of all said funds and accounts.

(C) The amount of any Bonds, notes or other obligations payable from the 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 audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2001 A Bonds, and shall submit said report to the BPH and the Authority, or any other original purchaser of the Series 2001 A Bonds. Such audit report submitted to the BPH and the Authority shall include a statement

that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

Subject to the terms, conditions and provisions of the Loan Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared by the Consulting Engineers. All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Board.

The Issuer or the Board shall permit the BPH and the Authority, or their agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction and commencement of operation of the Project, the Issuer shall also provide the Authority and the BPH, or their agents and representatives, with access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the BPH and the Authority with respect to the System pursuant to the Act.

The Issuer or the Board shall provide the BPH with all appropriate documentation to comply with any special conditions established by federal and/or state regulations as set forth in Exhibit E of the Loan Agreement for the Series 2001 A Bonds or as promulgated from time to time.

Section 7.09. Rates. Prior to the issuance of the Series 2001 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient to provide the Net Revenues equal to not less than the sum required by the Prior Ordinance, so long as the Prior Bonds are outstanding, and thereafter sufficient (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, if any, on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds; provided that, in the event amounts equal

to or in excess of the reserve requirements are on deposit respectively in the Series 2001 A Bonds Reserve Account and any reserve accounts for obligations on a parity with the Series 2001 A 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, if any, on the Series 2001 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2001 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services described in Section 7.04.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer or the Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by Ordinance a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the BPH within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a Ordinance duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer or the Board shall mail copies of such annual budget and all Ordinances authorizing increased expenditures for operation and maintenance to the Authority and the BPH and to any Holder of any Bonds who shall file his or her address with the Issuers and request in writing that copies of all such budgets and resolutions be furnished him or her, within 30 days of adoption thereof, and shall make available such budgets and all Ordinances authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Authority and the BPH and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the BPH by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate of the Consulting Engineers in the form attached to the Loan Agreement, stating, among other things, that the Project has been or will be constructed in accordance with the approved plans, specifications and designs as submitted to the Authority and the BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the BPH is sufficient to pay the costs of acquisition and

construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the BPH covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, the BPH and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the BPH in writing of such receipt.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to the BPH when the Project is 90% completed. The Issuer or the Board shall at all times provide operation and maintenance of the System in compliance with all State and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the BPH in writing of the certified operator employed at the 50% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. 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. To

the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The Board will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Board, the Issuer, or any department, agency, instrumentality, officer or employee of the Board or the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board or 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 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2001 A Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Board will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Depreciation Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Depreciation Fund. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Board, the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the

Authority, the Board, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer and the Board from claims for bodily injury and/or death and not less than $500,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE, for all employees of or for the system eligible therefor; and performance and payment bonds, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of any additions, extensions, or improvements for the System in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

(5) BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Board or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

B. The Issuer or the Board shall require all contractors engaged in the construction of the Project to furnish a performance bond and a payment bond, each in an amount equal to 100% of the contract price of the portion of the Project covered by the particular contract as security for the faithful performance of such contract. The Issuer or the Board shall verify such bonds prior to commencement of construction.

The Issuer or the Board shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the BPH and the Issuer or

the Board shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the Board, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Connections. To the extent permitted by the laws of the State and rules and regulations of the Public Service Commission of West Virginia, the Issuer or the Board shall require every owner, tenant or occupant of any house, dwelling or building intended to be served by the System to connect thereto.

Section 7.17. Completion, Operation and Maintenance of Project; Permits and Orders. The Issuer or the Board shall complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards. The Issuer or the Board shall take all steps to properly operate and maintain the System and make the necessary replacements due to normal wear and tear so long as the Series 2001 A Bonds are outstanding.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Series 2001 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the BPH with copies of all documents submitted to the Authority.

The Issuer shall also to comply with all applicable laws, rules and regulations issued by the Authority, the BPH or other state, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

Section 7.19. [Reserved]

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2001 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Series 2001 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.21. Securities Laws Compliance. The Issuer shall provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.22. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2001 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the BPH for written approval. The Issuer shall obtain the written approval of the BPH before expending any proceeds of the Series 2001 A Bonds held in "contingency" as set forth in the schedule attached to the Certificate of Consulting Engineer. The Issuer shall also obtain the written approval of the BPH before expending any proceeds of the Series 2001 A Bonds made available due to bid or construction or project underruns.

C. The Issuer shall list the funding provided by the BPH and the Authority in any press release, publication, program bulletin, sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Bond Legislation other than the Revenue Fund, shall be invested and reinvested by the Commission, the Depository Bank, or such other bank or national banking association holding such fund or account, as the case may be, at the written direction of the Issuer in any Qualified Investments to the fullest extent possible under applicable laws, this Bond Legislation, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this Section 8.01.

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own investment or trust 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 if 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 2001 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2001 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate and Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2001 A Bonds as a condition to issuance of the Series 2001 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and

applicable to the Series 2001 A Bonds as may be necessary in order to maintain the status of the Series 2001 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2001 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the BPH, as the case may be, from which the proceeds of the Series 2001 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the BPH, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2001 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2001 A Bonds :

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2001 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2001 A Bonds set forth in this Bond Legislation, any Supplemental Resolution or in the Series 2001 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

(3) If the Issuer files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America; or

(4) If default occurs with respect to the Prior Bonds or the Prior Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2001 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2001 A Bonds, (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2001 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2001 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2001 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2001 A Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to the Series 2001 A Bonds, any Registered Owner of a Series 2001 A Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Series 2001 A Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

The receiver so appointed shall forthwith, directly or by his or her or its agents and attorneys, enter into and upon and take possession of all facilities of said System and shall hold, operate and maintain, manage and control such facilities, and each and every part thereof, and in the name of the Issuer exercise all the rights and powers of the Issuer with respect to said facilities as the Issuer itself might exercise.

Whenever all that is due upon the Series 2001 A Bonds and interest thereon and under any covenants of this Bond Legislation for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Bond Legislation shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Registered Owner of any Bonds shall have the same right to secure the further appointment of a receiver upon any such subsequent default.

Such receiver, in the performance of the powers hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Series 2001 A Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the

Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2001 A Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2001 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2001 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2001 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2001 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2001 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2001 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2001 A Bonds required for consent to the above-permitted amendments or modifications.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2001 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2001 A Bonds.

Section 11.04. Headings, Etc. The headings and catchlines of the articles, sections and subsections hereof are for convenience of reference only, and shall not affect in any way the meaning or interpretation of any provision hereof.

Section 11.05. Notices. All notices to be sent to the Issuer, the Authority or the BPH shall be in writing and shall be deemed to have been given when delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

ISSUER:

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301
Attention: General Manager

AUTHORITY:

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311-1571
Attention: Director

BPH:

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, West Virginia 25301
Attention: Environmental Engineering

All notices to be sent to the BPH hereunder, shall also be sent to the Authority.

Section 11.06. Conflicting Provisions Repealed. Except for the Prior Ordinance, all orders, resolutions and ordinances, 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 Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.07. 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 Governing Body and the Board 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 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days

intervening between each publication, in The Clarksburg Exponent and the Clarksburg Telegram, 2 newspapers published and of general circulation in the City of Clarksburg, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2001 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.09. Effective Date. This Ordinance shall take effect immediately upon adoption.

Passed on First Reading:	-	March 1, 2001
Passed on Second Reading:	-	March 15, 2001
Passed on Final Reading Following Public Hearing:	-	April 5, 2001

Pastor David A. Kates
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF CLARKSBURG on the 5th of April, 2001.

Dated: April 23, 2001.

[SEAL]

Annette M. Wright
City Clerk

04/17/01
155510/00001

CL663892.1

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Clarksburg (the "Issuer") has duly and officially enacted a bond ordinance, effective April 5, 2001 (the "Bond Ordinance" or the "Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH

BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance when used herein;

WHEREAS, the Bond Ordinance provides for the issuance of Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer (the "Series 2001 A Bonds"), in the aggregate principal amount not to exceed $3,000,000, and has authorized the execution and delivery of the loan agreement relating to the Series 2001 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH") (the "Loan Agreement"), all in accordance with Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

WHEREAS, the Loan Agreement has been presented to the Issuer at this meeting;

WHEREAS, the Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates, the sale price and other terms of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF CLARKSBURG:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $2,383,850. The Series 2001 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2022, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Series 2001 A Bonds shall be payable quarterly, on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, and ending March 1, 2022, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Series 2001 A Bonds. The Series 2001 A Bonds shall be subject to redemption upon the written consent of the Authority and the BPH, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Series 2001 A Bonds. The Issuer does hereby approve and shall pay the Administrative Fee equal to 1% of the principal amount of the Series 2001 A Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Bonds and the text of the Bonds shall be in substantially the form provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor and/or the City Manager, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the BPH and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate Branch Banking and Trust Company, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate WesBanco Bank, Clarksburg, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2001 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2001 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2001 A Bonds shall be deposited in or credited to the Series 2001 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents, agreements, instruments and certificates required or desirable in connection with the Bonds to be issued hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about April 11, 2001, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts, until further directed in writing by the Issuer. Moneys in the Series 2001 A Bonds Sinking Fund, including the Series 2001 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 13. 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 the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the 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 Treasury Regulations promulgated or to be promulgated thereunder.

Section 14. The Issuer hereby approves payment of all invoices and bills for the Project which have been received to date from the proceeds of the Bonds. The Issuer hereby appoints the General Manager of the Clarksburg Water Board as its agent for the review and approval of all future invoices for the Project to be paid from the proceeds of the Bonds.

Section 15. The Issuer hereby appoints the Clarksburg Water Board as agent of the Issuer for the purpose of receiving all advances of the proceeds of the Bonds from the BPH, and the Issuer hereby assigns its right to receive such advances to the Clarksburg Water Board

Section 16. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 17. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 5th day of April, 2001.

CITY OF CLARKSBURG

Pastor David D. A. Kates

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the City of Clarksburg on the 5th day of April, 2001.

Dated: April 23, 2001.

[SEAL]

Annette M Wright
City Clerk

04/17/01
155510/00001

CL670492.2

DWTRF
(4/7/00)

LOAN AGREEMENT

THIS DRINKING WATER TREATMENT REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), acting under the direction of the WEST VIRGINIA BUREAU FOR PUBLIC HEALTH, a division of the West Virginia Department of Health and Human Resources (the "BPH"), and the local entity designated below (the "Local Entity").

CITY OF CLARKSBURG
(Local Entity)

W I T N E S S E T H:

WHEREAS, the United States Congress under Section 1452 of the Safe Drinking Water Act, as amended (the "Safe Drinking Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining drinking water treatment revolving funds for the construction, acquisition and improvement of drinking water systems;

WHEREAS, pursuant to the provisions of Chapter 16, Article 13C of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a drinking water treatment revolving fund program (the "Program") to direct the distribution of loans to eligible Local Entities pursuant to the Safe Drinking Water Act;

WHEREAS, under the Act the BPH is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition §66.458 (1998)) and BPH has been awarded capitalization grants to partially fund the Program;

WHEREAS, the Act establishes a permanent perpetual fund known as the "West Virginia Drinking Water Treatment Revolving Fund" (hereinafter the "Fund"), which fund is to be administered and managed by the Authority under the direction of the BPH;

WHEREAS, pursuant to the Act, the Authority and BPH are empowered to make loans from the Fund to Local Entities for the acquisition or construction of drinking water projects by such Local Entities, all subject to such provisions and limitations as are contained in the Safe Drinking Water Act and the Act;

WHEREAS, the Local Entity constitutes a local entity as defined by the Act;

WHEREAS, the Local Entity is included on the BPH State Project Priority List and the Intended Use Plan and has met BPH's pre-application requirements for the Program;

WHEREAS, the Local Entity is authorized and empowered by the statutes of the State to acquire, construct, improve, operate and maintain a drinking water project and to finance the cost of acquisition and construction of the same by borrowing money to be evidenced by revenue bonds issued by the Local Entity;

WHEREAS, the Local Entity intends to construct, is constructing or has constructed such a drinking water project at the location and as more particularly described and set forth in the Application, as hereinafter defined (the "Project");

WHEREAS, the Local Entity has completed and filed with the Authority and BPH an Application for a Construction Loan with attachments and exhibits and an Amended Application for a Construction Loan also with attachments and exhibits (together, as further revised and supplemented, the "Application"), which Application is incorporated herein by this reference; and

WHEREAS, having reviewed the Application and the Fund having available sufficient funds therefor, the Authority and BPH are willing to lend the Local Entity the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Local Entity with moneys held in the Fund, subject to the Local Entity's satisfaction of certain legal and other requirements of the Program.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Local Entity, BPH and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "cost," "fund," "local entity," and "project" have the definitions and meanings ascribed to them in the Act or in the DWTRF Regulations.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any successor thereto.

1.3 "Loan" means the loan to be made by the Authority and BPH to the Local Entity through the purchase of Local Bonds, as hereinafter defined, pursuant to this Loan Agreement.

1.4 "Local Act" means the official action of the Local Entity required by Section 4.1 hereof, authorizing the Local Bonds.

1.5 "Local Bonds" means the revenue bonds to be issued by the Local Entity pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with money held in the Fund, all in accordance with the provisions of this Loan Agreement.

1.6 "Local Statute" means the specific provisions of the Code of West Virginia, 1931, as amended, pursuant to which the Local Bonds are issued.

1.7 "Operating Expenses" means the reasonable, proper and necessary costs of operation and maintenance of the System, as hereinafter defined, as should normally and regularly be included as such under generally accepted accounting principles.

1.8 "Program" means the drinking water facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Safe Drinking Water Act and administered by BPH.

1.9 "Project" means the drinking water project hereinabove referred to, to be constructed or being constructed by the Local Entity in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Local Entity in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

1.10 "DWTRF Regulations" means the regulations set forth in the West Virginia Code of State Regulations.

1.11 "System" means the drinking water system owned by the Local Entity, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.12 Additional terms and phrases are defined in this Loan Agreement as they are used.

ARTICLE II

The Project and the System

2.1 The Project shall generally consist of the construction and acquisition of the facilities described in the Application, to be, being or having been constructed in accordance with plans, specifications and designs prepared for the Local Entity by the Consulting Engineers, the BPH and Authority having found, to the extent applicable, that the Project is consistent with the applicable provisions of the Program.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and the Local Act, the Local Entity has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Entity by the Consulting Engineers.

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Local Entity, subject to any mortgage lien or other security interest as is provided for in the Local Statute unless a sale or transfer of all or a portion of said property is approved by BPH and the Authority.

2.4 The Local Entity agrees that the Authority and BPH and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Entity further agrees that the Authority and BPH and their respective duly authorized agents shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and BPH with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Local Entity shall keep complete and accurate records of the cost of acquiring the Project site and the costs of constructing, acquiring and installing the Project. The Local Entity shall permit the Authority and BPH, acting by and through their directors or duly authorized agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at any and all reasonable times for the purpose of audit and examination, and the Local Entity shall submit to the Authority and BPH such documents and information as it may reasonably require in connection with the construction, acquisition and installation of the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

2.6 The Local Entity agrees that it will permit the Authority and BPH and their respective agents to have access to the records of the Local Entity pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the

Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

2.7 The Local Entity shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract and shall verify or have verified such bonds prior to commencement of construction.

2.8 The Local Entity shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and BPH and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Entity, the Local Entity or (at the option of the Local Entity) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Entity, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Entity on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Entity must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Local Entity shall provide and maintain competent and adequate engineering services satisfactory to the Authority and BPH covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Authority, BPH and the Local Entity at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Entity shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the DWTRF Regulations, to it within 60 days of the completion of the Project. The Local Entity shall notify BPH in writing of such receipt.

2.10 The Local Entity shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the DWTRF Regulations, to BPH when the Project is 90% completed. The Local Entity shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Entity shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of

this Loan Agreement. The Local Entity shall notify BPH in writing of the certified operator employed at the 50% completion stage.

2.11 The Local Entity hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority, BPH or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System.

2.12 The Local Entity, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit A and incorporated herein by reference, and forward a copy by the 10th of each month to BPH.

2.13 The Local Entity, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit B and incorporated herein by reference, and forward such forms to BPH in compliance with the Local Entity's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and BPH to make the Loan is subject to the Local Entity's fulfillment, to the satisfaction of the Authority and BPH, of each and all of those certain conditions precedent on or before the delivery date for the Local Bonds, which shall be the date established pursuant to Section 3.4 hereof. Said conditions precedent are as follows:

(a) The Local Entity shall have delivered to BPH and the Authority a report listing the specific purposes for which the proceeds of the Loan will be expended and the procedures as to the disbursement of loan proceeds, including an estimated monthly draw schedule;

(b) The Local Entity shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(c) The Local Entity shall have authorized the issuance of and delivery to the Authority of the Local Bonds described in this Article III and in Article IV hereof;

(d) The Local Entity shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided, that, if the Loan will refund an interim construction financing, the Local Entity must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and,

in either case, the Authority and BPH shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit C;

(e) The Local Entity shall have obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, and the Authority and BPH shall have received a certificate of the Consulting Engineers to such effect;

(f) The Local Entity shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(g) The Local Entity shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(h) The Local Entity shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and BPH shall have received an opinion of counsel to the Local Entity, which may be local counsel to the Local Entity, bond counsel or special PSC counsel but must be satisfactory to the Authority and BPH, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and BPH shall have received a certificate of the accountant for the Local Entity, or such other person or firm experienced in the finances of local entities and satisfactory to the Authority and BPH, to such effect; and

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and BPH shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of drinking water projects and satisfactory to the Authority and BPH, to such effect, such certificate to be in form and substance satisfactory to the Authority and BPH, and evidence satisfactory to the Authority and BPH of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the BPH, including the DWTRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Entity and the Local Entity shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Entity shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

3.3 The Loan shall be secured and shall be repaid in the manner hereinafter provided in this Loan Agreement.

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Local Entity by written notice to the Authority, which written notice shall be given not less than ten (10) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority, BPH and the Local Entity. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Local Entity understands and acknowledges that it is one of several local entities which have applied to the Authority and BPH for loans from the Fund to finance drinking water projects and that the obligation of the Authority to make any such loan is subject to the Local Entity's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Entity specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may purchase the bonds of other local entities set out in the State Project Priority List, as defined in the DWTRF Regulations. The Local Entity further specifically recognizes that all loans will be originated in conjunction with the DWTRF Regulations and with the prior approval of BPH.

3.6 The Local Entity shall provide BPH with the appropriate documentation to comply with the special conditions regarding the public release requirements established by federal and State regulations as set forth in Exhibit D attached hereto at such times as are set forth therein.

ARTICLE IV

Local Bonds; Security for Loan; Repayment of Loan; Interest on Loan; Fees and Charges

4.1 The Local Entity shall, as one of the conditions of the Authority and BPH to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of

the Local Entity in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues will be used monthly, in the order of priority listed below:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

(iii) to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

(iv) for other legal purposes of the System, including payment of debt service on other obligations junior, subordinate and inferior to the Local Bonds.

Provided that if the Local Entity has existing outstanding indebtedness which has greater coverage or renewal and replacement fund requirements, then the greater requirements will prevail until said existing indebtedness is paid in full.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues, as applicable, of the System as provided in the Local Act;

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent

(115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

(iii) That the Local Entity will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or the DWTRF Regulations, 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 from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of the System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Entity shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and BPH;

(vi) That the Local Entity will carry such insurance as is customarily carried with respect to works and properties similar to the System, including those specified by Section 2.8 hereof;

(vii) That the Local Entity will not render any free services of the System;

(viii) That the Authority may, by proper legal action, compel the performance of the duties of the Local Entity under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System or construction of the Project, or both, as provided by law and all rights as set forth in Section 5 of the Act;

(ix) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, all delinquent rates and charges, if not paid when due, shall become a lien on the premises served by the System;

(x) That, to the extent legally allowable, the Local Entity will not grant any franchise to provide any services which would compete with the System;

(xi) That the Local Entity shall annually, within six months of the end of the fiscal year, cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and BPH. If the Local Entity receives $300,000 or more (in federal funds) in a fiscal year, the audit shall be obtained in accordance with the Single Audit Act (as amended from time to time) and the applicable OMB Circular (or any successor thereto). Financial statement audits are required once all funds have been received by the Local Entity. The audit shall include a statement that the Local Entity is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Entity's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Local Entity shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and BPH within 30 days of adoption thereof;

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC, prospective users of the System shall be required to connect thereto;

(xiv) That the proceeds of the Local Bonds, advanced from time to time, except for accrued interest and capitalized interest, if any, must (a) be deposited in a construction fund, which, except as otherwise agreed to in writing by the Authority, shall be held separate and apart from all other funds of the Local Entity and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Local Entity, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the Authority and BPH, the proceeds of the Local Bonds may be used to fund all or a portion of the Reserve Account, on which the owner of the Local Bonds shall have a lien as provided herein;

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Local Entity may authorize redemption of the Local Bonds with 30 days written notice to BPH and the Authority;

(xvi) That the West Virginia Municipal Bond Commission (the "Commission") shall serve as paying agent for all Local Bonds;

(xvii) That the Local Entity shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Entity shall complete the Monthly Payment Form, attached hereto as Exhibit E and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

(xviii) That, unless it qualifies for an exception to the provisions of Section 148 of the Internal Revenue Code of 1986, as amended, which exception shall be set forth in an opinion of bond counsel, the Local Entity will furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Internal Revenue Code of 1986, as amended, a certificate with respect to its rebate calculations and, at any time, any additional information requested by the Authority;

(xix) That the Local Entity shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and BPH, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and BPH is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

(xx) That the Local Entity shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate its services to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore such services until all delinquent charges for the services of the System have been fully paid; and

(xxi) That the Local Entity shall submit all proposed change orders to the BPH for written approval. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Entity shall obtain the written approval of the BPH before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

The Local Entity hereby represents and warrants that the Local Act has been or shall be duly adopted or enacted in compliance with all necessary corporate and other action and in accordance with applicable provisions of law. All legal matters incident to the authorization, issuance, validity, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit F.

4.2 The Loan shall be secured by the pledge and assignment by the Local Entity, as effected by the Local Act, of the fees, charges and other revenues of the Local Entity from the System.

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the Authority monthly as required by the Local Entity to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Entity, the BPH and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the DWTRF Regulations, provided that the annual repayment of principal and payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.4 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Local Entity. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series.

4.5 As provided by the DWTRF Regulations, the Local Entity agrees to pay from time to time, if required by the Authority and BPH, the Local Entity's allocable share of the reasonable administrative expenses of the BPH and the Authority relating to the Program. Such administrative expenses shall be determined by the BPH and the Authority and shall include, without limitation, Program expenses, legal fees paid by the BPH and the Authority and fees paid for any bonds or notes to be issued by the Authority for contribution to the Fund.

4.6 The obligation of the Authority to make any loans shall be conditioned upon the availability of moneys in the Fund in such amount and on such terms and conditions as, in the sole judgment of the Authority, will enable it to make the Loan.

ARTICLE V

Certain Covenants of the Local Entity; Imposition and Collection of User Charges; Payments To Be Made by Local Entity to the Authority

5.1 The Local Entity hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Entity hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority

to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Loan Agreement, the Local Entity hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Loan Agreement.

5.3 In the event the Local Entity defaults in any payment due to the Authority pursuant to Section 4.2 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Local Entity hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Entity, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Entity

6.1 The Local Entity hereby acknowledges to the Authority and BPH its understanding of the provisions of the Act, vesting in the Authority and BPH certain powers, rights and privileges with respect to drinking water projects in the event of default by local entities in the terms and covenants of this Loan Agreement, and the Local Entity hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Local Entity shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Entity hereby warrants and represents that all information provided to the Authority and BPH in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and BPH shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation

made to the Authority and BPH by the Local Entity in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Entity has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the DWTRF Regulations or this Loan Agreement.

6.3 The Local Entity hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority or any other lender for the planning or design of the Project, provided that such repayment shall not be made from the proceeds of the Loan.

6.4 The Local Entity hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Entity fails to make any such rebates as required, then the Local Entity shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

6.5 Notwithstanding Section 6.4, the Authority and BPH may at any time, in their sole discretion, cause the rebate calculations prepared by or on behalf of the Local Entity to be monitored or cause the rebate calculations for the Local Entity to be prepared, in either case at the expense of the Local Entity.

6.6 The Local Entity hereby agrees to give the Authority and BPH prior written notice of the issuance by it of any other obligations to be used for the System, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.7 The Local Entity hereby agrees to file with the Authority and BPH upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Entity supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.2 If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement, and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments and take such other actions as may be necessary to give effect to the terms of this Loan Agreement.

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

7.5 This Loan Agreement supersedes all prior negotiations, representations and agreements between the parties hereto relating to the Loan and constitutes the entire agreement between the parties hereto in respect thereof.

7.6 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Local Entity specifically recognizes that it is hereby agreeing to sell its Local Bonds to the Authority and that such obligation may be specifically enforced or subject to a similar equitable remedy by the Authority.

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Entity from either the Authority or BPH;

(ii) the end of ninety (90) days after the date of execution hereof by the Authority if the Local Entity has failed to deliver the Local Bonds to the Authority;

(iii) termination by the Authority and BPH pursuant to Section 6.2 hereof; or

(iv) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Entity to the Authority or BPH.

In the event funds are not available to make all of the Loan, the responsibility of the Authority and BPH to make all the Loan is terminated; provided further that the obligation of the Local Entity to repay the outstanding amount of the Loan made by the Authority and BPH is not terminated due to such non-funding on any balance of the Loan. The BPH agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-funding of the Loan shall not be considered an event of default under this Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Authority.

CITY OF CLARKSBURG
[Name of Local Entity]

(SEAL)

By: David D. A. Kates

Its: Mayor

Attest:

Date: April 11, 2001

Annette M. Wright

Its City Clerk

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yorbosh

Its: Director

Attest:

Date: April 11, 2001

Barbara B Meadows
Secretary-Treasurer

EXHIBIT A

[Form of Monthly Financial Report]
[Name of Local Entity]
[Name of Bond Issue]
Fiscal Year - _____
Report Month: _____

ITEM	CURRENT MONTH	TOTAL YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET YEAR MINUS YEAR TO DATE
1. Gross Revenues Collected				
2. Operating Expenses				
3. Other Bond Debt Payments (including Reserve Account Deposits)				
4. DWTRF Bond Payments (include Reserve Account Deposits)				
5. Renewal and Replacement Fund Deposit				

Witnesseth my signature this ____ day of _____, _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

1. You will need a copy of the current fiscal year budget adopted by the Local Entity to complete Items 1 and 2. In Item 1, provide the amount of actual gross revenues for the current month and the total amount year to date in the respective columns. Divide the budgeted annual gross revenues by 12. For example, if gross revenues of $1,200 are anticipated to be received for the year, each month the base would be increased by $100 (1200/12). This is the incremental amount for the Budget Year to Date column.

2. In Item 2, provide the amount of actual operating expenses for the current month and the total amount year to date in the respective columns. The SRF administrative fee should be included in the operating expenses. Divide the budgeted annual operating expenses by 12. For example, if operating expenses of $900 are anticipated to be incurred for the year, each month the base would be increased by $75 (900/12). This is the incremental amount for the Budget Year to Date column.

3. In Item 3, provide the principal, interest and reserve account payments for all the outstanding bonds of the Local Entity other than this Loan.

4. In Item 4, provide the principal, interest and reserve account payments for this Loan. You need to call the Municipal Bond Commission for the exact amount of these payments and when they begin.

5. In Item 5, provide the amount deposited into the Renewal and Replacement Fund each month. This amount is equal to 2.5% of gross revenues minus the total reserve account payments included in Items 3 and 4. If gross revenues are $12,000, the Renewal and Replacement Fund should have an amount of $300 (2.5% of $12,000), LESS the amount of all reserve account payments in Items 3 & 4. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Entity.

6. The Local Entity must complete the Monthly Financial Report and forward it to the BPH by the 10th day of each month, commencing on the date contracts are executed for the construction of the Project and for 2 years following the completion of the Project. BPH will notify the Local Entity when the Monthly Financial Report no longer needs to be filed.

EXHIBIT B

PAYMENT REQUISITION FORM

EXHIBIT C

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____ Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated _____.

2. The Bonds are being issued for the purposes of (i) _____ _, and (ii) paying certain issuance and other costs in connection therewith.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by BPH and any change orders approved by the Issuer, BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been

---

[1] If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____, Esq.] and delete "my firm has ascertained that".

verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this _____ day of _____, _____.

[SEAL]

_____

By: _____

_____

West Virginia License No. _____

[2]If the Rule 42 Exhibit and/or rate structure was prepared by an accountant, then insert the following: "In reliance upon the certificate of _____ of even date herewith," at the beginning of (ix).

EXHIBIT D

Special Conditions

The Local Entity agrees to include, when issuing statements, press releases, requests for proposals, bid solicitations, groundbreaking or project dedication program documents and other documents describing projects or programs funded in whole or in part with federal money, (1) the percentage of the total costs of the program or project which will be financed with federal money, (2) the dollar amount of federal funds for the project or program, and (3) percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

EXHIBIT E

[Monthly Payment Form]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1511

Re: [Name of bond issue]

Ladies and Gentlemen:

The following deposits were made to the West Virginia Municipal Bond Commission on behalf of _____ on _____.
[Local Entity] [Date]

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Account: $_____

Witness my signature this ___ day of _____.

_____
[Name of Local Entity]

By: _____
Authorized Officer

Enclosure: wire transfer form

EXHIBIT F

[Opinion of Bond Counsel for Local Entity]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1511

West Virginia Bureau for Public Health
815 Quarrier Street, Suite 418
Charleston, WV 25301-2616

Ladies and Gentlemen:

We are bond counsel to _____ (the "Local Entity"), a _____.

We have examined a certified copy of proceedings and other papers relating to the authorization of a (i) loan agreement dated _____, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Entity and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and (ii) the issue of a series of revenue bonds of the Local Entity, dated _____ ___ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal and interest to the Authority, with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning ____ _____ 1, ____, and ending _____ 1, _____, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) _____, and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Entity on _____, as supplemented by the supplemental resolution duly adopted by the Local Entity on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

Based upon the foregoing and upon our examination of such other documents as we have deemed necessary, we are of the opinion as follows:

1. The Loan Agreement has been duly authorized by and executed on behalf of the Local Entity and is a valid and binding special obligation of the Local Entity enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and the BPH and cannot be amended so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Local Entity without the consent of the Authority and the BPH.

3. The Local Entity is a duly organized and validly existing _____ _, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local Entity and constitute valid and binding obligations of the Local Entity enforceable against the Local Entity in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Local Entity to the Authority and are valid and legally enforceable and binding special obligations of the Local Entity, payable from the gross or net revenues of the System set forth in the Local Act and secured by a first lien on and pledge of the gross or net revenues of the System, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, by statute, exempt _____, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Local Bonds is excludable from the gross income of the recipients thereof for federal income tax purposes.

No opinion is given herein as to the effect upon enforceability of the Local Bonds of bankruptcy, insolvency, reorganization, moratorium and other laws affecting creditors' rights or in the exercise of judicial discretion in appropriate cases.

We have examined executed and authenticated Local Bond numbered R-1, and in our opinion the form of said bond and its execution and authentication are regular and proper.

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$ 2,383,850
Purchase Price of Local Bonds	$ 2,383,850

The Local Bonds shall bear no interest from the date of delivery to and including February 28, 2002. Commencing June 1, 2002, interest on the Local Bonds is payable quarterly, at a rate of 2% per annum. Commencing June 1, 2002, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Local Entity shall submit its payments monthly to the Commission with instructions that the Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority. If the Reserve Account is not fully funded at closing, the Local Entity shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Commission. The Local Entity shall instruct the Commission to notify the Authority of any monthly payments which are not received by the 20th day of the month in which the payment was due.

The Local Bonds are fully registered in the name of the Authority as to principal and interest, if any, and the Local Bonds shall grant the Authority a first lien on the gross or net revenues of the Local Entity's system as provided in the Local Act.

The Local Entity may prepay the Local Bonds in full at any time at the price of par upon 30 days' written notice to the Authority and BPH. The Local Entity shall request approval from the Authority and BPH in writing of any proposed debt which will be issued by the Local Entity on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

As of the date of the Loan Agreement, the Local Bonds are on a parity as to liens, pledge and source of and security for payment with the following obligations of the Local Entity:

Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued in the original aggregate principal amount of $25,500,405.

Clarksburg Water Board (West Virginia)

Loan of $2,383,850
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: April 23, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	24,308.00	2.000%	11,919.25	36,227.25
9/01/2002	24,430.00	2.000%	11,797.71	36,227.71
12/01/2002	24,552.00	2.000%	11,675.56	36,227.56
3/01/2003	24,675.00	2.000%	11,552.80	36,227.80
6/01/2003	24,798.00	2.000%	11,429.43	36,227.43
9/01/2003	24,922.00	2.000%	11,305.44	36,227.44
12/01/2003	25,047.00	2.000%	11,180.83	36,227.83
3/01/2004	25,172.00	2.000%	11,055.59	36,227.59
6/01/2004	25,298.00	2.000%	10,929.73	36,227.73
9/01/2004	25,424.00	2.000%	10,803.24	36,227.24
12/01/2004	25,551.00	2.000%	10,676.12	36,227.12
3/01/2005	25,679.00	2.000%	10,548.37	36,227.37
6/01/2005	25,808.00	2.000%	10,419.97	36,227.97
9/01/2005	25,937.00	2.000%	10,290.93	36,227.93
12/01/2005	26,066.00	2.000%	10,161.25	36,227.25
3/01/2006	26,197.00	2.000%	10,030.92	36,227.92
6/01/2006	26,328.00	2.000%	9,899.93	36,227.93
9/01/2006	26,459.00	2.000%	9,768.29	36,227.29
12/01/2006	26,591.00	2.000%	9,636.00	36,227.00
3/01/2007	26,724.00	2.000%	9,503.04	36,227.04
6/01/2007	26,858.00	2.000%	9,369.42	36,227.42
9/01/2007	26,992.00	2.000%	9,235.13	36,227.13
12/01/2007	27,127.00	2.000%	9,100.17	36,227.17
3/01/2008	27,263.00	2.000%	8,964.54	36,227.54
6/01/2008	27,399.00	2.000%	8,828.22	36,227.22
9/01/2008	27,536.00	2.000%	8,691.23	36,227.23
12/01/2008	27,674.00	2.000%	8,553.55	36,227.55
3/01/2009	27,812.00	2.000%	8,415.18	36,227.18
6/01/2009	27,951.00	2.000%	8,276.12	36,227.12
9/01/2009	28,091.00	2.000%	8,136.36	36,227.36
12/01/2009	28,232.00	2.000%	7,995.91	36,227.91
3/01/2010	28,373.00	2.000%	7,854.75	36,227.75
6/01/2010	28,515.00	2.000%	7,712.88	36,227.88
9/01/2010	28,657.00	2.000%	7,570.31	36,227.31
12/01/2010	28,800.00	2.000%	7,427.02	36,227.02
3/01/2011	28,944.00	2.000%	7,283.02	36,227.02
6/01/2011	29,089.00	2.000%	7,138.30	36,227.30
9/01/2011	29,235.00	2.000%	6,992.86	36,227.86
12/01/2011	29,381.00	2.000%	6,846.68	36,227.68
3/01/2012	29,528.00	2.000%	6,699.78	36,227.78
6/01/2012	29,675.00	2.000%	6,552.14	36,227.14
9/01/2012	29,824.00	2.000%	6,403.76	36,227.76
12/01/2012	29,973.00	2.000%	6,254.64	36,227.64
3/01/2013	30,123.00	2.000%	6,104.78	36,227.78

Clarksburg Water Board (West Virginia)

Loan of $2,383,850
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: April 23, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2013	30,273.00	2.000%	5,954.16	36,227.16
9/01/2013	30,425.00	2.000%	5,802.80	36,227.80
12/01/2013	30,577.00	2.000%	5,650.67	36,227.67
3/01/2014	30,730.00	2.000%	5,497.79	36,227.79
6/01/2014	30,883.00	2.000%	5,344.14	36,227.14
9/01/2014	31,038.00	2.000%	5,189.72	36,227.72
12/01/2014	31,193.00	2.000%	5,034.53	36,227.53
3/01/2015	31,349.00	2.000%	4,878.57	36,227.57
6/01/2015	31,506.00	2.000%	4,721.82	36,227.82
9/01/2015	31,663.00	2.000%	4,564.29	36,227.29
12/01/2015	31,821.00	2.000%	4,405.98	36,226.98
3/01/2016	31,981.00	2.000%	4,246.87	36,227.87
6/01/2016	32,141.00	2.000%	4,086.97	36,227.97
9/01/2016	32,301.00	2.000%	3,926.26	36,227.26
12/01/2016	32,463.00	2.000%	3,764.76	36,227.76
3/01/2017	32,625.00	2.000%	3,602.44	36,227.44
6/01/2017	32,788.00	2.000%	3,439.32	36,227.32
9/01/2017	32,952.00	2.000%	3,275.38	36,227.38
12/01/2017	33,117.00	2.000%	3,110.62	36,227.62
3/01/2018	33,282.00	2.000%	2,945.03	36,227.03
6/01/2018	33,449.00	2.000%	2,778.62	36,227.62
9/01/2018	33,616.00	2.000%	2,611.38	36,227.38
12/01/2018	33,784.00	2.000%	2,443.30	36,227.30
3/01/2019	33,953.00	2.000%	2,274.38	36,227.38
6/01/2019	34,123.00	2.000%	2,104.61	36,227.61
9/01/2019	34,293.00	2.000%	1,934.00	36,227.00
12/01/2019	34,465.00	2.000%	1,762.53	36,227.53
3/01/2020	34,637.00	2.000%	1,590.21	36,227.21
6/01/2020	34,810.00	2.000%	1,417.02	36,227.02
9/01/2020	34,984.00	2.000%	1,242.97	36,226.97
12/01/2020	35,159.00	2.000%	1,068.05	36,227.05
3/01/2021	35,335.00	2.000%	892.26	36,227.26
6/01/2021	35,512.00	2.000%	715.58	36,227.58
9/01/2021	35,689.00	2.000%	538.02	36,227.02
12/01/2021	35,868.00	2.000%	359.58	36,227.58
3/01/2022	36,047.00	2.000%	180.24	36,227.24
Total	**2,383,850.00**	**-**	**514,346.02**	**2,898,196.02** *

*Plus $3,214.66 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $257,172.80.

991742com090800.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 8th day of September, 2000.

CASE NO. 99-1742-W-CN

CLARKSBURG WATER BOARD
Application for a certificate of
Convenience and Necessity.

COMMISSION ORDER

PROCEDURE

On December 3, 1999, the Clarksburg Water Board ("Board") filed an application for a certificate of convenience and necessity ("Application") for a project ("Project") to replace a water storage tank which, according to Engineering Staff, is approximately 90 years old and is in danger of failing structurally. The Project is estimated to cost approximately $2,151,7000 as follows:

Construction	$ 1,631,400
Administrative and Legal	32,600
Engineering (geotechnical investigations)	30,000
Engineering (design)	130,500
Engineering (construction services)	81,600
Land and Right of Way	50,000
Contingencies	195,600
TOTAL	2,151,700

The Board has obtained a binding commitment letter from the State of West Virginia, Department of Health and Human Services Bureau of Public Health for a loan of approximately $2.1 million loan at 3% interest for twenty (20) years. The source of the funds would be from the Drinking Water Treatment Revolving Fund.

The construction of the 2 million gallon prestressed concrete water storage tank includes floor; foundation; wall; dome roof; inlet, outlet, overflow pipe, and fittings; drain pipe, fittings, and appurtenances; overflow/drain catch basin; overflow/drain piping and outlet headwall; and tank accessories. Constructing a tank access road is also included in the contract documents

In addition, furnishing and installing ductile iron finished water transmission main and appurtenances, constructing a valve vault, and furnishing and installing interior process piping, valves, and related items are comprised in the contract documents.

On March 6, 2000, Commission Staff filed its Final Joint Staff Memorandum recommending that following the receipt of an Office of Environmental Health Services Permit for the Project and the establishment of rates in Case No. 99-1570-W-MA, the Water Board be granted a certificate of convenience and necessity for the Project and that the Commission approve the Water Board's proposed funding subject to the requirement that the Water Board obtain Commission approval of any change in the engineering or financing of the Project from that presented to the Commission to date.

On March 8, 2000, the City of Bridgeport, the Town of Anmoore, the City of Stonewood, Greater Harrison County Public Service District, Short Line Public Service District, and Sun Valley Public Service District ("Intervenors"), filed an "Objection to the Final Joint Staff Memorandum and Request for Hearing" and requested intervenor status in this proceeding.

On March 16, 2000, the Office of Environmental Health Services issued a permit for the Project.

On May 12, 2000 the Commission entered an order in Case No. 99-1570-W-MA, that, among other things, conditionally approved rates.

On June 27, 2000, the Commission entered an order setting this case for hearing and granting intervenor status to the Intervenors.

On July 10, 2000, a hearing was held before the Commission, at which time witnesses for all parties testified. Aaron D Keno, a licensed professional engineer employed by Gannett Fleming, an engineering consulting firm, testified on behalf of the Board. Thomas Urquhart, an engineer and former manager and general manager of the Morgantown Utility Board testified for the Intervenors. Staff sponsored witnesses David Dove, Tom Waggoner and William S. Herold, Jr. The witnesses addressed the issues of what size and where the new tank should be, based on storage requirements, demand for water and cost of construction.

At the close of the hearing, it was decided and agreed that fifteen (15) days after the transcript is made available (received), briefs were to be due. The transcript was received by the Commission on July 26, 2000. Both the Board and Staff filed post-hearing briefs, dated August 9, 2000 and August 10, 2000 respectively. The Intervenors filed a brief on August 21, 2000.

Public Service Commission
of West Virginia
Charleston

All parties agree that a replacement tank for the Chestnut Street tank is necessary. Staff and the Board favor constructing a 2Mgal concrete tank on 2nd Street. The Intervenors favor a 1Mgal tank, or smaller, possibly on Chestnut Street.

Staff asserts that to change the size of the tank from the proposed 2Mgal tank at this date would delay removal of the old Chestnut Street tank from service, exposing the Clarksburg residents to increased risk of structural failure, and if the Commission approved a smaller tank and it turned out to be in error, the Board would be forced to build a second tank, with limited sites available and at a great expense. However, according to Staff, if the tank as proposed is too large, the Commission's error would only result in an increase of one-half of one percent of the Intervenor's purchased water costs.

Additionally, Staff contends that the rates resulting from the project are reasonable, that the engineering firm retained by the Board for the project is renowned for the quality of its work, the Board has received a permit from the West Virginia Bureau of Public Health for the project, and that the project is in general conformance with the Commission's rules and regulations. Finally, the Staff asserts that the Intervenors failed to produce any convincing evidence that the proposed tank is too large or that the selected location is not proper.

The Board's brief states that its engineer conducted extensive hydraulic studies to reach his conclusions, while the Intervenor's engineer based his findings on "a general feeling" from managing the Morgantown system for many years. The Board further asserts that in *United Fuel Gas Company v. Public Service Commission of West Virginia* (1957), the Supreme Court addressed the use of expert testimony without supporting scientific underpinnings. According to the cited case, testimony without scientific fact is a mere expression of the belief of the witness, and furnishes no facts which could serve as a basis to draw conclusions. Therefore, according to the Board, due to the Intervenor's lack of scientific evidence they presented, the larger tank should be approved.

The Intervenors assert that the 2Mgal replacement tank is too large, and that the issue has mistakenly been boiled down to which engineer's opinion should be accepted instead of what size the tank should be. Given that, the Intervenors went on to state that their engineer should be afforded as much credibility as the Board's because, although he may have not have conducted scientific studies, he has actually worked in the "field" and participated directly in analysis, construction and operations of similar water and sewer systems for 33 years. The Intervenors conclude that a 2Mgal tank is too large because the demand in the Board's water system is stagnant or declining and there is no indication that demand will increase in the foreseeable future, and because the old tank never contained more than 500,000 gallons in the last 5 years, at which time the system has operated properly. The Intervenors also contest the larger size tank due the increased costs associated with constructing and operating the tank,

Public Service Commission
of West Virginia
Charleston

which will be passed on to them. Additionally, the Intervenors accuse the Board and Staff of minimizing the size of savings the Intervenors would realize if a smaller tank were constructed.

Staff did not address the proposed location of the tank in its brief. The Board's brief points out studies conducted by its engineer and the lack of scientific study by the Intervenors' engineer in choosing the new tank's location. The Board states that its engineer examined many sites for the tank, based upon what was necessary to meet the Board's needs, such as proper elevations, the accessibility and the proximity of existing pipelines. According to the Intervenor's brief, the proposed Second Street location of the water tank, particularly a 2Mgal tank, will exacerbate an existing hydraulic problem and for this reason, they request that the Commission consider a smaller tank and other locations.

DISCUSSION

After reviewing the certificate application and related filings, the Commission concurs with Staff's observations and recommendations, and finds that public interest is better served with the construction of a 2Mgal concrete water storage tank on Second Street than a smaller water storage tank constructed at another location or on Chestnut Street.

The Board presented testimony on the extensive hydraulic studies its witness, Mr. Keno, conducted on the Clarksburg system which indicated that a 2Mgal concrete water storage tank was needed and that the Second Street location is the preferred site for its construction. Mr. Keno considered the effect of a new tank on the existing Broad Oaks tank; why the proposed tank should constructed at approximately the same elevation as the Chestnut Street tank; the impact the new tank flow would have on other tanks in the system when a fire breaks out in different areas of the system; and the cost savings which would occur if the proposed water tank was reduced from 2 million gallons to 1 million gallons.

Even though the increased size of the proposed water storage tank along with the associated costs of such construction will obviously impact on the rates to be paid by the customers of the Board, the Commission finds that it is in the public interest to construct the proposed a 2Mgal water storage tank on Second Street rather than a smaller tank on Chestnut street or at a different location. The Commission is persuaded that the 2Mgal tank to be constructed on Second Street would improve service to existing customers and enhance the ability of the Clarksburg system to serve outlying areas. The proposed tank will serve the public interest and will not change the system characteristics to any significant degree.

FINDINGS OF FACT

1. On December 3, 1999, the Clarksburg Water Board ("Board") filed an application for a certificate of convenience and necessity ("Application") for a project to replace a wate

Public Service Commission
of West Virginia
Charleston

storage tank.

2. The Project is estimated to cost approximately $2,151,7000 as follows:

Construction	$ 1,631,400
Administrative and Legal	32,600
Engineering (geotechnical investigations)	30,000
Engineering (design)	130,500
Engineering (construction services)	81,600
Land and Right of Way	50,000
Contingencies	195,600
TOTAL	2,151,700

3. On March 16, 2000, the Office of Environmental Health Services issued a permit for the Project.

4. The Board has obtained a binding commitment letter from the State of West Virginia, Department of Health and Human Services Bureau of Public Health for a loan of approximately $2.1 million loan at 3% interest for twenty (20) years. The source of the funds would be from the Drinking Water Treatment Revolving Fund.

5. The construction of the 2 million gallon prestressed concrete water storage tank includes floor, foundation; wall; dome roof; inlet, outlet, overflow pipe, and fittings; drain pipe, fittings, and appurtenances; overflow/drain catch basin; overflow/drain piping and outlet headwall; and tank accessories. Constructing a tank access road is also included in the contract documents. In addition, furnishing and installing ductile iron finished water transmission main and appurtenances, constructing a valve vault, and furnishing and installing interior process piping, valves, and related items are comprised in the contract documents.

6. On March 6, 2000, Commission Staff filed its Final Joint Staff Memorandum recommending that following the receipt of an Office of Environmental Health Services Permit for the Project and the establishment of rates in Case No. 99-1570-W-MA, the Water Board be granted a certificate of convenience and necessity for the Project and that the Commission approve the Water Board's proposed funding subject to the requirement that the Water Board obtain Commission approval of any change in the engineering or financing of the Project from that presented to the Commission to date.

7. On March 8, 2000, the City of Bridgeport, the Town of Anmoore, the City of Stonewood, Greater Harrison County Public Service District, Short Line Public Service District, and Sun Valley Public Service District ("Intervenors"), filed an "Objection to the Final Joint

Public Service Commission
of West Virginia
Charleston

Staff Memorandum and Request for Hearing" and requested intervenor status in this proceeding.

8. On May 12, 2000 the Commission entered an order in Case No. 99-1570-W-MA, that, among other things, conditionally approved rates.

9. On June 27, 2000, the Commission entered an order setting this case for hearing and granting intervenor status to the Intervenors.

10. On July 10, 2000, a hearing was held before the Commission, at which time various witnesses testified. Aaron D Keno, a licensed professional engineer employed by Gannett Fleming, an engineering consulting firm, testified on behalf of the Board. Thomas Urquhart, an engineer and former manager and general manager of the Morgantown Utility Board testified for the Intervenors.

11. All parties agree that a replacement tank for the Chestnut Street tank is necessary. Staff and the Board favor constructing a 2 Mgal concrete tank on Second Street. The Intervenors favor a 1Mgal tank, or smaller, possibly on Chestnut Street.

CONCLUSIONS OF LAW

1. The Board presented convincing testimony, including extensive hydraulic studies, which indicated that a 2Mgal concrete water storage tank was needed and that the Second Street location is the preferred site for its construction.

2. The proposed 2Mgal tank to be constructed on Second Street would improve service to existing customers and enhance the ability of the Clarksburg system to serve outlying areas.

3. It is in the public interest to construct a 2Mgal concrete water storage tank on Second Street, Clarksburg, WV.

4. The proposed funding of the project, as recited above is fair and reasonable.

ORDER

IT IS THEREFORE ORDERED that Clarksburg Water Board's application for a certificate of convenience and necessity to construct a 2 million gallon prestressed concrete water storage tank including floor, foundation; wall; dome roof; inlet, outlet, overflow pipe, and fittings; drain pipe, fittings, and appurtenances; overflow/drain catch basin; overflow/drain

Public Service Commission
of West Virginia
Charleston

piping and outlet headwall; and tank accessories on Second Street, Clarksburg, WV is hereby approved.

IT IS FURTHER ORDERED that the project shall include the construction of a tank access road and the furnishing and installing ductile iron finished water transmission main and appurtenances, constructing a valve vault, and furnishing and installing interior process piping, valves.

IT IS FURTHER ORDERED that the proposed funding of the project as follows:

Construction	$ 1,631,400
Administrative and Legal	32,600
Engineering (geotechnical investigations)	30,000
Engineering (design)	130,500
Engineering (construction services)	81,600
Land and Right of Way	50,000
Contingencies	195,600
TOTAL	2,151,700

is hereby approved.

IT IS FURTHER ORDERED that the proposed funding of the project as recited in the binding commitment letter from the State of West Virginia, Department of Health and Human Services Bureau of Public Health for a loan of approximately $2.1 million loan at 3% interest for twenty (20) years, is hereby approved.

IT IS FURTHER ORDERED that if there is any change in the plans, scope, or terms of financing the project, the Clarksburg Water board shall request a reopening of the Certificate case for adjustments and approval.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

ARC
BFE/lfg
991742cb.wpd

991742comc041001.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 10th day of April, 2001.

CASE NO. 99-1742-W-CN [REOPENED]

CLARKSBURG WATER BOARD (petition to reopen)
Application for a certificate of
Convenience and Necessity.

COMMISSION ORDER

By Order issued September 8, 2000, the Commission granted the Clarksburg Water Board (Water Board) a certificate of convenience and necessity to construct a 2 million gallon water storage tank, estimated to cost $2,151,700. The construction would be financed by a loan from the West Virginia Department of Health and Human Services Bureau of Public Health at 3% interest for twenty years. The source of the funds would be from the Drinking Water Treatment Revolving Fund. The Commission's order required the Water Board to petition to reopen this case if there were any change in the plans, scope, or terms of financing the project.

On April 2, 2001, the Water Board filed a petition to reopen this proceeding for approval of increased financing. Construction costs are now estimated at $2,383,850, or approximately $232,150 above the original estimate. The Water Board stated that the increased funding would have no rate impact. The Water Board included a letter from its accountants representing that at least 120% debt coverage would exist after the additional loan is acquired.

On April 9, 2001, Commission Staff (Staff) filed its Initial and Final Joint Staff Memorandum on the petition to reopen. Engineering Staff explained that original and new project costs are as follows:

	Old	New
Construction	$ 1,631,400	$1,911,150
Administrative and Legal	32,600	90,000
Engineering (geotechnical investigations)	30,000	25,900
Engineering (design)	130,500	72,300
Engineering (construction services)	81,600	94,500
Land and Right of Way	50,000	40,000
Contingencies	195,600	150,000
TOTAL	$ 2,151,700	$2,383,850

Engineering Staff further explained that the increase in funding is necessary because actual construction bid prices exceeded the initial estimates. In addition, higher costs are attributable to the need for valve chamber repairs at the Broad Oaks Tank and at the Adamston Tank. The valve chamber repairs were identified during final design. The repairs are necessary to replace valves that do not operate and failure to make the repairs would prevent the new Second Street Tank from being put into service

Staff recommended that the petition to reopen be granted and the revised financing approved.

DISCUSSION

Upon consideration of the foregoing, the Commission finds that it is appropriate to reopen this proceeding and approve the revised financing in the amount of $2,383,850.

FINDINGS OF FACT

1. The Water Board seeks to reopen this proceeding for approval of increased financing in the amount of $2,383,850, which is approximately $232,150 above the original cost estimates for this project.

2. Increased financing is necessary because actual construction bid prices exceeded the initial estimates and because of the need to make valve chamber repairs at the Broad Oaks Tank and at the Adamston Tank.

3. The increased financing will have no rate impact on the Water Board's customers.

4. Staff recommends that the Commission grant the petition to reopen and approve the revised financing.

Public Service Commission
of West Virginia
Charleston

CONCLUSION OF LAW

This proceeding should be reopened for the purpose of approving the revised financing in the amount of $2,383,850.

ORDER

IT IS THEREFORE ORDERED that Clarksburg Water Board's petition to reopen this proceeding is hereby granted.

IT IS FURTHER ORDERED that revised financing in the total amount of $2,383,850, in the form of a loan from the West Virginia Department of Health and Human Services Bureau of Public Health at 3% interest for twenty years, is hereby approved.

IT IS FURTHER ORDERED that if there is any change in the plans, scope, or terms of financing the project, the Clarksburg Water board shall request a reopening of the Certificate case for adjustments and approval.

IT IS FURTHER ORDERED that, upon entry hereof, this case shall be removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon Commission Staff by hand delivery.

JML/ljm
991742cc.wpd

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
William J. Harman, PE, Vice Chairman
Grafton
Dwight Calhoun
Petersburg
William P. Stafford, II, Esquire
Princeton

300 Summers Street, Suite 980
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

April 4, 2001

Richard D. Welch, General Manager
Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301

Re: Clarksburg Water Board
Preliminary Application 97W-342

Dear Mr. Welch:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the Clarksburg Water Board's (the "Board") revised funding request regarding its updated costs for the proposed project to replace the Second Street Tank (the "Project").

Upon consideration of the request, the Infrastructure Council recommends that the Board should pursue an additional Drinking Water Treatment Revolving Fund (DWTRF) Loan of $232,150 for a total DWTRF loan of $2,383,850 Please contact the Bureau for Public Health at 558-2981 for specific information on the steps to apply for these funds.

If you have any questions regarding this matter, please contact Katy Mallory at 558-4607.

Sincerely,

James D. Williams

JDW/km

cc: Walt Ivey, BPH
Vince Collins, Steptoe & Johnson
Region VI Planning & Development Council

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Dwight Calhoun
Petersburg
William J. Harman
Grafton

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Katy Mallory, P.E.
Executive Secretary

October 6, 1999

Mr. Patsy Trecost, General Manager
Clarksburg Water Board
1001 S. Chestnut Street
Clarksburg, WV 26301

Re: Clarksburg Water Board **97W-342**
Chestnut Street Tank

Dear Mr. Trecost:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the Clarksburg Water Board's resubmitted preliminary application with regard to revised funding request. Based on the findings of the Water Technical Review Committee, the Council has determined that the project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. Please review the enclosed comments of the Water Technical Review Committee as there maybe certain issues raised in said comments that need to be addressed as the project proceeds.

Pursuant to its review of the preliminary application, the Council determined that the Clarksburg Water Board should pursue a Drinking Water Treatment Revolving Fund and/or a Water Development Authority loan in the amount of $2,151,700 to finance the project. Please contact the Bureau for Public Health at 558-2981 and the Water Development Authority at 558-3612 for specific information on the steps the Clarksburg Water Board needs to follow to apply for these loans. **Please note that this letter <u>does not</u> constitute funding approval from the Bureau for Public Health's Drinking Water Treatment Revolving Fund or the Water Development Authority.**

If you have any questions regarding this matter, please contact Katy Mallory at the above telephone number.

Sincerely,

James D. Williams

JDW/km
Enclosure
cc: Walt Ivey, P.E., BPH
Daniel B. Yonkosky

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 23rd day of April, 2001, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Clarksburg (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, in the principal amount of $2,383,850, numbered AR-1 (the "Series 2001 A Bonds"), issued as a single, fully registered Bond, and dated April 23, 2001.

2. At the time of such receipt, all the Series 2001 A Bonds had been executed by the Mayor, the City Manager and the City Clerk of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2001 A Bonds, of the sum of $186,015, being a portion of the principal amount of the Series 2001 A Bonds. The balance of the principal amount of the Series 2001 A Bonds will be advanced by the Authority and the West Virginia Bureau for Public Health to the Issuer as acquisition and construction of the Project progresses.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF CLARKSBURG

Pastor David D.A. Yates

Mayor

03/23/01
155510/00001

CL670376.2

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

Branch Banking and Trust Company,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 23rd day of April, 2001:

(1) Bond No. AR-1, constituting the entire original issue of the City of Clarksburg Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), in the principal amount of $2,383,850, dated April 23, 2001 (the "Series 2001 A Bonds"), executed by the Mayor, City Manager and City Clerk of the City of Clarksburg (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on April 5, 2001, and a Supplemental Resolution duly adopted by the Issuer on April 5, 2001 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bonds, duly certified by the City Clerk of the Issuer;

(3) Executed counterparts of a loan agreement for the Series 2001 A Bonds, dated April 11, 2001, by and between the Issuer and the West Virginia Water Development Authority, on behalf of the West Virginia Bureau for Public Health (the "Loan Agreement"); and

(4) Executed opinion of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Bonds.

You are hereby requested and authorized to deliver the Series 2001 A Bonds to the Authority upon payment to the Issuer of the sum of $186,015, representing a portion of the principal amount of the Series 2001 A Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CITY OF CLARKSBURG

Pastor David D. A. Kates

Mayor

03/23/01
155510/00001

CL670383.2

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG
WATER REVENUE BONDS,
SERIES 2001 A
(WEST VIRGINIA DWTRF PROGRAM)

No. AR-1 $2,383,850

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia in Harrison County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of TWO MILLION THREE HUNDRED EIGHTY THREE THOUSAND EIGHT HUNDRED FIFTY DOLLARS ($2,383,850), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, at the rate per annum as set forth on EXHIBIT B attached hereto.

The Administrative Fee (as defined in the hereinafter described Bond Legislation) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, as set forth on EXHIBIT B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of Branch Banking and Trust Company, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Bureau for

Public Health (the "BPH") and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority, on behalf of the BPH, dated April 11, 2001.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public waterworks system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on April 5, 2001, and a Supplemental Resolution duly adopted by the Issuer on April 5, 2001 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, DATED DECEMBER 1, 1992, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $25,500,405 (THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Gross Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2001 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Gross Revenues, the moneys in the Series 2001 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal

to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with the Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that when the Prior Bonds are no longer outstanding and so long as there exists in the Series 2001 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, the CITY OF CLARKSBURG has caused this Bond to be signed by its Mayor and City Manager, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated April 23, 2001.

[SEAL]

Mayor

City Manager

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2001 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: April 23, 2001.

BRANCH BANKING AND TRUST COMPANY,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$186,015	04/23/01	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $

Clarksburg Water Board (West Virginia)

Loan of $2,383,850
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: April 23, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	-	-	-	-
6/01/2002	24,308.00	2.000%	11,919.25	36,227.25
9/01/2002	24,430.00	2.000%	11,797.71	36,227.71
12/01/2002	24,552.00	2.000%	11,675.56	36,227.56
3/01/2003	24,675.00	2.000%	11,552.80	36,227.80
6/01/2003	24,798.00	2.000%	11,429.43	36,227.43
9/01/2003	24,922.00	2.000%	11,305.44	36,227.44
12/01/2003	25,047.00	2.000%	11,180.83	36,227.83
3/01/2004	25,172.00	2.000%	11,055.59	36,227.59
6/01/2004	25,298.00	2.000%	10,929.73	36,227.73
9/01/2004	25,424.00	2.000%	10,803.24	36,227.24
12/01/2004	25,551.00	2.000%	10,676.12	36,227.12
3/01/2005	25,679.00	2.000%	10,548.37	36,227.37
6/01/2005	25,808.00	2.000%	10,419.97	36,227.97
9/01/2005	25,937.00	2.000%	10,290.93	36,227.93
12/01/2005	26,066.00	2.000%	10,161.25	36,227.25
3/01/2006	26,197.00	2.000%	10,030.92	36,227.92
6/01/2006	26,328.00	2.000%	9,899.93	36,227.93
9/01/2006	26,459.00	2.000%	9,768.29	36,227.29
12/01/2006	26,591.00	2.000%	9,636.00	36,227.00
3/01/2007	26,724.00	2.000%	9,503.04	36,227.04
6/01/2007	26,858.00	2.000%	9,369.42	36,227.42
9/01/2007	26,992.00	2.000%	9,235.13	36,227.13
12/01/2007	27,127.00	2.000%	9,100.17	36,227.17
3/01/2008	27,263.00	2.000%	8,964.54	36,227.54
6/01/2008	27,399.00	2.000%	8,828.22	36,227.22
9/01/2008	27,536.00	2.000%	8,691.23	36,227.23
12/01/2008	27,674.00	2.000%	8,553.55	36,227.55
3/01/2009	27,812.00	2.000%	8,415.18	36,227.18
6/01/2009	27,951.00	2.000%	8,276.12	36,227.12
9/01/2009	28,091.00	2.000%	8,136.36	36,227.36
12/01/2009	28,232.00	2.000%	7,995.91	36,227.91
3/01/2010	28,373.00	2.000%	7,854.75	36,227.75
6/01/2010	28,515.00	2.000%	7,712.88	36,227.88
9/01/2010	28,657.00	2.000%	7,570.31	36,227.31
12/01/2010	28,800.00	2.000%	7,427.02	36,227.02
3/01/2011	28,944.00	2.000%	7,283.02	36,227.02
6/01/2011	29,089.00	2.000%	7,138.30	36,227.30
9/01/2011	29,235.00	2.000%	6,992.86	36,227.86
12/01/2011	29,381.00	2.000%	6,846.68	36,227.68
3/01/2012	29,528.00	2.000%	6,699.78	36,227.78
6/01/2012	29,675.00	2.000%	6,552.14	36,227.14
9/01/2012	29,824.00	2.000%	6,403.76	36,227.76
12/01/2012	29,973.00	2.000%	6,254.64	36,227.64
3/01/2013	30,123.00	2.000%	6,104.78	36,227.78

Clarksburg Water Board (West Virginia)

Loan of $2,383,850
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: April 23, 2001

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2013	30,273.00	2.000%	5,954.16	36,227.16
9/01/2013	30,425.00	2.000%	5,802.80	36,227.80
12/01/2013	30,577.00	2.000%	5,650.67	36,227.67
3/01/2014	30,730.00	2.000%	5,497.79	36,227.79
6/01/2014	30,883.00	2.000%	5,344.14	36,227.14
9/01/2014	31,038.00	2.000%	5,189.72	36,227.72
12/01/2014	31,193.00	2.000%	5,034.53	36,227.53
3/01/2015	31,349.00	2.000%	4,878.57	36,227.57
6/01/2015	31,506.00	2.000%	4,721.82	36,227.82
9/01/2015	31,663.00	2.000%	4,564.29	36,227.29
12/01/2015	31,821.00	2.000%	4,405.98	36,226.98
3/01/2016	31,981.00	2.000%	4,246.87	36,227.87
6/01/2016	32,141.00	2.000%	4,086.97	36,227.97
9/01/2016	32,301.00	2.000%	3,926.26	36,227.26
12/01/2016	32,463.00	2.000%	3,764.76	36,227.76
3/01/2017	32,625.00	2.000%	3,602.44	36,227.44
6/01/2017	32,788.00	2.000%	3,439.32	36,227.32
9/01/2017	32,952.00	2.000%	3,275.38	36,227.38
12/01/2017	33,117.00	2.000%	3,110.62	36,227.62
3/01/2018	33,282.00	2.000%	2,945.03	36,227.03
6/01/2018	33,449.00	2.000%	2,778.62	36,227.62
9/01/2018	33,616.00	2.000%	2,611.38	36,227.38
12/01/2018	33,784.00	2.000%	2,443.30	36,227.30
3/01/2019	33,953.00	2.000%	2,274.38	36,227.38
6/01/2019	34,123.00	2.000%	2,104.61	36,227.61
9/01/2019	34,293.00	2.000%	1,934.00	36,227.00
12/01/2019	34,465.00	2.000%	1,762.53	36,227.53
3/01/2020	34,637.00	2.000%	1,590.21	36,227.21
6/01/2020	34,810.00	2.000%	1,417.02	36,227.02
9/01/2020	34,984.00	2.000%	1,242.97	36,226.97
12/01/2020	35,159.00	2.000%	1,068.05	36,227.05
3/01/2021	35,335.00	2.000%	892.26	36,227.26
6/01/2021	35,512.00	2.000%	715.58	36,227.58
9/01/2021	35,689.00	2.000%	538.02	36,227.02
12/01/2021	35,868.00	2.000%	359.58	36,227.58
3/01/2022	36,047.00	2.000%	180.24	36,227.24
Total	**2,383,850.00**	**-**	**514,346.02**	**2,898,196.02** *

*Plus $3,214.66 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $257,172.80.

(Form of)

ASSIGNMENT

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said Issuer with full power of substitution in the premises.

Dated: _____, _____.

_____

In the presence of:

_____

[RESERVED]

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW
Clarksburg Charleston Morgantown Martinsburg Wheeling Parkersburg

Bank One Center, Sixth Floor
P.O. Box 2190
Clarksburg, WV 26302-2190
(304) 624-8000 (304) 624-8183 Fax
www.steptoelaw.com

Writer's Contact Information

April 23, 2001

City of Clarksburg
Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

City of Clarksburg
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Clarksburg (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $2,383,850 Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement dated April 11, 2001, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, with interest at the rate of 2% per annum, and with principal installments and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2002, and ending March 1, 2022, all as set forth in the"Schedule Y"attached to the Loan Agreement and incorporated in and made a part of the Bonds.

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 8, Article 19 and Chapter 16,

TERRALEX
Member of the Worldwide Network of Independent Law Firms℠

Article 13C of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the Issuer; and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and the Bond Ordinance duly enacted by the Issuer on April 5, 2001, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 5, 2001 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

Based upon the foregoing, and upon our examination of such other documents as we have deemed necessary, we are of the opinion, under existing law, as follows:

1. The Issuer is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the BPH and cannot be amended by the Issuer so as to affect adversely the rights of the Authority or the BPH or diminish the obligations of the Issuer without the written consent of the Authority and the BPH.

3. The Bond Legislation and all other necessary ordinances, orders and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 1, 1992, issued in the original aggregate principal amount of $25,500,405, all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality or county commission, political subdivision or agency thereof,

and the interest on the Bonds is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

6. The Bonds have not been issued on the basis that the interest thereon is or will be excluded from the gross income of the owners thereof for federal income tax purposes. We express no opinion regarding the excludability of such interest from the gross income of the owners thereof for federal income tax purposes or other federal tax consequences arising with respect to the Bonds.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion and the application of equitable remedies in appropriate cases.

We have examined the executed and authenticated Bond numbered AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

04/09/01
155510/00001

LAW OFFICES OF
YOUNG MORGAN & CANN, PLLC
SUITE ONE, SCHROATH BUILDING
229 WASHINGTON AVE.
CLARKSBURG, WEST VIRGINIA 26301
(304) 624-5687
FAX (304) 624-4006

ROGER J. MORGAN
CARMINE J. CANN
JAMES V. CANN
GREGORY A. MORGAN

JAMES CANN (1970)
LLOYD H. YOUNG (1978)

April 23, 2001

City of Clarksburg
Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

City of Clarksburg
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Clarksburg, in Harrison County, West Virginia (the "Issuer"). As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement dated April 11, 2001, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Ordinance duly enacted by the Issuer on April 5, 2001, as supplemented by the Supplemental Resolution duly adopted by the Issuer on April 5, 2001 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System and to enact the Bond

Legislation, all under the Act and other applicable provisions of law, and the Mayor, City Manager, City Clerk and members of the council of the Issuer and the Clarksburg Water Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and is in full force and effect.

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer enforceable in accordance with its terms.

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation 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 of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. To the best of our knowledge, there is no litigation, 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 Bonds, the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefor.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

YOUNG MORGAN & CANN, PLLC

By _____
Gregory A. Morgan

GAM/slk
96-3827.207
G:\DOC\CITY\WATRREV.BND\OPINION.LTR

CLARKSBURG WATER BOARD

A Municipal Corporation Serving Clarksburg Since 1887

RICHARD D. WELCH
GENERAL MANAGER

DAN L. ADKINS
DIRECTOR OF FINANCE

MEMBERS OF THE BOARD
PAT D'ANSELMI
CHARLES O. THAYER III
RUSSELL J. LOPEZ JR.

JOHN L. DEPOLO
GENERAL COUNSEL
210 GOFF BUILDING
CLARKSBURG, WV 26301

April 23, 2001

City of Clarksburg
Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

City of Clarksburg
Clarksburg, West Virginia

Clarksburg Water Board
Clarksburg, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Bureau for Public Health
Charleston, West Virginia

Steptoe & Johnson PLLC
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to the Clarksburg Water Board (the "Board"), a municipal water board existing under Section 25 of the Charter (the "Charter") of the City of Clarksburg, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, the opinion of Young Morgan & Cann PLLC, as counsel to the Issuer, a loan agreement dated April 11, 2001, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), the Bond Ordinance duly enacted by the Issuer on April 5, 2001, as supplemented by the Supplemental Resolution duly adopted by the Issuer on April 5, 2001, and the approving Resolution adopted by the Board on February 13, 2001 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

1. The Board is an independent board of the Issuer, duly established and validly existing under the laws of the State of West Virginia pursuant to the Charter, and the members and officers of the Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Board in their respective capacities.

2. The Bond Legislation has been duly adopted and enacted by the Issuer and the Board and is in full force and effect.

3. The Loan Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the Authority, constitutes a valid and binding agreement of the Issuer and the Board enforceable in accordance with its terms.

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation 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 or the Board, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer or the Board is a party or any existing law, regulation, court order or consent decree to which the Issuer or the Board is subject.

5. The Board has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the BPH, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges and the receipt of the orders of the Public Service Commission of West Virginia entered May 12, 2000, and June 15, 2000 (denying petition for reconsideration) in Case No. 99-1570-W-MA, modifying the rates set forth in such rate ordinance. The time for appeal of such Orders has expired prior to the date hereof without any appeal. The Issuer and the Board have received the Commission Orders of the Public Service Commission of West Virginia entered on September 8, 2000, and April 10, 2001, in Case No. 99-1742-W-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order entered September 8, 2000, has expired, but the Order entered April 10, 2001, has not. However, the parties to such Order have stated that they will not appeal such Order and such Order is not subject to appeal by anyone not a party thereto.

6. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or in any way questioning or affecting the existence of the Board, the organization of the Board, or the titles of the officers and members of the Board to their respective offices, or contesting the powers or authority of the Board or the Issuer, wherein an unfavorable decision, ruling or finding would adversely affect the

transactions contemplated by the Bonds, the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefor.

7. Certain properties necessary for the Project are to be acquired by eminent domain. I have made the necessary filings with the Office of the Clerk of the Circuit Court of Harrison County, West Virginia, to obtain rights-of-entry for the Issuer upon such properties, and the Issuer has obtained a right-of-entry for each of such properties.

8. All successful bidders have made the required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

All counsel to this transaction may rely upon this opinion as if specifically addressed to them.

Very truly yours,

JOHN L. DEPOLO, ESQUIRE

LAW OFFICES
WATERS, WARNER & HARRIS, PLLC

BOYD L. WARNER
JAMES A. HARRIS
SCOTT E. WILSON
JAMES C. TURNER
G. THOMAS SMITH
D. ANDREW McMUNN
DAVID C. GLOVER
SUSAN W. GIFFORD

OF COUNSEL
STUART R. WATERS

701 GOFF BUILDING
P. O. BOX 1716
CLARKSBURG, WEST VIRGINIA 26302-1716

TELEPHONE (304) 624-5571
TELECOPIER (304) 624-7228
E-MAIL wwh.atty@citynet.net

April 23, 2001

City of Clarksburg
222 West Main Street
Clarksburg, West Virginia 26301

Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301

West Virginia Bureau for Public Health
Office of Environmental Health Services
815 Quarrier Street, Suite 418
Charleston, West Virginia 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, West Virginia 25311

Steptoe & Johnson
P. O. Box 2190
Clarksburg, West Virginia 26302

Re: Title Opinion for Clarksburg Water Board

Ladies and Gentlemen:

This firm has performed an examination of title for the Clarksburg Water Board (the "Board") with regard to the site for a new two million gallon water storage tank (the "Project") situate in the City of Clarksburg, Harrison County, West Virginia, and provides this title opinion on behalf of the Board to satisfy the requirements of the West Virginia Bureau For Public Health (the "BPH") for the Project. Please be advised of the following:

1. We have investigated and ascertained the location of, and are familiar with the legal description of, the site (the "site") which contains 2.14 acres, more or less, and the

easements and/or rights of way required for the Project as set forth in the plans for the project prepared by Gannett Fleming, the consulting engineers for the Project.

2. We have examined the indices to the public records in the Office of the Clerk of the County Commission of Harrison County, West Virginia, the county in which the Project is to be located, pertaining to the site and the easements and/or rights-of-way required for the Project, and, in our opinion, the Board has acquired legal title or such other estate or interest in the site for the Project and all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those which are the subject of the eminent domain proceedings listed in the following paragraph 3, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

3. The properties which are the subject of the following listed eminent domain proceedings are necessary for the Project. We understand that said properties are to be acquired by eminent domain. We have been advised by John L. DePolo, counsel to the Board, that all necessary filings have been made in the Office of the Clerk of the Circuit Court of Harrison County, West Virginia, to obtain rights-of-entry for the Board upon said properties for the purpose of construction, operation and maintenance of the Project. We are not aware of the status of the eminent domain proceedings. If the Board has obtained rights-of-entry in the proceedings, the Board's title thereto is nevertheless defeasible in the event the Board does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties. Therefore, our certification is subject to the following pending eminent domain proceedings:

(a) CLARKSBURG WATER BOARD, a municipal corporation, v. MARY SUTTON BASKERVILLE, HARRIET SUTTON HIELD, ELIZABETH SUTTON MACMILLAN, HUGH JARVIS, ELIZABETH J. MIDDLETON, BB&T, successor by merger to ONE VALLEY BANK, N.A., AS TRUSTEE FOR THE LOYALTY PERMANENT ENDOWMENT FUND OF THE WEST VIRGINIA UNIVERSITY ALUMNI ASSOCIATION, INC., UNKNOWN HEIRS OF LEMEUL D. JARVIS, JOYCE PROPERTIES, INC., a West Virginia corporation, HOPE GAS, INC., C&P TELEPHONE, MONONGAHELA POWER, PETROLEUM DEVELOPMENT CORPORATION, UNKNOWN OWNERS, LIENHOLDERS, AND CLAIMANTS, AND WAYNE GODWIN, SHERIFF OF HARRISON COUNTY, Harrison County Circuit Court, Civil Action No. 00-C-572-1; and

(b) CLARKSBURG WATER BOARD, a municipal corporation, v. MICHAEL T. ANGOTTI, JANET E. COGAR, MARY SUTTON

BASKERVILLE, HARRIET SUTTON HIELD, ELIZABETH SUTTON MACMILLAN, HUGH JARVIS, ELIZABETH J. MIDDLETON, BB&T, successor by merger to ONE VALLEY BANK, N.A., AS TRUSTEE FOR THE LOYALTY PERMANENT ENDOWMENT FUND OF THE WEST VIRGINIA UNIVERSITY ALUMNI ASSOCIATION, INC., UNKNOWN HEIRS OF LEMEUL D. JARVIS, JOYCE PROPERTIES, INC., a West Virginia corporation, HOPE GAS, INC., C&P TELEPHONE, MONONGAHELA POWER, CONSOLIDATED GAS SUPPLE CORPORATION, EQUITABLE GAS COMPANY, UNKNOWN OWNERS, LIENHOLDERS, AND CLAIMANTS, AND WAYNE GODWIN, SHERIFF OF HARRISON COUNTY, Harrison County Circuit Court, Civil Action No. 00-C-571-1

4. The only deed which has been acquired to date by the Board has been duly recorded in the Office of the Clerk of the County Commission of Harrison County to protect the legal title to and interest of the Board. A copy of that deed is enclosed with this opinion.

If you have any questions regarding any of the information contained in this final title opinion, or need anything further, please do not hesitate to let me know.

Very truly yours,

James A. Harris

James A. Harris

BOOK 1324 PAGE 539

THIS DEED, Made this 4th day of October, 2000, by and between LYONS/SOUTH L.L.C., a West Virginia limited liability company, party of the first part, hereinafter referred to as "Grantor", and CLARKSBURG WATER BOARD, a municipal corporation, party of the second part, hereinafter referred to as "Grantee".

WITNESSETH: That for and in consideration of the sum of One Dollar ($1.00), cash in hand paid, and other valuable consideration, the receipt of which is hereby acknowledged, Grantor hereby grants and conveys unto Grantee with covenants of special warranty, all of the coal owned by Grantor within and underlying that certain tract or parcel of land lying and being situate on Lowndes Hill west of the Second Street Extension of the City of Clarksburg, Clark District, Harrison County, West Virginia, more particularly described as follows:

> Beginning at a railroad spike (found) on the southern right-of-way of Second Street Extension, 20.00 feet from centerline, corner to Joyce Properties, Inc., Deed Book 978 Pages 616 and 617, from which a 3/4 inch rebar, being the southeast corner to Michael T. Angotti, Deed Book 1227 Page 1136, bears N 66° 20' 00" W 67.38 feet thence with the southern right-of- way of said street and a curve to the left having a radius of 72.55 feet and a central angle of 34° 16' 42" and a chord bearing and distance of N 75° 07' 18" E 42.76 feet to a 5/8 inch rebar (set) corner to the City of Clarksburg, Deed Book 891 Page 421, thence with said city, S 48° 26' 47" E 320.00 feet to a 5/8 inch rebar corner (set) on the property line of said city, from which a concrete monument in a fence intersection bears S 48° 26' 27" E 143.07 feet, thence through the lands of Harriet Jarvis, et al for two lines, S 41° 33' 13" W 267.30 feet to a 5/8 inch rebar corner (set), thence, N 65° 00' 06" W 260.57 feet to a 5/8 inch rebar corner (set) on the property line of said Joyce Properties, from which a 5/8 inch rebar corner to said Joyce Properties bears S 24° 29' 37" W 27.61 feet, thence with said Joyce Properties, N 24° 29' 38" E 320.00 feet to the place of beginning, containing 2.140 acres more or less, as determined by a survey conducted in November 1999, by MSES Consultants, Inc. and as shown on a plat prepared by Hershel D. Ward, Professional Surveyor, a copy of which is attached hereto and made a part hereof by reference.

Said coal hereby conveyed is a part of the same conveyed to Grantor, in the name Lyonsouth, LLC, by One Valley Bank, Inc., a West Virginia banking corporation, by deed dated July 30, 1999, of record in the office of the Clerk of the County Commission of said County and State in Deed Book No. 1321, page 355.

This conveyance is made subject to all exceptions, reservations, restrictions, conditions, easements and rights of way of record insofar as the same are valid and in effect.

The undersigned Grantor hereby declares that the total consideration paid for the property herein conveyed is $1,000.00.

10/6/2000
W W+H

WITNESS the following signature and seal:

LYONS/SOUTH L.L.C.

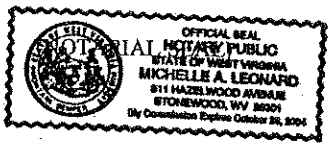
BOOK 1324 PAGE 540

By James L. Lyons
Its Member

STATE OF WEST VIRGINIA)
(TO-WIT:
COUNTY OF HARRISON)

The foregoing instrument was acknowledged before me this 4th day of October, 2000, by James L. Lyons, sole Member of Lyons/South L.L.C., a West Virginia limited liability company, on behalf of the company.

Michelle A. Leonard
Notary Public

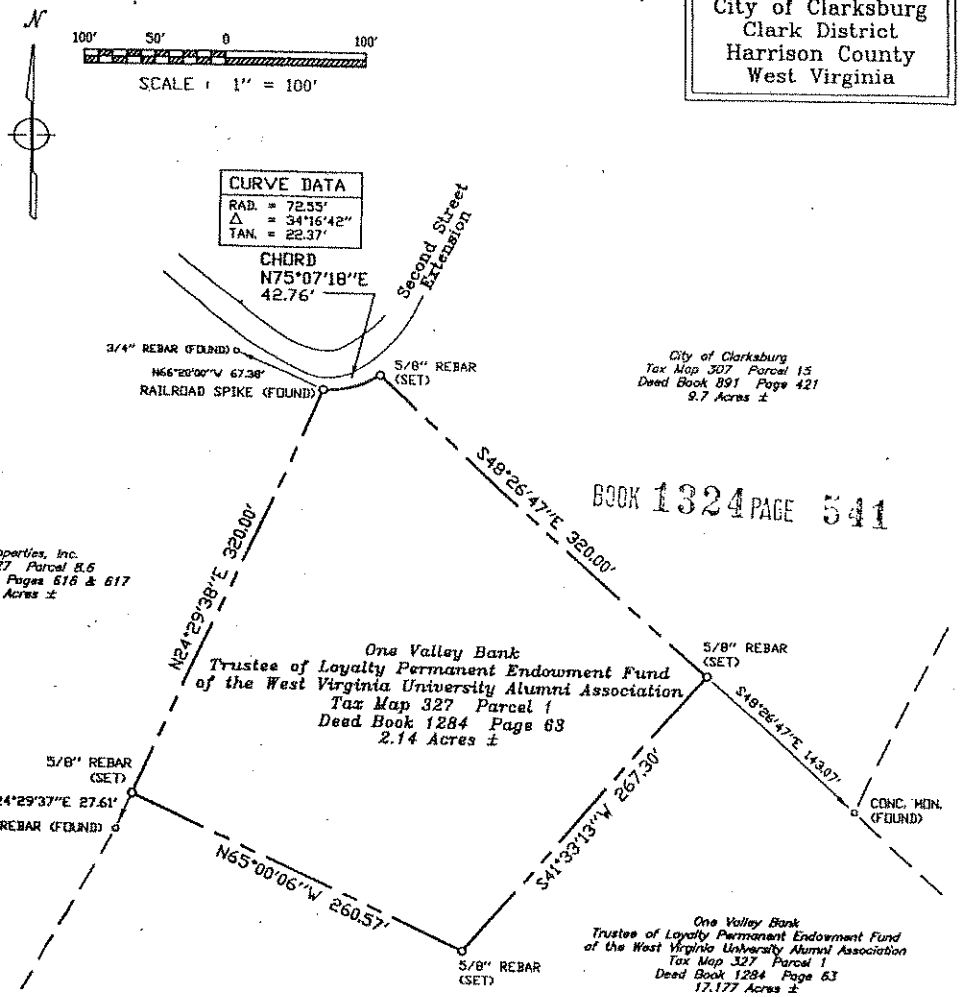


My commission expires: October 26, 2004

This instrument was prepared by:

James A. Harris
WATERS, WARNER & HARRIS, PLLC
701 Goff Building
P. O. Box 1716
Clarksburg, West Virginia 26302-1716
(304) 624-5571

City of Clarksburg
Clark District
Harrison County
West Virginia



BOOK 1324 PAGE 541

HERSHEL D. WARD
LICENSED
No. 995
STATE OF
WEST VIRGINIA
PROFESSIONAL SURVEYOR

SURVEYED BY MSES CONSULTANTS, INC.
NOVEMBER 1999.

Hershel D. Ward

HERSHEL D. WARD, P.S. 995
MSES CONSULTANTS, INC.
609 WEST MAIN STREET, BLDG. 2
P. O. DRAWER 190
CLARKSBURG, WV 26302-0190
(304) 624-9700

MSES PROJECT NO. 99-86
CAD FILE NO. 99-86-2 / DISK 1340
DRAWN BY : SARC 12/8/99

Plat of Survey
for
The Clarksburg Water Board

HARRISON COUNTY, WV
FILED
October 05, 2000 09:40:15

SYLVIA BASILE
COUNTY CLERK
TRANSACTION NO: 2000019059
Transfer Tax: $4.40

DEED BOOK
Book: 01324 Page: 00539
Line: 00001

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. CERTIFICATION OF COPIES OF DOCUMENTS
6. INCUMBENCY AND OFFICIAL NAME
7. LAND AND RIGHTS-OF-WAY
8. MEETINGS, ETC.
9. CONTRACTORS' INSURANCE, ETC.
10. LOAN AGREEMENT
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDERS
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR, CITY MANAGER and CITY CLERK of the City of Clarksburg in Harrison County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the Issuer, hereby certify in connection with the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated the date hereof (the "Bonds" or the "Series 2001 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted April 5, 2001, and the Supplemental Resolution duly adopted April 5, 2001 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Gross Revenues as security for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals, permits, exemptions, consents, authorizations, registrations and certificates required by law for the acquisition and construction of the Project, the operation of the System, the imposition of rates and charges, and the issuance of the Bonds have been duly and timely obtained and remain in full force and effect. Competitive bids for the acquisition and construction of the Project have been solicited in accordance with Chapter 5, Article 22, Section 1 of the West Virginia Code of 1931, as amended, which bids remain in full force and effect.

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the Loan Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There is an outstanding obligation of the Issuer which will rank on a parity with the Series 2001 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992 (the "Prior Bonds"), dated December 1, 1992, issued in the original aggregate principal amount of $25,500,405, pursuant to an ordinance of the Issuer enacted December 17, 1992 (the "Prior Ordinance").

The Series 2001 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met. 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.

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be

copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

City Charter, with Amendments

Oaths of Office of Current Officers and Council members

Clarksburg Water Board Charter

Oaths of Office of Clarksburg Water Board Members

Authorizing Resolution of Board

Water Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinance

Affidavit of Publication of Rate Ordinance and Notice of Public Hearing

Public Service Commission Orders on Rates and CPA Certification

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Supplemental Resolution

Affidavit of Publication of Abstract of Bond Ordinance and Notice of Public Hearing

1992 Bond Ordinance and Supplemental Resolution

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Clarksburg." The Issuer is a municipal corporation in Harrison County and is presently existing under the laws of, and a political subdivision of, the State

of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and 6 council members, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Pastor David D.A. Kates	-	Mayor	July 1, 1999	June 30, 2003
Kathryn V. Folio	-	Councilmember	July 1, 1997	June 30, 2001
James C. Hunt	-	Councilmember	July 1, 1997	June 30, 2001
Sam "Zeke" Lopez	-	Councilmember	July 1, 1997	June 30, 2001
Terry J. Greaver	-	Councilmember	July 1, 1997	June 30, 2001
Margaret Ann Bailey	-	Councilmember	July 1, 1999	June 30, 2003
Rebecca Lake	-	Councilmember	July 1, 1999	June 30, 2003

The names of the duly elected or appointed, qualified and acting members of the Clarksburg Water Board of the Issuer are as follows:

President	-	Patricia D'Anselmi
Member	-	Charles O. Thayer, III
Member	-	Russell J. Lopez, Jr.

The duly appointed and acting City Manager of the Issuer is Thomas Vidovich. The duly appointed and acting City Clerk of the Issuer is Annette M. Wright. The duly appointed and acting Counsel to the Issuer is Young Morgan and Cann PLLC, in Clarksburg, West Virginia. The duly appointed and acting Counsel to the Clarksburg Water Board is John L. DePolo in Clarksburg, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or can and will be acquired by purchase, or, if necessary, by condemnation by the Issuer and are adequate for such purposes and are not or will not be subject to any liens, encumbrances, reservations or exceptions which would adversely affect or interfere in any way with the use thereof for such purposes. The costs thereof, including costs of any properties which may have to be acquired by condemnation, are, in the opinion of all the undersigned, within the ability of the Issuer to pay for the same without jeopardizing the security of or payments on the Bonds.

8. MEETINGS, ETC.: 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 and the acquisition, construction and financing of the Project or the

operation of the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body 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.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation and Loan Agreements is in full force and effect.

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Loan Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Loan Agreement not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. RATES: The Issuer has duly enacted a water rate ordinance on September 28, 1999, setting rates and charges for the services of the System. The Issuer has received the orders of the Public Service Commission of West Virginia entered May 12, 2000 and June 15, 2000 (denying petition for reconsideration), in Case No. 99-1570-W-MA, modifying the rates set forth in such rate ordinance. The time for appeal of such orders has expired prior to the date hereof without any appeal, and such rates are currently effective. The Issuer's certified public accountant has provided the Public Service Commission of West Virginia with the written certification required under the order.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor and City Manager did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond, dated the date hereof, by their manual signatures, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received $186,015 from the Authority and the BPH, being a portion of the principal amount of the Series 2001 A Bonds. The balance of the principal amount of the Series 2001 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. 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 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Clarksburg Exponent* and the *Clarksburg Telegram*, two qualified newspapers published and of general circulation in the City of Clarksburg, 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 such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 5th day of April, 2001, at 7:30 p.m., at the Council Chambers in Clarksburg City Hall 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.

15. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received the Commission Orders entered on September 8, 2000, and April 10, 2001, in Case No. 99-1742-W-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order entered September 8, 2000, has expired, but the Order entered April 10, 2001, has not. However, the parties to such order have stated that they will not appeal such Order and such Order is not subject to appeal by anyone not a party thereto. The Issuer hereby certifies that it will not appeal such Order.

16. SPECIMEN BOND: Delivered concurrently herewith is a true and accurate specimen of the Bonds.

17. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the 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 or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, 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.

18. EXECUTION OF COUNTERPARTS: This document may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute but one and the same document.

WITNESS our signatures and the official seal of the CITY OF CLARKSBURG on this 23rd day of April, 2001.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Pastor David D.A. Kates	Mayor
	City Manager
Annette M. Wright	City Clerk
	Counsel to the Issuer

03/23/01
155510/00001

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

CERTIFICATE OF ENGINEER

I, Michael D. Hritz, Registered Professional Engineer, West Virginia License No. 14145, of Gannet Fleming, Inc., in Morgantown, West Virginia, hereby certify as follows:

1. My firm is engineer for the planning, design and construction of certain additions, betterments and improvements (the "Project") to the existing public waterworks facilities (the "System") of the City of Clarksburg (the "Issuer"), to be constructed in Harrison County, West Virginia, which planning, design and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on April 5, 2001, as supplemented by the Supplemental Resolution adopted by the Issuer on April 5, 2001, and the Loan Agreement by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), on behalf of the West Virginia Bureau for Public Health (the "BPH"), dated April 11, 2001 (the "Loan Agreement").

2. The Bonds are being issued (i) to pay the costs of acquisition and construction of the Project; and (ii) to pay certain costs of issuance and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the BPH and any change orders approved by the Issuer, the BPH and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 25 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule B attached hereto as Exhibit A and the Board's counsel, John L. DePolo, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received

any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the BPH and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States, with the exception of the Erosion and Sedimentation Control Permit which will be obtained by the applicable contractor from the West Fork Soil Conservation District, necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of Tetrick & Bartlett, PLLC, the Issuer's certified public accountant, of even date herewith, as of the effective date thereof, the rates and charges for the System will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the BPH; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 23rd day of April, 2001.

(SEAL)

MICHAEL D. HRITZ
REGISTERED
No.
14145
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

GANNET FLEMING, INC.

Michael D. Hritz, P.E.
West Virginia License No. 14145

04/18/01
155510/00001

WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL

SCHEDULE B

SECOND STREET TANK PROJECT
Construction of a 2.0 Mgal Concrete Water Storage Tank

FINAL TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project	Total	DWTRF	CWB
1. Construction			
a. Second Street Tank Construction	$1,911,150.00	$1,911,150.00	
b.			
c.			
d.			
2. Engineering Fees	$192,700.00	$192,700.00	
3. Legal	$40,000.00	$40,000.00	
4. Administration	$20,000.00	$20,000.00	
5. Sites and Other Lands	$40,000.00	$40,000.00	
6. Contingency	$150,000.00	$150,000.00	
7. Total of Lines 1 through 6	$2,353,850.00	$2,353,850.00	
B. Sources of Funds			
8. Local	$0.00	$0.00	
9. Net Proceeds Required from Bond Issue (Line 7 minus Line 8)			
C. Cost of Financing			
10. Other Costs			
a. Bond Counsel	$25,000.00	$25,000.00	
b. Accountant	$5,000.00	$5,000.00	
11. Total Cost of Financing (Lines 10a and 10b)	$30,000.00	$30,000.00	
12. Size of Bond Issue (Line 9 plus Line 11)	$2,383,850	$2,383,850	

GOVERNMENTAL AGENCY

DATE: 3-22-01

CONSULTING ENGINEER

DATE: 3/20/01

MICHAEL D. HRITZ
REGISTERED
No.
14145
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants
122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • E-mail: TB@tetrickbartlett.com

April 23, 2001

City of Clarksburg
Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

City of Clarksburg
Clarksburg, West Virginia

West Virginia Water
Development Authority
Charleston, West Virginia

West Virginia Bureau for
Public Health
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the Final Order of the Public Service Commission of West Virginia entered May 12, 2000, and Order entered June 15, 2000 (denying petition for reconsideration), in Case No. 99-1570-W-MA, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Gannett Fleming, Inc., the consulting engineers for the City of Clarksburg (the "Issuer"), it is our opinion that such rates and charges will be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the maximum annual debt service on the Issuer's Waterworks Improvement and Refunding Revenue Bonds, Series 1992, dated December 30, 1992 (the "Prior Bonds") and Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program) (the "Series 2001 A Bonds") in any fiscal year; and (ii) the amount deposited in the Reserve Account for the Prior Bonds in order to satisfy the Reserve Account Requirement for the Prior Bonds within a period of not more than 12 months.

It is further our opinion that the Net Revenues actually derived from the waterworks system of the Issuer (the "System") during the fiscal year preceding the date of the actual issuance of the Series 2001 A Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of the Series 2001 A Bonds will not be less than 120% of the maximum annual debt service on the Prior Bonds and the Series 2001 A Bonds.

Respectfully,

Tetrick & Bartlett, PLLC

Tetrick & Bartlett, PLLC

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Clarksburg in Harrison County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $2,383,850 Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), of the Issuer, dated April 11, 2001 (the "Bonds" or the "Series 2001 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on April 5, 2001, as supplemented (the "Bond Ordinance"), authorizing the Bonds.

2. This certificate may be relied upon as the certificate of the Issuer.

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on April 11, 2001, the date on which the Bonds are being physically delivered in exchange for an initial advance of $186,015, being a portion of the principal amount of the Series 2001 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

4. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that it shall not take, or permit or suffer to be taken, any action with respect to Issuer's use of the proceeds of the Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"), issued by the West Virginia Water Development Authority (the "Authority") or the West Virginia Bureau for Public Health (the "BPH"), as the case may be, from which the proceeds of the Bonds are derived, to lose their status as tax-exempt bonds. The Issuer hereby covenants to take all actions necessary to comply with such covenant.

5. The Series 2001 A Bonds were sold on April 11, 2001, to the Authority, pursuant to a loan agreement dated April 11, 2001, by and between the Issuer and the Authority, on behalf of the BPH, for an aggregate purchase price of $2,383,850 (100% of par), at which time, the Issuer received $186,015 from the Authority and the BPH, being the first advance of the principal amount of the Series 2001 A Bonds. No accrued interest has been or will be paid on the Series 2001 A Bonds. The balance of the principal amount of the Series 2001 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2001 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks facilities of the Issuer (the "Project"); and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2001 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 1, 2002. The acquisition and construction of the Project is expected to be completed by January 1, 2002.

8. The total cost of the Project financed from the proceeds of the Bonds (including all costs of issuance of the Bonds) is estimated at $2,383,850. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2001 A Bonds	$2,383,850.00
Issuer's Funds	$ -0-
Total Sources	$2,383,850.00

USES

Costs of Acquisition and Construction of the Project	$2,353,850.00
Fund Series 2001 A Bonds Reserve Account	$-0-
Costs of Issuance	$30,000.00
Total Uses	$2,383,850.00

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2001 A Bonds:

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Operation and Maintenance Fund;

(4) Series 2001 A Bonds Construction Trust Fund;

(5) Series 2001 A Bonds Sinking Fund; and

(6) Within the Series 2001 A Bonds Sinking Fund, the Series 2001 A Bonds Reserve Account.

10. Pursuant to Article VI of the Bond Resolution, the proceeds of the Bonds will be deposited as follows:

(1) Series 2001 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2001 A Bonds Reserve Account.

(2) The balance of the proceeds of the Series 2001 A Bonds will be deposited in the Series 2001 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2001 A Bonds and related costs.

11. Moneys held in the Series 2001 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2001 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2001 A Bonds Sinking Fund and Series 2001 A Bonds Reserve Account will be withdrawn therefrom and deposited into the Series 2001 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited,

not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 9 months of the date hereof.

13. The Issuer will take such steps as requested by the Authority to ensure that the Authority's bonds meet the requirements of the Code.

14. With the exception of the amount deposited in the Series 2001 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

15. The Issuer does not expect to sell or otherwise dispose of the Project in whole or in part prior to the last maturity date of the Bonds.

16. The amount designated as costs of issuance of the Bonds consists only of costs which are directly related to and necessary for the issuance of the Bonds.

17. All property financed with the proceeds of the Bonds will be owned and held by (or on behalf of) a qualified governmental unit.

18. No proceeds of the Bonds will be used, directly or indirectly, in any trade or business carried on by any person who is not a governmental unit.

19. The original proceeds of the Bonds will not exceed the amount necessary for the purposes of the issue.

20. The Issuer shall use the Bond proceeds solely for the costs of the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the Issuer.

21. The Bonds are not federally guaranteed.

22. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Bonds if such amendment is necessary to assure that the Bonds remain governmental bonds.

23. The Issuer has either (a) funded the Series 2001 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2001 A Bonds Reserve Account which will be funded with equal

payments made on a monthly basis over a 10-year period until such Series 2001 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2001 A Bonds Reserve Account and the Series 2001 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

24. There are no other obligations of the Issuer which (a) are to be issued at substantially the same time as the Bonds, (b) are to be sold pursuant to a common plan of financing together with the Bonds and (c) will be paid out of substantially the same sources of funds of funds or will have substantially the same claim to be paid out of substantially the same sources of funds as the Bonds.

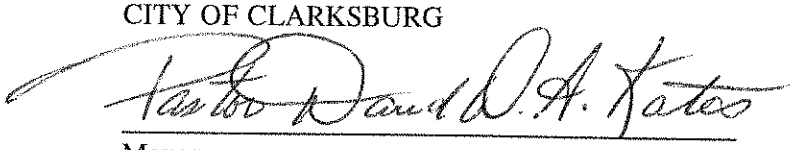
25. To the best of my knowledge, information and belief, there are no other facts, estimates and circumstances which would materially change the expectations herein expressed.

26. The Issuer will comply with instructions as may be provided by the Authority, at any time, regarding use and investment of proceeds of the Bonds, rebates and rebate calculations.

27. To the best of my knowledge, information and belief, the foregoing expectations are reasonable.

WITNESS my signature on this 23rd day of April, 2001.

CITY OF CLARKSBURG



Mayor

04/17/01
155510/00001

CHARTER

OF THE CITY OF

CLARKSBURG, WEST VIRGINIA

TABLE OF CONTENTS

EDITOR'S NOTE: The Clarksburg Charter was approved by the voters on February 14, 1957.

Section 1. Incorporation.
Section 2. Succession.
Section 3. Form of Government.
Section 4. Powers of City.
Section 5. The Council; Qualifications, Term of Office, and Salary of Members; Selection of Mayor; Vacancies. (6-1-93)
Section 6. Meetings of Council; Rules of Procedure; Journal.
Section 7. Powers of The Council; Appointment and Tenure of City Manager.
Section 8. Powers and Duties of City Manager.
Section 9. City Clerk.
Section 10. Police Court and Judge; Jurisdiction; Practice and Procedure.
Section 11. City Attorney.
Section 12. Administrative Offices and Departments.
Section 13. Chief of Police.
Section 14. Chief of Fire Department.
Section 15. Director of Public Works.
Section 16. Director of Finance.
Section 17. Budget and Budget Message; Public Hearing; Adoption and Revision. (6-1-93)
Section 18. Bonds of Officers and Employees; Audits and Accounts.
Section 19. Board of Park Commissioners; Superintendent of Parks and Recreation.
Section 20. Board of Directors of Public Library. (7-21-83)
Section 21. City Planning Commission; Zoning Commission and Board of Adjustment.
Section 22. Public Health Unit.
Section 23. Sanitary Board.
Section 24. Parking Authority.
Section 25. The Water Board; Continuance; Qualifications, Term of Office, and Salary of Members; Selection of President; Vacancies.
Section 26. Meetings of the Water Board; Rules of Procedure; Journal.

Section 27. General Powers of the Water Board.
Section 28. Appointment and Tenure of General Manager of the Water Department.
Section 29. Powers and Duties of General Manager of the Water Department.
Section 30. Employment of Counsel by Water Board; Audits and Accounts.
Section 31. Application of Funds of Water Board.
Section 32. Contracts and Purchases. (2-18-82)
Section 33. Status of Existing Officers and Employees.
Section 34. Discriminatory Practices Prohibited.
Section 35. Social Security.
Section 36. Oath of Office.
Section 37. Elections. (6-1-93)
Section 38. Candidates for Clarksburg City Council or Clarksburg Water Board; Filing Fee; Filing Date. (6-1-93)
Section 39. Form of Certificate of Announcement; Blank Forms to be Furnished by City Clerk. (6-1-93)
Section 40. Effect of Charter on Existing Ordinances and Administrative Rules and Regulations.
Section 41. Reference to General Law.
Section 42. Meetings and Other Acts or Legal Holidays.
Section 43. Separability.
Section 44. Effective Date of Charter.

CHARTER

OF THE CITY OF

CLARKSBURG, WEST VIRGINIA

SECTION 1. INCORPORATION.

The inhabitants of the City of Clarksburg, Harrison County, West Virginia, within the corporate limits thereof as now established or as may hereafter be established in the manner provided by law, shall be and continue in perpetuity to be a municipal body politic and corporate, under the name of the "City of Clarksburg," with all the powers of self-government granted by the constitution and laws of the state.

SECTION 2. SUCCESSION.

The City of Clarksburg, as successor in interest of the present municipal corporation of the same name, shall succeed to, own, possess and enjoy all the property and all the rights, titles and interest of every kind and nature vested in or belonging to such municipal corporation at the time this charter becomes effective, shall be subject to all existing liabilities, shall be bound by and through the appropriate agency shall pay all existing debts, and shall faithfully perform all present duties and discharge all present obligations of such corporation.

SECTION 3. FORM OF GOVERNMENT.

There is established by this Charter the council-manager form of municipal government, as prescribed in sections five and five-a, article three, chapter eight-a of the official code of West Virginia, as amended. Except as otherwise provided in this charter, the council shall be the governing authority of the city, and shall appoint the city manager who shall execute the laws and administer the government of the city, except as otherwise provided herein.

SECTION 4. POWERS OF CITY.

The city shall have all the powers specifically provided for in this charter, and shall also have all the powers now or hereafter granted to municipal corporations and to cities of its class by the constitution and general laws of the state, together with all the implied powers necessary and proper to carry into execution the powers so granted. The enumeration herein of particular powers shall not be deemed exclusive, but the city shall have and may exercise all the powers which under the constitution and laws of the state might properly be specifically enumerated in this charter.

SECTION 5. THE COUNCIL; QUALIFICATIONS, TERM OF OFFICE, AND SALARY OF MEMBERS; SELECTION OF MAYOR; VACANCIES.

The Council shall consist of seven members to be elected at large by the qualified voters of the city for terms of four years beginning on the first day of July following their election, except that of the seven councilmen elected at the first election held under the provisions of this charter the three receiving the smallest numbers of votes shall be elected for terms of two years. At each regular election thereafter either three or four councilmen, as the case may be, shall be elected to succeed the incumbent members whose terms of office expire on the thirtieth day of June following the election. The terms of office of all councilmen in office on the date this charter is adopted shall continue until the close of business on the thirtieth day of June following the first regular election held hereunder.

Councilmen shall be qualified voters of the city, shall have been residents of the City for at least one year prior to their nomination for the office, shall hold no other public office except that of notary public or member of the National Guard or naval or military reserve, and shall not be employed by the city in any capacity. If a councilman shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

A special meeting of the council shall be held at 7:30 P.M. on the first day of July following each regular city election. Following the selection of a temporary chairman, the newly elected councilmen shall be inducted into office. The council shall then elect one of its members to serve as mayor for a term of two years. The mayor shall preside at meetings of the council and shall be recognized as the head of the city government for all ceremonial and military purposes, but shall have no regular administrative duties.

The salary of the Mayor and Council shall be fixed by ordinance.

If any vacancy occurs in the office of councilman, the council shall within thirty days by the affirmative vote of at least four members appoint a qualified person to fill the vacancy for the unexpired term. If the vacancy is not so filled within thirty days after it occurs, then of the unsuccessful candidates for the office of councilman at the last election, who are still qualified and willing to serve, the one who received more votes than any of the others shall be entitled to the office. If the vacancy is not filled by either of these methods, it shall be filled at a special election to be held on a date not more than four months after the vacancy occurs. In the resolution calling the special election, the council shall specify procedures for the conduct of the election, and dates for the circulation and filing of nominating petitions and for the holding of the election, which shall conform as nearly as may be practicable to the procedures and schedule established by this charter for regular city elections. (Amended 6-1-93)

SECTION 6. MEETINGS OF THE COUNCIL; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the council shall be held at 7:30 P.M. on the first and third Mondays of each month, or on such other stated days as the council may by ordinance prescribe. Special meetings may be held at any time upon call of the mayor or any three councilmen and upon such notice as the council may by rule prescribe. All meetings of the council shall be open to the public.

Four members of the council shall constitute a quorum. The mayor shall be entitled to vote on all matters before the council. The council shall by resolution adopt by-laws prescribing its own rules, procedure, and order of business, and shall keep a journal of all of its proceedings, which shall be available for public inspection.

SECTION 7. POWERS OF THE COUNCIL; APPOINTMENT AND TENURE OF CITY MANAGER.

Subject to any limitations imposed by the constitution and general laws of the state, all powers of the city shall be vested in and exercised by the council, except such powers as are by this charter specifically vested in the water board and such powers as are by general law vested in the other boards or commissions provided for in this charter or hereafter created by council pursuant to general law. No franchise granted by the council may be transferred in whole or in part without the written consent of council.

The council shall appoint a city manager to serve for an indefinite term, and may at any time remove him from office by the affirmative vote of not less than four of its members. At least thirty days before such removal shall become effective, the council shall adopt a preliminary resolution stating the reasons for his removal, and specifying the date on which his removal shall become final. At any time within ten days after the adoption of such resolution, upon the written request of the manager, he shall be afforded an opportunity to be heard at a public meeting of the council, which shall be held no earlier than ten nor later than twenty days after the request was made, and at a time and place to be fixed by council. After such public hearing if one is requested, after full consideration, the council by the affirmative vote of four of its members may adopt a final resolution of removal. By the preliminary resolution the council may suspend the manager with pay for a period not to exceed thirty days, and may designate some other person to perform the duties of the manager during the period of his suspension.

The city manager shall be a person of proved executive and administrative ability, preferably with experience and training in the field of city management. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside within the city. No councilman, during his term and for a year thereafter, shall be eligible for appointment as city manager.

Neither the council nor any of its members shall direct or in any manner interfere with or obstruct the appointment or removal of any city officer or employee by the city manager or by any of his subordinates. Except for the purpose of inquiry, the council and its members shall deal with the administrative service solely through the city manager and neither the council nor any member thereof shall give orders to any subordinates of the city manager, either publicly or privately. If any councilman shall violate the provisions of this section, he shall be subject to removal from office in the

manner provided for the removal of municipal officers in section seven, article six, chapter six of the official code of West Virginia, as amended.

Except as otherwise provided by this charter, and within the limitations imposed by the constitution and general laws of the state, the council may determine the powers and duties of city officers, and subject to the requirements of general law may regulate the number, method of selection, qualifications, tenure, and compensation of city officers and employees, including the establishment of civil service for such employees.

SECTION 8. POWERS AND DUTIES OF CITY MANAGER.

Except as otherwise provided in the charter, the city manager shall be the head of the administrative branch of the city government. He shall be responsible to the council for the proper and efficient adminstration of all affairs of the city under his authority, and to that end, except as otherwise provided in this charter, he shall have the power and shall be required to:

(1) Appoint and, when he deems it necessary or advisable, remove all officers and employees of the city except as otherwise provided by this charter or by general law, and except as he may authorize the head of a department or office to appoint and remove subordinates in such department or office.
(2) Prepare the annual budget, submit it to the council for adoption, and be responsible for its administration after adoption.
(3) Prepare and submit to the council as of the end of each fiscal year a complete report on the finances and administrative activities of the city for the preceding year.
(4) Advise the council with respect to future plans and physical needs, and keep it informed concerning the current financial condition of the city.
(5) Require the chief of police and the chief of the fire department to establish for their respective departments a course of training designed to promote the more efficient and safe operation of their departments.
(6) Execute on behalf of the city all legal and other written documents requiring execution by the chief executive officer of the city, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the city.
(7) Perform such other duties as may be required of him by this charter, by general law, or by order of the council not inconsistent with this charter or with general law.

The manager may by letter filed with the city clerk designate some qualified administrative officer of the city to perform the duties of the manager during his temporary absence or disability. If the manager fails to make such designation, the council may by resolution appoint an officer of the city to act for the manager during his absence or disability.

SECTION 9. CITY CLERK.

The Council shall appoint a resident of the city to serve as city clerk at the will and pleasure of the council. Except as otherwise provided in this charter and subject to the supervision of the city manager, the clerk shall have the power and it shall be his duty to:

(1) Give notice of and attend all meetings of the council, keep the journal of its proceedings, authenticate by his signature and record in full in a book kept for the purpose all ordinances and resolutions of the council, prepare and keep up to date an index of all such ordinances and resolutions, and keep all such records available for public inspection when not in use.

(2) Make and certify copies of any ordinance, resolution or order of the council whenever required to do so, and affix the corporate seal of the city to any paper required to be sealed and to any certified copy of any paper, order or proceeding which he may make.

(3) Prepare and cause to be served all notices required to be given to any person, firm or corporation, and after the proper service and return of any notice he shall file and preserve the same.

(4) Have custody of and keep available for public inspection the permanent records of the city and file and properly index all records of such city officers and departments as the city manager may direct.

(5) Perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 10. POLICE COURT AND JUDGE; JURISDICTION; PRACTICE AND PROCEDURE.

The police court now existing shall be continued and shall have criminal jurisdiction over violations of city ordinances and the criminal jurisdiction of a justice of the peace with respect to offenses committed within any territory within or beyond the city limits over which the city has police jurisdiction under provisions of general law. The sessions of the court shall be held at such times and places as the council by ordinance or resolution may direct.

The judge of the police court shall be a resident of Harrison County and a member in good standing of the Harrison County Bar. He shall be appointed by the city manager to serve for an indefinite term. In the event of the temporary absence or disability of the regular judge, the city manager shall appoint some other qualified person to serve as judge of the police court. During the period of such temporary service the salary of the regular judge shall be transferred and paid to the temporary judge, except that both shall be paid during the customary vacation period granted to the regular judge.

The judge shall issue warrants upon complaint under oath of any person or officer for the arrest of anyone charged with any offense within the jurisdiction of the police court. He shall try and determine all cases over which the court has jurisdiction, and within the limits prescribed by ordinance or by law shall punish by fine or imprisonment, or both, any person convicted of any offense. He shall have power to summon witnesses for the trial of any case before him, to compel the attendance of police officers of the city, to require of the chief of police the enforcement of all judgements or orders entered by him in the exercise of his powers as police judge, and to issue executions for all fines,

penalties and costs imposed by him. The proceedings for the recovery of fines of for the enforcement of penalties fixed by any ordinance or law shall conform to the regulations, so far as they are applicable, prescribed by general law for civil proceedings before justices of the peace. The police judge, however, for good cause shown by affidavit, may order by an indorsement upon the summons that any defendent be arrested and brought before the court to be dealt with according to law.

All processes and orders of the police court shall be signed by the police judge and shall be directed to the chief of police, to be executed by him or by one of his subordinates. The police officer executing any such process or order shall have the same powers, be governed by the same rules of law and be subject to the same liabilities as sheriffs in the performance of like services. There may be charged for the services of such officer the same fees as the sheriff is entitled to charge for like services, but no such charge shall be made against the city. All such fees as well as all fines and penalties imposed by the court shall be collected by the chief of police, and accounted for and paid by him into the treasury of the city.

In the discharge of his duties and in the trial of cases the judge of the police court shall follow the rules prescribed by law for criminal proceedings before a justice of the peace, except that all cases shall be tried by the judge without a jury. The judge shall keep a record of all warrants issued by him, of all persons arrested and brought before him, and of all trials, fines or sentences imposed, or judgments entered by him, in a permanent book to be known as the police court docket. A record of all entries made in the docket each day shall be signed by the judge at the close of the day.

In cases where the evidence discloses such a violation of the laws of the state that in the opinion of the police judge the person accused should be committed to await action by the grand jury, the judge shall have the same jurisdiction and power as a justice of the peace in regard to the apprehension, commitment and admission to bail of the person so accused.

A person convicted in the police court shall have the same right to an appeal and a trial de novo as is provided by law for appeals from justice of the peace courts.

SECTION 11. CITY ATTORNEY.

The city attorney shall be a resident of Harrison County and a member in good standing of the Harrison County Bar. He shall be appointed by the city manager to serve for an indefinite term. He shall perform all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the council and, except as otherwise provided in this charter, he shall have the power and it shall be his duty to:

(1) Act as legal adviser and counsel for the city council and for all administrative boards and officers thereof with respect to their official duties. Upon request, he shall furnish to the city council or to such officers a written opinion upon any question concerning their respective powers and duties.

(2) Prosecute and defend all suits for or against the city, and prepare all ordinances and all contracts, bonds or other writings in which the city is concerned, and endorse on each his approval of the form and correctness thereof.

(3) Prosecute all cases brought before or appealed from the police court, and perform the same duties so far as they are applicable thereto as are required by law of prosecuting attorneys.

Whenever the exigencies of the business of the city require such action, the city manager shall have the right to employ special counsel to assist the city attorney.

SECTION 12. ADMINISTRATIVE OFFICES AND DEPARTMENTS.

There shall be in the city government a police department, a fire department, a department of public works, a department of finance, and such other administrative departments as now exist or may by ordinance be created by the council. The city manager shall appoint as the head of each department a chief, supervisor or director, who shall be responsible for the efficient administration of the department, subject to the supervision and control of the manager. Except as otherwise provided by this charter or by general law, the head of a department need not be a resident of the city or state at the time of his appointment, but during his tenure of office shall reside in Harrison County.

The council may by ordinance create, combine, change or abolish offices, departments or agencies, other than those established by this charter. Except as otherwise provided in this charter, the council may assign additional functions or duties to any office, department or agency created by it or by this charter, but may not discontinue or transfer any function or duty assigned by this charter to any particular office, department or agency.

SECTION 13. CHIEF OF POLICE.

The chief of police shall be appointed by the city manager to serve for an indefinite term. The chief of police shall be a resident of the state and shall be a person of proved executive and administrative ability, with experience or training in law enforcement. Subject to the direction and control of the city manager, the chief of police shall be responsible for the supervision and administration of the police department, and shall require of all police officers the proper discharge of their duties. He shall see to the protection of property and the preservation of peace, order and public safety throughout the city, and to that end he shall cause all violators of city ordinances and of general law to be apprehended and brought to trial before the police court or other proper tribunal. Under the direction of the city manager, he shall also perform such other duties as may be required of him by this charter, by general law or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 14. CHIEF OF FIRE DEPARTMENT.

The chief of the fire department shall be appointed by the city manager to serve for an indefinite term. The chief of the fire department shall be a person of proved executive and administrative ability, with experience or training in the suppression and prevention of fires. Subject to the direction and control of the city manager, the chief of the fire department shall be responsible for the supervision and administration of the fire department, and shall require of all firemen the proper discharge of their duties. He shall make such inspections of buildings and property throughout the city as may be necessary to discover fire hazards, shall take all proper measures to eliminate such hazards, and shall keep an accurate record of all fires, inspections and fire hazards within the city. Under the direction of the city manager, he shall also perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 15. DIRECTOR OF PUBLIC WORKS.

The city manager shall appoint a director of public works, who shall be a registered civil engineer, to serve for an indefinite term. Subject to the direction and control of the city manager, the director of public works shall be responsible for the supervision and administration of the department of public works.

In addition, except as otherwise provided in this charter and subject to the supervision of the city manager, he shall have the power and it shall be his duty to:

(1) Inspect the construction or repair of all buildings, the installation of all electrical wiring or equipment, and the installation of all plumbing, to the extent that such activities are controlled or regulated by the city, for the purpose of seeing that all city regulations are obeyed.

(2) Issue permits for the construction or repair of homes and other buildings upon the payment of such fee as may be fixed by council, but he shall issue no such permit unless the proposed construction or repair is in conformity with city zoning laws and regulations.

(3) Supervise all work done by any contractor for the city while the work is being performed.

(4) Make surveys, fix grades, and prepare plats, plans and specifications for all improvements which may be undertaken by the city, when required to do so by the city manager.

(5) Furnish on the demand of any resident the grade of any street or sewer upon the payment of such fee as may be fixed by council.

(6) Make complete maps of all streets, alleys, lanes, parks and public property owned by the city, keep such maps on file in his office and available for public inspection, and furnish a copy thereof to the city manager.

(7) Require that all pavements, sidewalks, curbs, gutters and sewers in the city are kept clean and repaired.

(8) Perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 16. DIRECTOR OF FINANCE.

The city manager shall appoint a director of finance, who shall be a person experienced in accounting and budgeting, to serve for an indefinite term.

Under the direction and control of the city manager and subject to the provisions of this charter, the director of finance shall be responsible for the proper adminstration of the financial affairs of the city, and except as otherwise provided by this charter or by general law shall have the power and shall be required to:

(1) Collect all taxes, special assessments, license fees and other revenues of the city, and receive all other moneys payable to the city.

(2) Have custody of all funds of the city or of any office, department or agency thereof, and deposit such funds in the bank or banks designated by the council.

(3) Supervise the purchase, storage and distribution of all equipment and supplies used by any office, department or agency of the city.

(4) Supervise the receipt and disbursement of all moneys and control all expenditures to ensure that budget appropriations are not exceeded. No proposed

expenditure shall be made unless the director of finance shall certify that there is available for the purpose an unencumbered balance in the proper item of appropriation.

(5) Maintain a general accounting system for the city and each of its offices, departments and agencies, and keep a separate account for each item of appropriation in the budget, showing the total appropriation, the amounts paid therefrom, the unpaid obligations charged thereto, and the unencumbered balance.

(6) Prepare for submission to the council by the city manager a cumulative monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city and each of its offices, departments and agencies.

(7) Prepare for submission to the council by the city manager a complete financial statement and report as of the end of each fiscal year.

(8) Compile for use by the city manager in the preparation of the budget an estimate of anticipated revenues during the coming year and an estimate of probable expenditures for current expenses and capital improvements.

(9) Perform such other duties as may be required of him by this charter, by general law, or by city ordinance or order of the city manager not inconsistent with this charter or with general law.

SECTION 17. BUDGET AND BUDGET MESSAGE; PUBLIC HEARING; ADOPTION AND REVISION.

The fiscal and budget year of the City shall begin on the 1st day of July and shall end on the 30th day of June of each calendar year. The budget for each succeeding fiscal year submitted and amended as provided in this section, shall be adopted by the council not later than the 28th day of March of the then current fiscal year.

Not later than the 1st day of March of each year, the City Manager shall submit to the Council a budget for the next fiscal year, together with a budget message which shall contain an outline of the proposed financial operation of the City for the coming year, shall describe the important features of the budget plan, and shall set forth the reasons for the salient changes from the previous year in cost and revenue items. The budget prepared by the City Manager shall not cover the financial operations of the Water Department. In respect to proposed appropriations for capital improvements, there shall be included in the budget message, or attached thereto, a program and schedule of capital projects recommended by the City Planning Commission for the next five fiscal years. A copy of the budget and budget message, and all supporting documents, shall at the same time the budget is submitted to the Council be filed with the City Clerk as a public record, and shall be available for inspection by any interested person.

The budget shall provide a complete financial plan for the budget year, including any estimate of any anticipated surplus at the beginning of the year, an estimate of anticipated revenues from all sources during the year, and a detailed estimate of proposed appropriations for expenditure during the year by each office, department, and agency of the City. The total of appropriations of the budget as submitted by the Manager or as adopted by the Council shall not exceed the sum of estimated revenues and surplus.

At a regular or special meeting of Council between the 7th and 28th days of March of each year, there shall be a public hearing on the proposed budget, at which time all interested persons shall be given an opportunity to be heard for or against any estimate of revenue or any item of appropriation contained therein. At said meeting, Council shall ascertain the fiscal condition of the corporation, and make an itemized statement setting forth:

(1) The amount due and the amount that will become due and collectible from every source during the current fiscal year except from the levy of taxes to be made for the year;

(2) The interest, sinking fund and amortization requirements for the fiscal year of bonded indebtedness, legally incurred upon a vote of the people as provided by law, prior to the adoption of the tax limitation amendment;

(3) Other contractual indebtedness, not bonded, legally incurred prior to the adoption of the tax limitation amendment, owing by the Municipality;

(4) All other expenditures to be paid out of the receipts of the Municipality for the current fiscal year with proper allowance for delinquent taxes, exonerations, and contingencies;

(5) The toal amount necessary to be raised by the levy of taxes for the current fiscal year;

(6) The proposed rate of levy in cents on each one hundred dollars assessed valuation of each class of property; and

(7) The separate and aggregate assessed valuations of real, personal and public utility property in each class in the Municipality.

The Recording Officer of the Municipality shall forward immediately a certified copy of the statement to the Tax Commissioner, and shall publish the statement forthwith. The session shall then stand adjourned until the 3rd Tuesday in April, at which time it shall reconvene.

The Council shall, when it reconvenes upon the 3rd Tuesday in April, hear and consider any objections made orally or in writing by the City Attorney, by the Tax Commissioner or his representative, or by any taxpayer of the City, for the estimate and proposed levy, or to any item thereof. Council shall enter of record any objections so made and the reasons and grounds therefor. The Council, after hearing objections, shall reconsider the proposed original estimate and proposed rates of levy, and if the objections are well taken, shall correct the estimate and levy. No such estimate and levy, however, shall be entered until the same shall have first been approved, in writing, by the Tax Commissioner. When the same shall have been approved by the Tax Commissioner, the Clerk shall then enter the estimate and levy, together with the order of the Council approving them and the written approval of the Tax Commissioner thereof, in the proper record book.

In addition to the provisions set forth herein, Council shall be subject to the requirements contained in Chapter 11, Article 8, Section 1, et seq. of the West Virginia Code, as amended, as the same may apply to municipal corporations.

After the beginning of the fiscal year, the Council shall make only such changes in the budget as may be required because of action taken by the State Tax Commissioner in respect to the proposed tax levy of the City or as may be permitted or required by general law. Thereafter, the Council shall make no other changes in the budget unless permitted or required to do so by general law. After the final adoption of the budget, the several amounts stated therein as proposed appropriation shall be appropriated to the specified objects and purposes. Except as otherwise provided by general law, the City Manager may at any time transfer any unencumbered appropriation balance of an appropriated line item from that line item to another line item with the same account category established by the State Tax Commissioner, subject to the approval of City Council. No transfers from one account category to another may be made without revision of the budget and approval by the Tax Commissioner pursuant to Chapter 11, Article 8, Section 1, et seq.

For the purposes of accounting for the budget, the modified accrual basis of accounting will be used, or any other basis of accounting required by the State Tax Commissioner. The ending unencumbered balance at the end of the fiscal year shall be the starting unencumbered balance for the new fiscal year.

In addition to the foregoing, Council and the City Manager shall comply with all applicable federal and state laws which in any way relate to the governing of the financial affairs of a municipal corporation.
(Amended 6-1-93)

SECTION 18. BONDS OF OFFICERS AND EMPLOYEES; AUDITS AND ACCOUNTS.

The chief of police and every member of the police department, and every officer and employee of the city into whose custody or control shall come any of the moneys or funds of the city shall before entering upon the discharge of his duties give a bond with corporate surety conditioned upon the faithful discharge of his duties and the faithful accounting for all moneys or funds coming into his hands by reason of his office or employment. The amount of the bond shall be fixed by resolution of the council or, in the case of officers and employees of the water department, by resolution of the water board. As required by law, all

bonds shall be payable to the state of West Virginia and shall as to form and substance be subject to the approval of the city attorney, evidenced by his signed endorsement on each bond. All bonds when executed and approved shall be recorded in a book kept for that purpose by the city clerk, who is hereby made custodian of all such bonds. At the annual audit made by the state tax commissioner, the auditor shall report to the city council and to the water board respectively whether the required bonds are in any respect insufficient, and may require of any official or employee a new or additional bond. Any new or additional bond so required shall be given within thirty days after notice of such requirement, and a failure to give such bond shall at the expiration of thirty days work a forfeiture of the office or employment of the official or employee failing to give the same. The premium on all bonds given as provided in the section shall be paid from the appropriate fund of the city.

The council by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the council may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the city or of the accounts of any city officer, department or agency, other than the accounts of the water board.

SECTION 19. BOARD OF PARK COMMISSIONERS; SUPERINTENDENT OF PARKS AND RECREATION.

The board of park commissioners heretofore created and now existing shall be continued. As authorized under the provisions of chapter ninety-one, acts of the legislature, regular session, one thousand nine hundred thirty-nine, as amended, the city council shall by ordinance provide that the board shall consist of five members, and shall also provide that the members shall be appointed by the council. Of the four members first appointed after the membership has been increased from three to five, two shall be appointed for terms of two years and two for terms of six years. Thereafter all appointments shall be for terms of six years. The members of the board in office on the date this charter becomes effective shall, unless sooner removed, continue to serve until their respective terms expire and their successors have been appointed.

The board shall have the powers and shall perform the duties conferred and required by general law. More particularly, the board shall be charged with the responsibility of providing public parks, playgrounds, athletic fields, swimming pools and other recreational facilities, and of providing an adequate recreational program for the inhabitants of the city. The board shall appoint a superintendent of parks and recreation, who shall be a person of proved executive and administrative ability, with experience or professional training in physical education and community recreation. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside in Harrison County.

The council shall provide and allocate in the annual city budget sufficient funds for the operation and maintenance of an adequate system of city parks and recreational facilities and of an adequate recreational program.

As provided by law, the board may in its own name accept and disburse any funds it may receive by gift, bequest or devise for park or recreational purposes.

SECTION 20. BOARD OF DIRECTORS OF PUBLIC LIBRARY.

The Board of Directors of the public library heretofore created and now existing shall be continued. The members of the Board in office on the date this Charter as amended becomes effective, shall unless sooner removed, continue to serve until their respective terms expire and their successors are appointed. The five members of the Board shall be appointed, in

accordance with the provisions of Chapter 10, Article I of the Official Code of West Virginia as amended. Future appointments to the Board of Directors of the Public Library shall be made as follows: The Harrison County Commission shall appoint a person to a five-year term beginning July 1, 1983, and such person so appointed shall reside outside the city limits of the City of Clarksburg; the Clarksburg City Council shall appoint a person to a five-year term beginning July 1, 1984, and said person shall reside within the City of Clarksburg; the Harrison County Board of Education shall appoint a person to a five-year term beginning July 1, 1985, and said person shall reside outside the corporate limits of the City of Clarksburg. The Clarksburg City Council shall appoint a person to a five-year term beginning on July 1, 1986 and July 1, 1987, and such person shall reside within the corporate limits of the City of Clarksburg, West Virginia.

The Board of Directors shall have the powers and shall perform all the duties conferred and required by general law.

The Clarksburg City Council, the Harrison County Commission and the Harrison County Board of Education shall jointly provide sufficient funds in their respective budgets for the adequate operation, maintenance and repair of the Clarksburg-Harrison County Public Library, and transfer such funds to the Board of Directors.

The Board shall be known as the Clarksburg-Harrison County Public Library.

This charter amendment will not become effective until formal action is taken by the Harrison County Commission and the Harrison County Board of Education agreeing to join with the City of Clarksburg in creating the new Clarksburg-Harrison County Public Library Board. (Ord. 83-17. Passed 7-21-83.)

SECTION 21. CITY PLANNING COMMISSION; ZONING COMMISSION AND BOARD OF ADJUSTMENT.

The council shall provide for the establishment and the financial support of a city planning commission as provided in article five, chapter eight of the official code of West Virginia, as amended. The commission shall be composed of eleven members, who shall be nominated by the city manager and confirmed by the council. The members of the commission shall be freeholders of the city. The commission shall have the powers and shall perform the duties prescribed by general law. It shall be the responsibility of the commission to prepare comprehensive plans for the future development of the city, including recommendations concerning needed streets, bridges, parks, parkways, playgrounds, public buildings, and other public improvements. Such plans and recommendations shall be submitted to the city manager and to the council and other appropriate agencies of the city for such action as the council or other agencies may deem proper. In addition, the commission shall submit annually to the city manager, not less than ninety days prior to the beginning of the budget year, a list of recommended capital improvements which in the opinion of the commission are necessary or desirable to be constructed during the forthcoming five-year period. Such list shall be arranged in order of preference, with recommendations as to which projects shall be constructed in which year.

The planning commission shall also act as the zoning commission and as such shall have the authority and shall perform the duties prescribed by general law, including the authority and duty to prepare and recommend to council for enactment any revisions or amendments of the city zoning ordinance it may deem advisable. The council shall in the manner prescribed by law provide for a board of adjustment which shall hear all appeals arising in connection with the enforcement of the city zoning ordinance.

SECTION 22. PUBLIC HEALTH UNIT.

The city council either by itself or in conjunction with one or more other political subdivisions shall in the manner provided by law establish and maintain a public health unit. The public health unit so established shall have the powers and shall perform the duties prescribed by general law.

SECTION 23. SANITARY BOARD.

The council shall provide for the establishment of a sanitary board which shall have the powers and shall perform the duties prescribed by general law with respect to the construction, operation and maintenance of sewage disposal facilities. The sanitary board shall be composed of the city manager, who shall be the chairman of the board, and two other persons appointed by the council, one of whom shall be a registered professional engineer.

SECTION 24. PARKING AUTHORITY.

The parking authority heretofore created and now existing shall be continued. The parking authority shall have the power and the responsibility to establish, operate and finance automobile parking facilities for the city, as provided in article four-a, chapter eight of the official code of West Virginia, as amended.

SECTION 25. THE WATER BOARD; CONTINUANCE; QUALIFICATIONS, TERM OF OFFICE, AND SALARY OF MEMBERS; SELECTION OF PRESIDENT; VACANCIES.

The water board of the city in existence on the date this charter is adopted shall be continued. The water board shall consist of three members to be elected at large by the qualified voters of the city for terms of four years beginning on the first day of July following their election. The terms of office of all members of the water board in office on the date this charter is adopted shall continue unitl the close of business on the thirtieth day of June following the date on which their terms of office would otherwise expire. At the first election held under the provisions of this charter one member of the water board shall be elected. At each regular election thereafter either one or two members of the board, as the case may be, shall be elected to succeed the incumbent member or members whose term of office expires on the thirtieth day of June following the election.

Members of the water board shall be qualified voters of the city, shall have been residents of the city for at least one year prior to their nomination for the office, shall hold no other public office except that of notary public or member of the National Guard or naval or military reserve, and shall not be employed by the city in any capacity. If a member of the board shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

A special meeting of the water board shall be held at 7:30 P.M. on the first day of July following each regular city election. Following the selection of a temporary chairman, the newly elected member or members of the water board shall first be inducted into office. The board shall then elect one of its members to serve as president for a term of two years.

The salary of each member of the water board shall be twenty dollars for each meeting of the board attended by him, not to exceed five hundred dollars in any fiscal year. Until the maximum limit is reached, the salary of each member shall be paid monthly as earned.

If any vacancy occurs on the water board, the board shall within thirty days appoint a qualified person to fill the vacancy for the unexpired term. If the vacancy is not so filled within thirty days after it occurs, then of the unsuccessful candidates for the office of member of the water board at the last election, who are still qualified and willing to serve, the one who received more votes than any of the others shall be entitled to the office. If the vacancy is not filled by either of these methods, it shall be filled at a special election to be

held on a date not more than four months after the vacancy occurs. In the resolution calling the special election, the council shall specify procedures for the conduct of the election, and dates for the circulation and filing of nominating petitions and for the holding of the election, which shall conform as nearly as may be practicable to the procedures and schedule established by this charter for regular city elections.

SECTION 26. MEETINGS OF THE WATER BOARD; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the water board shall be held at least twice each month, on such days and at such times as the board may by published resolution prescribe. Special meetings may be held at any time upon call by the president or any two members and upon such notice as the board may by rule prescribe. All meetings of the board shall be open to be public.

Two members of the board shall constitute a quorum. The president shall be entitled to vote on all matters before the board.

The board shall by resolution adopt by-laws prescribing its own rules, procedure, and order of business, and shall keep a journal of all of its proceedings, which shall be available for public inspection.

SECTION 27. GENERAL POWERS OF THE WATER BOARD.

All of the powers now or hereafter conferred upon municipalities by the laws of the state for the operation of a water system, and all powers and duties of the city pertaining to the construction, acquisition, establishment, improvement, operation, management, maintenance, and repair of the municipal water system, and the determination of all matters of policy with respect thereto, are vested in and shall be exercised by the water board. The water board shall have full and exclusive jurisdiction of the exercise and discharge of such municipal powers so conferred upon it, independent of control by the council and the city manager. The city council shall upon request of the water board enact such ordinances, enter such orders, and adopt such resolutions as may be required by law in connection with the issuance of any water works revenue bonds, the acquisition by purchase or condemnation of any property needed for the proper operation of the water department, or the transaction of any other business of the water board.

In addition to the general powers mentioned in the preceding paragraph, and without any limitation upon such powers, the water board subject to provisions of general law shall have the following authority and shall perform the following duties:

(1) Fix, regulate and change rates and charges for water supplied to all consumers; adopt and prescribe reasonable rules and regulations which shall be observed by all consumers in reference to the use and consumption of water taken from the city mains, the terms and conditions upon which connections to the mains shall be permitted, and the place and manner of making the same; fix penalties by way of additional charges for failure to pay water bills promptly, and to this end the board may discontinue the supply of water to any consumer who fails to pay for the same as required; require all users of water for temporary purposes to pay for the privilege in advance; refuse to furnish water to any building or habitation unless the owner thereof shall assume liability for the payment of the charges for the water so furnished, and charge to and collect from the owner the cost of water furnished to any tenant or occupant of such building or habitation not paid for by the tenant or occupant; charge the cost of installing water service lines from the curb line to the main against the landowner, and require

payment in advance for installing and connecting such line with the water main. The powers of the water board to fix and charge rates for water and water service and to make rules and regulations governing the supply of such water and water service shall be subject to the supervision, regulation and control of the Public Service Commission of the state to the extent and in the manner now or hereafter prescribed by general law.

(2) Whenever the city council shall determine to pave or repave any street in the city, the water board is authorized to make a proper connection and lay a water service line from the main to the curb for each and every lot or for any part of a lot under separate ownership, although no water service may, at any time be necessary or required for any such lot or part of lot, and to charge the cost of making such connection and laying such water service line against the owner of the property. The cost of laying such water service lines and making such connections shall in every instance be a lien upon the lot or part of lot to be benefited thereby, and the water board shall have the right, in the name of the city, to institute and prosecute any proper suit in the circuit court of Harrison County for the collection of such charges by a sale of the property on which the same constitutes a lien. Whenever the council decides to pave or repave any street, it shall be the duty of the water board to lay necessary water mains and service lines as soon as may be practicable in order not to delay the paving program. In order to coordinate the making of such improvements it shall be the duty of both the council and the water board to cooperate with each other in making plans for such improvements or repairs, and to keep each other informed concerning future needs and plans.

(3) The board shall have power from time to time to repair, extend and amplify the water works plant and system, and to make such additions to the pumping station, filtration plant and water mains and lines as may at any time be deemed necessary for the proper operation of the system.

(4) The water board shall require the general manager to examine the sources of water supply for the city and to report to the board from time to time whether the waters are being polluted. The water board may, in the name of the city, institute and prosecute in any court having jurisdiction any legal action, civil or criminal, necessary to enjoin any person, firm or corporation from continuing any nuisance caused by such pollution or to prohibit the violation of any city ordinance or of any provision of general law concerning pollution or concerning the protection of the city water supply.

(5) Whenever the city shall in the manner prescribed by law provide for the imposition of a sewage service charge based on the consumption of water upon the customers of the water department, it shall be the duty of the water board to add the charge to the water bills and collect the same. All sewage charges collected by the water board shall be accounted for monthly and paid into the operating fund of the sanitary board. The sanitary board shall pay any additional cost incurred by the water board in the collection of sewage charges.

SECTION 28. APPOINTMENT AND TENURE OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The water board shall appoint a general manager of the water department to serve for an indefinite term, and may at any time remove him from office by the affirmative vote of not less than two of its members. At least thirty days before such removal shall become effective, the board shall adopt a preliminary resolution stating the reasons for his removal and specifying the date on which his removal shall become final. At any time within ten days after the adoption of such resolution, upon the written request of the manager, he shall be afforded an opportunity to be heard at a public meeting of the board, which shall be held no earlier than ten nor later than twenty days after the request was made, and at a time and place to be fixed by the water board. After such public hearing if one is requested, and after full consideration, the board by affirmative vote of two if its members may adopt a final resolution of removal. By the preliminary resolution the board may suspend the manager with pay for a period not to exceed thirty days, and may designate some other person to perform the duties of the manager during the period of his suspension.

The general manager shall be a person of proved executive and administrative ability, preferably with experience and training in the management of a water or other utility system. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside in Harrison County. No member of the water board, during his term and for a year thereafter, shall be eligible for appointment as general manager of the water department.

Neither the water board nor any of its members shall direct or in any manner interfere with or obstruct the appointment or removal of any employee by the general manager or by any of his subordinates. Except for the purpose of inquiry, the board and its members shall deal with the employees of the water department solely through the general manager and shall give no orders to such employees, either publicly or privately. If any member of the board shall violate the provisions of this section, he shall be subject to removal from office in the manner provided for the removal of municipal officers in section seven, article six, chapter six of the official code of West Virginia, as amended.

SECTION 29. POWERS AND DUTIES OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The general manager of the water department shall be the administrative authority of the city insofar as the water department is concerned. He shall be ex officio the secretary and treasurer of the water board, and shall devote all of his time to his official duties. He shall be responsible to the board for the proper and efficient administration of the water department, and to that end he shall have power and shall be required to:

(1) Appoint and, when he deems it necessary or advisable, remove all employees of the water department, except as he may authorize such appointment and removal by his subordinates.

(2) Prepare the annual budget of the water department, submit it to the board for adoption, and be responsible for its administration after adoption.

(3) Prepare and submit to the board as of the end of each fiscal year a complete report on the finances and the administration of the department for the preceding year.

(4) Advise the board with respect to future plans and physical needs of the water department, and keep it informed concerning the current financial condition of the department.

(5) Enforce, or cause the enforcement of, all city ordinances and all laws of the state applicable to the water system, and of all rules and regulations of the water board.

(6) Prepare and cause to be served all notices required to be given to any person, firm or corporation in connection with any activity or business of the water board, and after the proper service and return of any notice he shall file and preserve the same.

(7) Collect all revenues of the water department, deposit them in the bank or banks designated by the water board, and disburse them upon such requisition or order as the board may prescribe.

(8) Supervise the purchase, storage and distribution of all equipment and supplies for the water department.

(9) Make and keep up to date, and place on file for public information at the office of the water board, complete maps, plans and details showing the dams, pumping stations, reservoirs, tanks, pipes, valves, connections, water lines, fire hydrants, and all other data necessary to show all the physical properties of the water department.

(10) Attend all meetings of the water board, give notice of its meetings, keep the journal of its proceedings, and keep or cause to be kept full and accurate record books and books of account covering all the business and transaction of the water department, all of which shall be available for public inspection.

(11) Execute on behalf of the water board all legal and other written documents requiring execution by the chief executive officer of the board, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the board.

(12) Perform such other duties as may be required of him by this charter, by general law, or by order of the board not inconsistent with this charter or with general law.

The general manager may by letter filed with the president of the board designate one of his subordinates to perform the duties of the general manager during his temporary absence or disability. If the manager fails to make such designation, the board may by resolution appoint an employee of the water department to act for the manager during his absence or disability.

SECTION 30. EMPLOYMENT OF COUNSEL BY WATER BOARD; AUDITS AND ACCOUNTS.

The water board may employ legal counsel to assist and advise it in the discharge of its duties, and to represent it and the city in all litigation conducted by the water board in connection with the exercise of its powers and the transaction of its business. The cost of all such litigation, including any judgment or decree against the water board in the name of the city, as well as all fees and compensation for counsel employed by it, shall be paid out of the revenues of the water board.

The water board by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the board may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the water board or of the accounts of the general manager or any other employee of the water department.

SECTION 31. APPLICATION OF FUNDS OF WATER BOARD.

All revenues derived from the operation of the water department, from the sale of water works bonds, or from the sale by the water board of any of its property, shall be applied by the water board solely for the payment of expenses incurred in the exercise of authority or in the discharge of duties imposed on the board by this charter or by general law, for the payment of the cost of operating, improving, and managing the water system, and for the payment of principal, interest and sinking fund requirements necessary for the discharge of any water works bonds heretofore or hereafter issued.

SECTION 32. CONTRACTS AND PURCHASES.

All contracts and purchases by any City officer, department or agency shall be void unless made in conformity with all applicable provisions of general law, this Charter, and with all rules and regulations fixed by ordinance, from time to time, concerning a dollar amount for which competitive bids shall be required for contracts for improvements or purchases of materials, supplies and equipment.

In the case of contracts for the construction of any improvements in which competitive bids shall be required, sealed competitive bids shall be obtained by notice published at least once each week for two successive weeks in two newspapers of opposite politics published in the City. The notice shall refer to necessary specifications and plans, shall invite the submission of bids, and shall specify the date on which the bids will be opened. In the case of contracts or purchases of supplies, materials and equipment or personal services, sealed competitive bids shall be obtained either (a) by published notice inviting bids as in the case of contracts for the construction of improvements, or (b) by mailed notice stating the necessary specifications, inviting the submission of bids, and stating the date on which the bids will be opened. The first of these methods shall be used unless the Council or Water Board, as the case may be, shall enter an order of record authorizing the use of the second method and stating the reasons why such method was authorized. Whether or not it is so stated in the published mailed notice, all bids may be rejected. No City officer, department or agency shall subdivide any contract or purchase for the purpose of evading the requirements of this section with respect to competitive bidding.

The Water Board with respect to any improvements, extensions or additions to the water system, and the Council with respect to City improvements under its jurisdiction, shall cause to be prepared accurate and complete maps, plans and specifications therefor and shall have the authority to cause such work to be done either by the employment of labor and the furnishings of material, or by entering into a contract for the performance of the labor and for the material. If a contract is let for any improvement, the Water Board or the Council, as the case may be, shall require the contractor to give a sufficient bond with corporate surety to guarantee the faithful performance of the contract and the payment for all labor performed and all materials furnished in the performance of the contract, as provided in section thirty-nine, article two, chapter thirty eight of the official code of West Virginia, as amended. Any change or alteration in the contract after it is entered into shall be made only upon resolution passed by the Water Board, or the Council, as the case may be, and shall not be effective until the price to be paid for the work and material, or both, under the altered or modified contract, shall have been agreed upon in writing and such agreement signed by the contractor and the general manager with the approval of the Water Board, or the City Manager with the approval of the Council, as the case may be.

The Water Board with respect to contracts and purchases of the Water Department, and the City Council, with respect to contracts and purchases of other City offices, departments and agencies, may by resolution prescribe additional rules and regulations governing the making of contracts and purchases, not inconsistent with general law or with the provisions of this Charter.

In the case of an emergency the City Council or Water Board, as the case may be, may by special resolution setting forth the facts constituting the emergency dispense with the requirement of competitive bidding and with the requirements of its rules and regulations governing contracts and purchases.

Any officer or employee of the City who shall be directly or indirectly interested in any contract with the City, or in the profits to be derived thereform, shall forthwith forfeit his office or employment, and in addition thereto any such contract shall be void and uneforceable against the City. The acceptance by any officer or employee of any interest in such contract or of any gift or gratutity from any person, firm or corporation dealing with the City which might influence the officer or employee and in the discharge of his duties shall forever disqualify such officer or employee from holding any office or employment in the City government, and in addition he shall be subject to criminal prosecution as provided by general law or by City ordinance. (Amended February 18, 1982)

SECTION 33. STATUS OF EXISTING OFFICERS AND EMPLOYEES.

Every person holding an appointive office or employment in the city government on the effective date of this charter shall retain the same or the similar office or employment hereunder, pending action by the competent authority of the city having the power appointment and removal with respect to such office or position. At any time within four months after the effective date of this charter, the city manager and the general manager of the water department in office on that date shall be subject to replacement by the council and by the water board, respectively, without regard to the removal provisions of sections seven and twenty-eight of this charter.

SECTION 34. DISCRIMINATORY PRACTICES PROHIBITED.

No person holding any appointive office or employment in the service of the city, or seeking appointment thereto, shall be appointed, promoted, demoted or removed, or in any way favored or discriminated against because of political opinions or affiliations, or because of race, color or religious beliefs.

SECTION 35. SOCIAL SECURITY.

The city council, the water board, and every other board or commission provided for in this charter, or hereafter created by council pursuant to general law, shall in the manner prescribed by law provide social security coverage for all eligible city officers and employees.

SECTION 36. OATH OF OFFICE.

Before taking office every officer of the city and the head of each administrative department shall take the oath of affirmation required by section five, article four of the constitution of the state.

SECTION 37. ELECTIONS.

Regular city elections shall be held on the first Tuesday in June, one thousand nine hundred fifty-seven, and on the first Tuesday in June of every second year thereafter. Special elections shall be held at such times as may be fixed by the council in accordance with the provisions of this charter and of general law.

The ballot to be used in city elections shall be prepared by the council and shall have set forth thereon in one division the names of all properly nominated candidates for election to membership on the council, and in another division the names of all properly nominated candidates for election to membership on the water board. In the printing of the ballots, the position of the names of the candidates shall be in like manner as is provided by general law for the printing of official primary ballots. The ballots shall state that the election is non-partisan and shall clearly indicate the number of candidates for each office for whom the voter is entitled to vote. At least ten days before the election a sample ballot showing the names of all properly nominated candidates shall be published once in two newspapers published in the city in the same manner as is provided by law for the publication of the list of nominations in a general election.

Except as otherwise provided in this charter, city elections shall be conducted and the result determined and certified in accordance with the provisions of general law with respect to primary, general and special elections, so far as they are applicable, except that the duties devolving upon the county court and the clerk thereof under the general laws for conducting elections shall be performed by the city council and the city clerk. The council shall appoint three commissioners and two clerks to serve as election officials in each precinct in the city. At least three days before the date of the election the city clerk shall procure from the clerk of the county court the necessary registration records and other election supplies and shall deliver them together with the ballots to the election officials. The election officials shall as soon as possible after the closing of the polls on election day return to the city clerk the ballots, tally sheets, certificates of the result of the election, registration records, ballot boxes and other election supplies. On the first Monday following the election the council shall canvass the returns of the election and declare the result. In the case of a contest the council shall be the judge of the election and qualifications of all city officials.

The cost incurred in holding and conducting regular city elections, after deducting all nomination fees received in connection therewith, shall be paid one-half out of the general city revenues and one-half out of the revenues of the water board. The costs of conducting special elections shall be paid out of general city revenues, except that the cost of any special election held at the request of the water board shall be paid out of its revenues. (Amended 6-1-93)

SECTION 38. CANDIDATES FOR CLARKSBURG CITY COUNCIL OR CLARKSBURG WATER BOARD; FILING FEE; FILING DATE.

A filing fee to be set by ordinance and candidate's signed certificate of announcement stating that he/she is a qualified voter of the City and he/she has resided therein for at least one year and that he/she declares himself/herself a candidate for election to such office of Councilman/Councilwoman of the Clarksburg City Council or Member of the Water Board and will serve if elected, shall be filed in person with the City Clerk in the office of the City Clerk, Municipal Building, Clarksburg, West Virginia, not earlier than the first day of March, nor later than 4:30 p.m. on the fifteenth day of March preceding the election. The Clerk shall make a record of the exact time each statement and fee was filed and the name and address of the person by whom it was filed. The filing dates provided herein shall be changed or amended by regular ordinance thereafter.

In case there shall not be a number of candidates for any office equal to the number of persons to be elected to such office at any election, then the Council for the office of Councilman/Councilwoman and the Water Board for the office of a member of the Water Board, shall on or before the 20th day of March preceding the election make by appropriate resolution such additional nominations of candidates to be elected to such office. The nomination of any person by such a resolution shall, however, not be complete unless the person so nominated shall within three days after his nomination pay to the City Clerk the prescribed filing fee and file with the Clerk a signed statement that he/she is a qualified voter of the City and has resided therein for at least one year before his/her nomination, and that he/she accepts the nomination and will serve, if elected.

The word announce or announcement as used herein or as used in the Clarksburg City Charter shall for the purposes of the Clarksburg City Charter be synonymous with and shall mean the same as nominate or nomination. The word nominate or nomination as used herein or as used in the Clarksburg City Charter shall for the purposes of the Clarksburg City Charter be synonymous with and shall mean the same as announce or announcement.

(Amended 6-1-93)

SECTION 39. FORM OF CERTIFICATE OF ANNOUNCEMENT; BLANK FORMS TO BE FURNISHED BY CITY CLERK.

The City Clerk shall prepare and furnish printed forms for certificates of announcement substantially in the form set forth and authorized by ordinance of the City Council.
(Amended 6-1-93)

SECTION 40. EFFECT OF CHARTER ON EXISTING ORDINANCES AND ADMINISTRATIVE RULES AND REGULATIONS.

All existing ordinances and all existing administrative rules, regulations and practices, if not inconsistent or in conflict with this charter, shall continue in full force and effect until repealed or modified by the council or other competent authority of the city. All ordinances, rules, regulations and practices that are inconsistent or in conflict with this charter shall, unless sooner repealed or modified, continue in full force and effect for a period of sixty days only, and at the end of that period shall to the extent of such inconsistency or conflict be of no further force or effect.

SECTION 41. REFERENCE TO GENERAL LAW.

A reference contained in this charter to a provision of general law shall be construed to mean the provision as it now exists or as it may hereafter be amended. Where additional sections are added to the subject matter of a provision of general law referred to in this charter, the reference shall include such additional sections.

SECTION 42. MEETINGS AND OTHER ACTS ON LEGAL HOLIDAYS.

Whenever under the provisions of this charter it is required that a meeting be held or that an act be done on a date which is a legal holiday, the meeting shall be held or the act shall be done on the next day not a legal holiday.

SECTION 43. SEPARABILITY.

The provisions of this charter shall be construed as severable, and should any provision be held unconstitutional, or for any other reason invalid, such holding shall in no way affect any other provision thereof.

SECTION 44. EFFECTIVE DATE OF CHARTER.

For the purpose of extending the terms of office of present elective officers and for the purpose of nominating candidates and conducting the first election held hereunder, this charter shall be in effect from and after the date of its adoption by the voters of the city. For all other purposes it shall be in effect on and after the first day of July next following the first election held under its provisions.

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ...ANNETTE M. WRIGHT....., *Clerk of said City of Clarksburg, certify that* .....PASTOR DAVID D.A. KATES..... *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the*...1st..... *day of* .....JUNE....., *19*..99....., ..ELECTED AS COUNCILPERSON..... *of the City of Clarksburg, in said County of Harrison, for the term of*..FOUR (4).....*years, commencing on the*...1st.....*day of*.....JULY....., *19*..99....., *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* ....COUNCILPERSON..... *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

...Pastor David D.A. Kates.....

Taken, subscribed and sworn to before me, in said City and County, on this .....1st.....*day of*....JULY.....*,* *19*....99.....

Annette M. Wright.....

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* REBECCA LAKE *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that* she ~~he~~ *was on the* 1st *day of* JUNE, *19*99, ELECTED AS COUNCILPERSON *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR (4) *years, commencing on the* 1st *day of* JULY, *19*99, *and that* ~~he~~ she *will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that* she ~~he~~ *will faithfully discharge the duties of* her ~~his~~ *office of* COUNCILPERSON *of the City of Clarksburg, to the best of* her ~~his~~ *skill and judgment, so help* her ~~him~~ *God.*

Rebecca Lake

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, *19*99

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* MARGARET ANN BAILEY *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that* she *was on the* 1st *day of* JUNE, *19*99, ELECTED AS COUNCILPERSON *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR (4) *years, commencing on the* 1st *day of* JULY, *19*99, *and that* she *will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that* she *will faithfully discharge the duties of* her *office of* COUNCILPERSON *of the City of Clarksburg, to the best of* her *skill and judgment, so help* her *God.*

Margaret Ann Bailey

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, *19*99

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* JAMES HUNT *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 3rd *day of* JUNE, *19* 97, ELECTED AS COUNCILPERSON *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1st *day of* JULY, *19* 97, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* COUNCILPERSON *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

James C. Hunt

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, *19* 97

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* KATHRYN V. FOLIO *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that* she ~~he~~ *was on the* 3rd *day of* JUNE, *19*97, ELECTED AS COUNCILPERSON *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1ST *day of* JULY, *19*97, *and that* she ~~he~~ *will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that* she ~~he~~ *will faithfully discharge the duties of* her ~~his~~ *office of* COUNCILPERSON *of the City of Clarksburg, to the best of* her ~~his~~ *skill and judgment, so help* her ~~him~~ *God.*

Kathryn V. Folio

Taken, subscribed and sworn to before me, in said City and County, on this 1ST *day of* JULY, *19*97

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* SAM "ZEKE" LOPEZ *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 3rd *day of* JUNE, *19*97, ELECTED AS COUNCILPERSON *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1ST *day of* JULY, *19*97, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* COUNCILPERSON *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Sam Lopez

Taken, subscribed and sworn to before me, in said City and County, on this 1ST *day of* JULY, *19*97.

Annette M. Wright

Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* TERRY J. GREAVER *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 3rd *day of* JUNE, *19*97, ELECTED AS COUNCILPERSON *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR *years, commencing on the* 1ST *day of* JULY, *19*97, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* COUNCILPERSON *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Taken, subscribed and sworn to before me, in said City and County, on this 1ST *day of* JULY, *19*97

Annette M. Wright

Clerk

CHARTER

OF THE CITY OF

CLARKSBURG, WEST VIRGINIA

TABLE OF CONTENTS

EDITOR'S NOTE: The Clarksburg Charter was approved by the voters on February 14, 1957.

Section 1. Incorporation.
Section 2. Succession.
Section 3. Form of Government.
Section 4. Powers of City.
Section 5. The Council; Qualifications, Term of Office, and Salary of Members; Selection of Mayor; Vacancies. (6-1-93)
Section 6. Meetings of Council; Rules of Procedure; Journal.
Section 7. Powers of The Council; Appointment and Tenure of City Manager.
Section 8. Powers and Duties of City Manager.
Section 9. City Clerk.
Section 10. Police Court and Judge; Jurisdiction; Practice and Procedure.
Section 11. City Attorney.
Section 12. Administrative Offices and Departments.
Section 13. Chief of Police.
Section 14. Chief of Fire Department.
Section 15. Director of Public Works.
Section 16. Director of Finance.
Section 17. Budget and Budget Message; Public Hearing; Adoption and Revision. (6-1-93)
Section 18. Bonds of Officers and Employees; Audits and Accounts.
Section 19. Board of Park Commissioners; Superintendent of Parks and Recreation.
Section 20. Board of Directors of Public Library. (7-21-83)
Section 21. City Planning Commission; Zoning Commission and Board of Adjustment.
Section 22. Public Health Unit.
Section 23. Sanitary Board.
Section 24. Parking Authority.
Section 25. The Water Board; Continuance; Qualifications, Term of Office, and Salary of Members; Selection of President; Vacancies.
Section 26. Meetings of the Water Board; Rules of Procedure; Journal.

Section 27. General Powers of the Water Board.
Section 28. Appointment and Tenure of General Manager of the Water Department.
Section 29. Powers and Duties of General Manager of the Water Department.
Section 30. Employment of Counsel by Water Board; Audits and Accounts.
Section 31. Application of Funds of Water Board.
Section 32. Contracts and Purchases. (2-18-82)
Section 33. Status of Existing Officers and Employees.
Section 34. Discriminatory Practices Prohibited.
Section 35. Social Security.
Section 36. Oath of Office.
Section 37. Elections. (6-1-93)
Section 38. Candidates for Clarksburg City Council or Clarksburg Water Board; Filing Fee; Filing Date. (6-1-93)
Section 39. Form of Certificate of Announcement; Blank Forms to be Furnished by City Clerk. (6-1-93)
Section 40. Effect of Charter on Existing Ordinances and Administrative Rules and Regulations.
Section 41. Reference to General Law.
Section 42. Meetings and Other Acts or Legal Holidays.
Section 43. Separability.
Section 44. Effective Date of Charter.

SECTION 23. SANITARY BOARD.

The council shall provide for the establishment of a sanitary board which shall have the powers and shall perform the duties prescribed by general law with respect to the construction, operation and maintenance of sewage disposal facilities. The sanitary board shall be composed of the city manager, who shall be the chairman of the board, and two other persons appointed by the council, one of whom shall be a registered professional engineer.

SECTION 24. PARKING AUTHORITY.

The parking authority heretofore created and now existing shall be continued. The parking authority shall have the power and the responsibility to establish, operate and finance automobile parking facilities for the city, as provided in article four-a, chapter eight of the official code of West Virginia, as amended.

SECTION 25. THE WATER BOARD; CONTINUANCE; QUALIFICATIONS, TERM OF OFFICE, AND SALARY OF MEMBERS; SELECTION OF PRESIDENT; VACANCIES.

The water board of the city in existence on the date this charter is adopted shall be continued. The water board shall consist of three members to be elected at large by the qualified voters of the city for terms of four years beginning on the first day of July following their election. The terms of office of all members of the water board in office on the date this charter is adopted shall continue unitl the close of business on the thirtieth day of June following the date on which their terms of office would otherwise expire. At the first election held under the provisions of this charter one member of the water board shall be elected. At each regular election thereafter either one or two members of the board, as the case may be, shall be elected to succeed the incumbent member or members whose term of office expires on the thirtieth day of June following the election.

Members of the water board shall be qualified voters of the city, shall have been residents of the city for at least one year prior to their nomination for the office, shall hold no other public office except that of notary public or member of the National Guard or naval or military reserve, and shall not be employed by the city in any capacity. If a member of the board shall cease to be qualified or shall be convicted of any crime involving moral turpitude, his office shall immediately become vacant.

A special meeting of the water board shall be held at 7:30 P.M. on the first day of July following each regular city election. Following the selection of a temporary chairman, the newly elected member or members of the water board shall first be inducted into office. The board shall then elect one of its members to serve as president for a term of two years.

The salary of each member of the water board shall be twenty dollars for each meeting of the board attended by him, not to exceed five hundred dollars in any fiscal year. Until the maximum limit is reached, the salary of each member shall be paid monthly as earned.

If any vacancy occurs on the water board, the board shall within thirty days appoint a qualified person to fill the vacancy for the unexpired term. If the vacancy is not so filled within thirty days after it occurs, then of the unsuccessful candidates for the office of member of the water board at the last election, who are still qualified and willing to serve, the one who received more votes than any of the others shall be entitled to the office. If the vacancy is not filled by either of these methods, it shall be filled at a special election to be

held on a date not more than four months after the vacancy occurs. In the resolution calling the special election, the council shall specify procedures for the conduct of the election, and dates for the circulation and filing of nominating petitions and for the holding of the election, which shall conform as nearly as may be practicable to the procedures and schedule established by this charter for regular city elections.

SECTION 26. MEETINGS OF THE WATER BOARD; RULES OF PROCEDURE; JOURNAL.

Regular meetings of the water board shall be held at least twice each month, on such days and at such times as the board may by published resolution prescribe. Special meetings may be held at any time upon call by the president or any two members and upon such notice as the board may by rule prescribe. All meetings of the board shall be open to be public.

Two members of the board shall constitute a quorum. The president shall be entitled to vote on all matters before the board.

The board shall by resolution adopt by-laws prescribing its own rules, procedure, and order of business, and shall keep a journal of all of its proceedings, which shall be available for public inspection.

SECTION 27. GENERAL POWERS OF THE WATER BOARD.

All of the powers now or hereafter conferred upon municipalities by the laws of the state for the operation of a water system, and all powers and duties of the city pertaining to the construction, acquisition, establishment, improvement, operation, management, maintenance, and repair of the municipal water system, and the determination of all matters of policy with respect thereto, are vested in and shall be exercised by the water board. The water board shall have full and exclusive jurisdiction of the exercise and discharge of such municipal powers so conferred upon it, independent of control by the council and the city manager. The city council shall upon request of the water board enact such ordinances, enter such orders, and adopt such resolutions as may be required by law in connection with the issuance of any water works revenue bonds, the acquisition by purchase or condemnation of any property needed for the proper operation of the water department, or the transaction of any other business of the water board.

In addition to the general powers mentioned in the preceding paragraph, and without any limitation upon such powers, the water board subject to provisions of general law shall have the following authority and shall perform the following duties:

(1) Fix, regulate and change rates and charges for water supplied to all consumers; adopt and prescribe reasonable rules and regulations which shall be observed by all consumers in reference to the use and consumption of water taken from the city mains, the terms and conditions upon which connections to the mains shall be permitted, and the place and manner of making the same; fix penalties by way of additional charges for failure to pay water bills promptly, and to this end the board may discontinue the supply of water to any consumer who fails to pay for the same as required; require all users of water for temporary purposes to pay for the privilege in advance; refuse to furnish water to any building or habitation unless the owner thereof shall assume liability for the payment of the charges for the water so furnished, and charge to and collect from the owner the cost of water furnished to any tenant or occupant of such building or habitation not paid for by the tenant or occupant; charge the cost of installing water service lines from the curb line to the main against the landowner, and require

payment in advance for installing and connecting such line with the water main. The powers of the water board to fix and charge rates for water and water service and to make rules and regulations governing the supply of such water and water service shall be subject to the supervision, regulation and control of the Public Service Commission of the state to the extent and in the manner now or hereafter prescribed by general law.

(2) Whenever the city council shall determine to pave or repave any street in the city, the water board is authorized to make a proper connection and lay a water service line from the main to the curb for each and every lot or for any part of a lot under separate ownership, although no water service may, at any time be necessary or required for any such lot or part of lot, and to charge the cost of making such connection and laying such water service line against the owner of the property. The cost of laying such water service lines and making such connections shall in every instance be a lien upon the lot or part of lot to be benefited thereby, and the water board shall have the right, in the name of the city, to institute and prosecute any proper suit in the circuit court of Harrison County for the collection of such charges by a sale of the property on which the same constitutes a lien. Whenever the council decides to pave or repave any street, it shall be the duty of the water board to lay necessary water mains and service lines as soon as may be practicable in order not to delay the paving program. In order to coordinate the making of such improvements it shall be the duty of both the council and the water board to cooperate with each other in making plans for such improvements or repairs, and to keep each other informed concerning future needs and plans.

(3) The board shall have power from time to time to repair, extend and amplify the water works plant and system, and to make such additions to the pumping station, filtration plant and water mains and lines as may at any time be deemed necessary for the proper operation of the system.

(4) The water board shall require the general manager to examine the sources of water supply for the city and to report to the board from time to time whether the waters are being polluted. The water board may, in the name of the city, institute and prosecute in any court having jurisdiction any legal action, civil or criminal, necessary to enjoin any person, firm or corporation from continuing any nuisance caused by such pollution or to prohibit the violation of any city ordinance or of any provision of general law concerning pollution or concerning the protection of the city water supply.

(5) Whenever the city shall in the manner prescribed by law provide for the imposition of a sewage service charge based on the consumption of water upon the customers of the water department, it shall be the duty of the water board to add the charge to the water bills and collect the same. All sewage charges collected by the water board shall be accounted for monthly and paid into the operating fund of the sanitary board. The sanitary board shall pay any additional cost incurred by the water board in the collection of sewage charges.

SECTION 28. APPOINTMENT AND TENURE OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The water board shall appoint a general manager of the water department to serve for an indefinite term, and may at any time remove him from office by the affirmative vote of not less than two of its members. At least thirty days before such removal shall become effective, the board shall adopt a preliminary resolution stating the reasons for his removal and specifying the date on which his removal shall become final. At any time within ten days after the adoption of such resolution, upon the written request of the manager, he shall be afforded an opportunity to be heard at a public meeting of the board, which shall be held no earlier than ten nor later than twenty days after the request was made, and at a time and place to be fixed by the water board. After such public hearing if one is requested, and after full consideration, the board by affirmative vote of two if its members may adopt a final resolution of removal. By the preliminary resolution the board may suspend the manager with pay for a period not to exceed thirty days, and may designate some other person to perform the duties of the manager during the period of his suspension.

The general manager shall be a person of proved executive and administrative ability, preferably with experience and training in the management of a water or other utility system. At the time of his appointment he need not be a resident of the city or state, but during his tenure of office shall reside in Harrison County. No member of the water board, during his term and for a year thereafter, shall be eligible for appointment as general manager of the water department.

Neither the water board nor any of its members shall direct or in any manner interfere with or obstruct the appointment or removal of any employee by the general manager or by any of his subordinates. Except for the purpose of inquiry, the board and its members shall deal with the employees of the water department solely through the general manager and shall give no orders to such employees, either publicly or privately. If any member of the board shall violate the provisions of this section, he shall be subject to removal from office in the manner provided for the removal of municipal officers in section seven, article six, chapter six of the official code of West Virginia, as amended.

SECTION 29. POWERS AND DUTIES OF GENERAL MANAGER OF THE WATER DEPARTMENT.

The general manager of the water department shall be the administrative authority of the city insofar as the water department is concerned. He shall be ex officio the secretary and treasurer of the water board, and shall devote all of his time to his official duties. He shall be responsible to the board for the proper and efficient administration of the water department, and to that end he shall have power and shall be required to:

(1) Appoint and, when he deems it necessary or advisable, remove all employees of the water department, except as he may authorize such appointment and removal by his subordinates.

(2) Prepare the annual budget of the water department, submit it to the board for adoption, and be responsible for its administration after adoption.

(3) Prepare and submit to the board as of the end of each fiscal year a complete report on the finances and the administration of the department for the preceding year.

(4) Advise the board with respect to future plans and physical needs of the water department, and keep it informed concerning the current financial condition of the department.

(5) Enforce, or cause the enforcement of, all city ordinances and all laws of the state applicable to the water system, and of all rules and regulations of the water board.

(6) Prepare and cause to be served all notices required to be given to any person, firm or corporation in connection with any activity or business of the water board, and after the proper service and return of any notice he shall file and preserve the same.

(7) Collect all revenues of the water department, deposit them in the bank or banks designated by the water board, and disburse them upon such requisition or order as the board may prescribe.

(8) Supervise the purchase, storage and distribution of all equipment and supplies for the water department.

(9) Make and keep up to date, and place on file for public information at the office of the water board, complete maps, plans and details showing the dams, pumping stations, reservoirs, tanks, pipes, valves, connections, water lines, fire hydrants, and all other data necessary to show all the physical properties of the water department.

(10) Attend all meetings of the water board, give notice of its meetings, keep the journal of its proceedings, and keep or cause to be kept full and accurate record books and books of account covering all the business and transaction of the water department, all of which shall be available for public inspection.

(11) Execute on behalf of the water board all legal and other written documents requiring execution by the chief executive officer of the board, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the board.

(12) Perform such other duties as may be required of him by this charter, by general law, or by order of the board not inconsistent with this charter or with general law.

The general manager may by letter filed with the president of the board designate one of his subordinates to perform the duties of the general manager during his temporary absence or disability. If the manager fails to make such designation, the board may by resolution appoint an employee of the water department to act for the manager during his absence or disability.

SECTION 30. EMPLOYMENT OF COUNSEL BY WATER BOARD; AUDITS AND ACCOUNTS.

The water board may employ legal counsel to assist and advise it in the discharge of its duties, and to represent it and the city in all litigation conducted by the water board in connection with the exercise of its powers and the transaction of its business. The cost of all such litigation, including any judgment or decree against the water board in the name of the city, as well as all fees and compensation for counsel employed by it, shall be paid out of the revenues of the water board.

The water board by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the board may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the water board or of the accounts of the general manager or any other employee of the water department.

SECTION 31. APPLICATION OF FUNDS OF WATER BOARD.

All revenues derived from the operation of the water department, from the sale of water works bonds, or from the sale by the water board of any of its property, shall be applied by the water board solely for the payment of expenses incurred in the exercise of authority or in the discharge of duties imposed on the board by this charter or by general law, for the payment of the cost of operating, improving, and managing the water system, and for the payment of principal, interest and sinking fund requirements necessary for the discharge of any water works bonds heretofore or hereafter issued.

SECTION 32. CONTRACTS AND PURCHASES.

All contracts and purchases by any City officer, department or agency shall be void unless made in conformity with all applicable provisions of general law, this Charter, and with all rules and regulations fixed by ordinance, from time to time, concerning a dollar amount for which competitive bids shall be required for contracts for improvements or purchases of materials, supplies and equipment.

In the case of contracts for the construction of any improvements in which competitive bids shall be required, sealed competitive bids shall be obtained by notice published at least once each week for two successive weeks in two newspapers of opposite politics published in the City. The notice shall refer to necessary specifications and plans, shall invite the submission of bids, and shall specify the date on which the bids will be opened. In the case of contracts or purchases of supplies, materials and equipment or personal services, sealed competitive bids shall be obtained either (a) by published notice inviting bids as in the case of contracts for the construction of improvements, or (b) by mailed notice stating the necessary specifications, inviting the submission of bids, and stating the date on which the bids will be opened. The first of these methods shall be used unless the Council or Water Board, as the case may be, shall enter an order of record authorizing the use of the second method and stating the reasons why such method was authorized. Whether or not it is so stated in the published mailed notice, all bids may be rejected. No City officer, department or agency shall subdivide any contract or purchase for the purpose of evading the requirements of this section with respect to competitive bidding.

The water board by resolution shall provide for such system of collecting, disbursing, budgeting, auditing, accounting and record-keeping, not inconsistent with other provisions of this charter, as may in its opinion be necessary or desirable.

In addition to the regular annual audit made by the state tax commissioner, the board may at any time it is deemed necessary employ qualified public accountants to make a special independent audit of the finances of the water board or of the accounts of the general manager or any other employee of the water department.

SECTION 31. APPLICATION OF FUNDS OF WATER BOARD.

All revenues derived from the operation of the water department, from the sale of water works bonds, or from the sale by the water board of any of its property, shall be applied by the water board solely for the payment of expenses incurred in the exercise of authority or in the discharge of duties imposed on the board by this charter or by general law, for the payment of the cost of operating, improving, and managing the water system, and for the payment of principal, interest and sinking fund requirements necessary for the discharge of any water works bonds heretofore or hereafter issued.

SECTION 32. CONTRACTS AND PURCHASES.

All contracts and purchases by any City officer, department or agency shall be void unless made in conformity with all applicable provisions of general law, this Charter, and with all rules and regulations fixed by ordinance, from time to time, concerning a dollar amount for which competitive bids shall be required for contracts for improvements or purchases of materials, supplies and equipment.

In the case of contracts for the construction of any improvements in which competitive bids shall be required, sealed competitive bids shall be obtained by notice published at least once each week for two successive weeks in two newspapers of opposite politics published in the City. The notice shall refer to necessary specifications and plans, shall invite the submission of bids, and shall specify the date on which the bids will be opened. In the case of contracts or purchases of supplies, materials and equipment or personal services, sealed competitive bids shall be obtained either (a) by published notice inviting bids as in the case of contracts for the construction of improvements, or (b) by mailed notice stating the necessary specifications, inviting the submission of bids, and stating the date on which the bids will be opened. The first of these methods shall be used unless the Council or Water Board, as the case may be, shall enter an order of record authorizing the use of the second method and stating the reasons why such method was authorized. Whether or not it is so stated in the published mailed notice, all bids may be rejected. No City officer, department or agency shall subdivide any contract or purchase for the purpose of evading the requirements of this section with respect to competitive bidding.

(4) Advise the board with respect to future plans and physical needs of the water department, and keep it informed concerning the current financial condition of the department.

(5) Enforce, or cause the enforcement of, all city ordinances and all laws of the state applicable to the water system, and of all rules and regulations of the water board.

(6) Prepare and cause to be served all notices required to be given to any person, firm or corporation in connection with any activity or business of the water board, and after the proper service and return of any notice he shall file and preserve the same.

(7) Collect all revenues of the water department, deposit them in the bank or banks designated by the water board, and disburse them upon such requisition or order as the board may prescribe.

(8) Supervise the purchase, storage and distribution of all equipment and supplies for the water department.

(9) Make and keep up to date, and place on file for public information at the office of the water board, complete maps, plans and details showing the dams, pumping stations, reservoirs, tanks, pipes, valves, connections, water lines, fire hydrants, and all other data necessary to show all the physical properties of the water department.

(10) Attend all meetings of the water board, give notice of its meetings, keep the journal of its proceedings, and keep or cause to be kept full and accurate record books and books of account covering all the business and transaction of the water department, all of which shall be available for public inspection.

(11) Execute on behalf of the water board all legal and other written documents requiring execution by the chief executive officer of the board, acknowledge the same if necessary, and perform all other acts and duties required of the chief executive officer of the board.

(12) Perform such other duties as may be required of him by this charter, by general law, or by order of the board not inconsistent with this charter or with general law.

The general manager may by letter filed with the president of the board designate one of his subordinates to perform the duties of the general manager during his temporary absence or disability. If the manager fails to make such designation, the board may by resolution appoint an employee of the water department to act for the manager during his absence or disability.

SECTION 30. EMPLOYMENT OF COUNSEL BY WATER BOARD; AUDITS AND ACCOUNTS.

The water board may employ legal counsel to assist and advise it in the discharge of its duties, and to represent it and the city in all litigation conducted by the water board in connection with the exercise of its powers and the transaction of its business. The cost of all such litigation, including any judgment or decree against the water board in the name of the city, as well as all fees and compensation for counsel employed by it, shall be paid out of the revenues of the water board.

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, Clerk of said City of Clarksburg, certify that PATRICIA L. D'ANSELMI this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that she was on the 5th day of JANUARY, 19 99, APPOINTED AS A MEMBER TO THE CLARKSBURG WATER BOARD (to fill the unexpired term of Frank Angotti) of the City of Clarksburg, in said County of Harrison, for the term of June, 2001 commencing on the 5th day of January, 19 99, and that she will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that she will faithfully discharge the duties of her office of WATER BOARD MEMBER of the City of Clarksburg, to the best of her skill and judgment, so help her God.

Patricia L. D'Anselmi

Taken, subscribed and sworn to before me, in said City and County, on this 5th day of JANUARY, 19 99

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* CHARLIE THAYER *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 1st *day of* JUNE, *19* 99, ELECTED TO THE CLARKSBURG WATER BOARD *of the City of Clarksburg, in said County of Harrison, for the term of* FOUR (4) *years, commencing on the* 1st *day of* JULY, *19* 99, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* WATER BOARD MEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Charles A. Thayer III

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* JULY, *19* 99

Annette M. Wright

Clerk

MAR-25-01 02:14 PM CITY OF CLARKSBURG 13046246135 P.03

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* RUSSELL J. LOPEZ, JR. *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 27th *day of* APRIL, ~~XXX~~ 2000, APPOINTED AS A MEMBER TO THE CLARKSBURG WATER BOARD (to fill the unexpired term of *of the City of Clarksburg, in said County of Harrison, for the term of* June, 2001 ~~XXXXXX~~Robert Clotfelty *years, commencing on the* 27th *day of* APRIL, ~~XX~~ 2000, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* WATER BOARD MEMBER *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Russell J. Lopez

Taken, subscribed and sworn to before me, in said City and County, on this 28th *day of* APRIL, ~~XX~~ 2000

Annette M. Wright
Clerk

State of West Virginia:

COUNTY OF HARRISON, CITY OF CLARKSBURG, TO WIT:

I, ANNETTE M. WRIGHT, *Clerk of said City of Clarksburg, certify that* RICHARD D. WELCH *this day in said City personally appeared before me, and being by me duly sworn, deposes and says: that he was on the* 1st *day of* SEPTEMBER, ~~19~~ 2000, APPOINTED GENERAL MANAGER OF THE WATER BOARD *of the City of Clarksburg, in said County of Harrison, for the term of* indefinite *years, commencing on the* 1st *day of* SEPTEMBER, ~~19~~ 2000, *and that he will support the Constitution of the United States, the Constitution of the State of West Virginia and the Charter of the City of Clarksburg, and that he will faithfully discharge the duties of his office of* GENERAL MANAGER OF THE WATER BOARD *of the City of Clarksburg, to the best of his skill and judgment, so help him God.*

Richard D. Welch

Taken, subscribed and sworn to before me, in said City and County, on this 1st *day of* SEPTEMBER, ~~19~~ 2000

Annette M. Wright

Clerk

CLARKSBURG WATER BOARD

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF THE WATER REVENUE BONDS, SERIES 2001 A, OF THE CITY OF CLARKSBURG; APPROVING THE EXECUTION AND DELIVERY ALL DOCUMENTS RELATING TO THE SALE OF SUCH BONDS; RATIFYING AND APPROVING ENACTMENT BY THE CITY OF AN ORDINANCE AUTHORIZING AND APPROVING SUCH BONDS; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Clarksburg Water Board (the "Board") proposes the issuance of Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program) (the "Bonds") by the City of Clarksburg (the "City") for the purpose of financing the acquisition and construction of certain additions, betterments and improvements (the "Project") for the City's municipal waterworks system (the "System"), which is operated, maintained and managed by the Board; and

WHEREAS, the Bonds are proposed to be issued in the aggregate principal amount not to exceed $3,000,000, to the West Virginia Water Development Authority (the "Authority") in connection with the West Virginia Drinking Water Treatment Revolving Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CLARKSBURG WATER BOARD AS FOLLOWS:

Section 1. Pursuant to the City Charter of the City of Clarksburg, this Resolution is hereby adopted and the Board hereby authorizes and approves the acquisition and construction of the Project and the financing thereof through the issuance of the Bonds by the City, to be issued pursuant to the provisions of Chapter 8, Article 19 and Chapter 16, Article 13C of the West Virginia Code of 1931, as amended, such Bonds to be in an amount not to exceed $3,000,000, in one or more series;

Section 2. The Board hereby requests that the City enact an ordinance directing that the Bonds be issued (the "Ordinance").

Section 3. The Board hereby requests that the City authorize, execute and deliver the Bonds in accordance with the terms set forth in the ordinance and take all further action necessary or desirable to the acquisition and construction of the Project and the issuance of the Bonds.

Section 4. The General Manager, President and Secretary of the Board are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Bonds hereby and by the Ordinance approved and provided for.

Section 5. This Resolution shall be effective immediately.

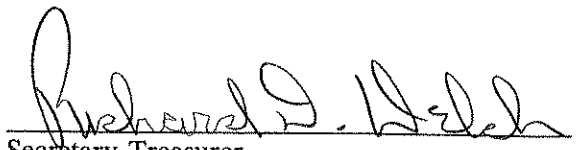
Adopted this 13th day of February, 2001.

Patricia L. D'Anselmi
President, Clarksburg Water Board

CERTIFICATION

The undersigned hereby certifies that he is the duly qualified and acting SECRETARY-TREASURER of CLARKSBURG WATER BOARD, and that the foregoing resolution is a true, accurate and complete copy of the resolution duly adopted by the Clarksburg Water Board at a special meeting of the Board held on February 13, 2001, pursuant to proper notice, at which meeting a quorum was present and acting throughout, which resolution has not been amended, modified or rescinded and is in full force and effect as of the date hereof.

Dated: April 11, 2001.



Secretary-Treasurer

CLARKSBURG WATER BOARD
NOTICE OF PUBLIC HEARING ON WATER RATE RESOLUTION
INCREASING WATER RATES AND CHARGES

A public hearing will be held on the Water Rate Resolution that increases the charges for water and water services, as set forth below, at a regular meeting of the members of the Clarksburg Water Board to be held on September 28, 1999, at 7:00 p.m. at the office of the Clarksburg Water Board located at 1001 South Chestnut St., Clarksburg, Harrison County, West Virginia, and at such hearing all objections and suggestions shall be heard by the Board relating to such action to confirm, reject, or modify said Resolution as it shall deem proper in the premises. The proposed increase in rates and charges will result in an increase in the annual operating revenues by fifteen and nine-tenths percent (15.9%). The Resolution reads as follows:

A RESOLUTION FOR THE PROVIDING FOR THE ESTABLISHMENT OF NEW WATER RATES FOR WATER AND WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROPRIATELY A PART OF THE TARIFF OF THE CLARKSBURG WATER BOARD, IN ACCORDANCE WITH CHAPTER 24, ARTICLE 2, AND CHAPTER 8, ARTICLE 19, AND OTHER PERTINENT SECTIONS OF THE CODE OF WEST VIRGINIA, AND THE CHARTER OF THE CITY OF CLARKSBURG

WHEREAS, The Clarksburg Water Board is a municipal corporation which owns and operates the water works system supplying water for the City of Clarksburg and to various outlying cities, towns, districts, and associations for domestic, industrial and commercial purposes;

WHEREAS, the Clarksburg Water Board has been operating under rates and charges established by law;

WHEREAS, upon the advice of its Treasurer, engineers, and accountants, said Clarksburg Water Board has determined that an adjustment and increase in water rates will have to be made in order to provide sufficient operating revenues for continued operations of the water system, and to provide adequate debt service coverage for the funding of its outstanding obligations,

NOW, THEREFORE, BE IT RESOLVED BY THE CLARKSBURG WATER BOARD OF THE CITY OF CLARKSBURG, WEST VIRGINIA, that the following rates and charges be in effect for services rendered by the Clarksburg Water Board.
Further, that a public hearing on the above rate increase resolution will be held at the Clarksburg Water Board offices at 1001 So. Chestnut Street, Clarksburg West Virginia, September 28, 1999, at 7:00 o'clock P.M., at which time persons may appear and be heard on

the subject, and that a copy of the proposed may be inspected at said Clarksburg Water Board offices prior to said meeting.

The rates and charges set forth below shall be effective forty five (45) days after final action following said hearing relating to this Resolution.

This resolution passed this 7th day of September, 1999.

Patsy S. Trecost
Secretary-Treasurer and
General Manager
Clarksburg Water

SCHEDULE NO. 1 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial, and public authorities.

RATE:

CCF Metered			
First	2,000 cu ft used per month	$ 3.81	per 100 cu ft
Next	28,000 cu ft used per month	$ 2.59	per 100 cu ft
All over	30,000 cu ft used per month	$ 1.873	per 100 cu ft
Gallons Metered			
First	15,000 gallons used per month	$ 5.093	per 1,000 gallons
Next	210,000 gallons used per month	$ 3.463	per 1,000 gallons
All over	225,000 gallons used per month	$ 2.504	per 1,000 gallons

MINIMUM CHARGE:

No bill will be rendered for less than the following amounts, according to the size of the meter installed.

Meter Size	Minimum Charge		Consumption Included
5/8" Meter	$ 11.43	per month	300 cu ft (2,250 gallons)
1" Meter	$ 28.58	per month	700 cu ft (5,250 gallons)
1 ½" Meter	$ 57.15	per month	1500 cu ft (11,250 gallons)
2" Meter	$ 91.44	per month	2500 cu ft (18,750 gallons)
3" Meter	$ 171.45	per month	5600 cu ft (41,900 gallons)
4" Meter	$ 285.75	per month	10000 cu ft (74,800 gallons)

6"	Meter	$ 571.50	per month	21100 cu ft (157,900 gallons)
8"	Meter	$ 914.40	per month	36000 cu ft (269,300 gallons)

TEMPORARY SERVICE RATE:

The minimum water charge for water for temporary uses shall be $5.05 per 100 cubic feet ($6.76 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE:

When water service has been disconnected for non-payment of bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURN CHECK CHARGE:

When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee of Seven Dollars ($7.00).

SCHEDULE NO. 2 (WATER)

AVAILABILITY OF SERVICE:

Available for all water delivered to water utilities for resale.

CCF Metered	$ 1.668	per 100 cubic feet
GALLONS Metered	$ 2.229	per 1,000 gallons

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, a ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3 (WATER)

Applicable in entire area served.

CHARGE FOR TAPPING MAINS:

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.

The charges for these items are as follows:

Size of Tap	Cost of Tap PSC-Account 345	Cost of Meter Installation PSC-Account 347	Total Charge
¾"	$130.00	$120.00	$250.00
1"	$140.00	$210.00	$350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

SCHEDULE 4 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE:

Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$ 6.75
6 inch	$20.25
8 inch	$40.50

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 5 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE:

Available for public fire protection.

RATE:

For each public fire hydrant-$120.00 per year

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate,

Municipal Rate Change Form No. 1

PUBLIC NOTICE OF CHANGE IN WATER RATES
CLARKSBURG WATER BOARD

Notice is hereby given that the Clarksburg Water Board, a public utility, has adopted by ordinance on September 28, 1999, a tariff containing increased rates, tolls and charges for furnishing water service to approximately 8,576 customers at Clarksburg and surrounding communities located in the County of Harrison.

The proposed increase will become effective November 15, 1999 unless otherwise ordered by the Public Service Commission and will produce approximately $777,000 annually in additional revenue, an increase of 15.9%. The average monthly bill for the various classes of customers will be changed as follows:

	$ increase	% increase
Residential (4,500 gals.)	$3.60	18.7%
Commercial (17,650 gals.)	$10.57	14.1%
Industrial (668,200 gals)	$208.50	12.6%
Governmental (133,500 gals)	$44.94	12.3%
Resale (bulk rate per 1,000 gal)	$0.27	13.5%
Public Fire Hydrant (each)	$5.00	100.0%
Private Fire Hydrant (each)	$6.75	50.0%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents a petition to the Commission signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of WestVirginia, 201 Brooks St, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers or their agents at the office of the Clarksburg Water Board, 1001 South Chestnut St., Clarksburg, WV 26301.

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia.

Patsy S. Trecost

Patsy S. Trecost
Secretary-Treasurer/General Manager

S. O. Form 3
1M

P. S. C. W. Va. No. 12

Canceling P. S. C. W. Va. No. 11

Clarksburg Water Board

City of Clarksburg, A Municipal Corporation
(Name of Utility)

OF

Clarksburg, West Virginia
(Location of Office)

Rates, Rules and Regulations for Furnishing

WATER

AT

Clarksburg and vicinity, Harrison County, WV V.

Filed with THE PUBLIC SERVICE COMMISSION

OF

WEST VIRGINIA

Issued June 21, 2000 Effective June 19, 2000

Issued by Clarksburg Water Board
(Name of Utility)

By Dan L. Adkins

Dan L. Adkins
Interim General Manager

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
PRIOR TO COMPLETION OF CONSTRUCTION

SCHEDULE NO. 1

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial, industrial and public authorities.

RATE

CCF Metered			
First	2,000 cu ft used per month	$3.64	per 100 cu ft
Next	28,000 cu ft used per month	2.40	per 100 cu ft
All Over	30,000 cu ft used per month	1.665	per 100 cu ft

Gallons Metered			
First	15,000 gallons used per month	$4.866	per 1,000 gallons
Next	210,000 gallons used per month	3.208	per 1,000 gallons
All Over	225,000 gallons used per month	2.226	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge	
5/8" Meter	$10.92	per month
1" Meter	27.30	per month
1 - ½" Meter	54.60	per month
2" Meter	87.35	per month
3" Meter	163.80	per month
4" Meter	273.00	per month
6" Meter	546.00	per month
8" Meter	873.60	per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.35 per 100 cubic feet ($5.82 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Seven Dollars ($7.00).

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
PRIOR TO COMPLETION OF CONSTRUCTION

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale.

RATE
CCF Metered $1.599 per 100 cubit feet
Gallons Metered $2.138 per 1.000 gallons

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

Applicable in entire area served.

CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.
The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC - Acct. 345	Cost of Meter Installation PSC - Acct. 347	Total Charge
3/4"	$130.00	$120.00	$250.00
1"	140.00	210.00	350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
PRIOR TO COMPLETION OF CONSTRUCTION

SCHEDULE NO. 4

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$ 5.70
6 inch	17.15
8 inch	34.35

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for public fire protection service.

RATE
For each public fire hydrant - $120.00 per year.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 6

LEAK ADJUSTMENT RATE
$0.164 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #2 (Excludes sinking fund interest from coverage calculation)

SCHEDULE NO. 1

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial, industrial and public authorities.

RATE

CCF Metered			
First	2,000 cu ft used per month	$3.74	per 100 cu ft
Next	28,000 cu ft used per month	2.50	per 100 cu ft
All Over	30,000 cu ft used per month	1.748	per 100 cu ft

Gallons Metered			
First	15,000 gallons used per month	$5.000	per 1,000 gallons
Next	210,000 gallons used per month	3.342	per 1,000 gallons
All Over	225,000 gallons used per month	2.337	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge	
5/8" Meter	$11.22	per month
1" Meter	28.05	per month
1 - ½" Meter	56.10	per month
2" Meter	89.75	per month
3" Meter	168.30	per month
4" Meter	280.50	per month
6" Meter	561.00	per month
8" Meter	897.60	per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.35 per 100 cubic feet ($5.82 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Seven Dollars ($7.00).

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #2 (Excludes sinking fund interest from coverage calculation)

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale.

RATE

CCF Metered $1.657 per 100 cubit feet
Gallons Metered $2.215 per 1,000 gallons

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

Applicable in entire area served.

CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.
The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC - Acct. 345	Cost of Meter Installation PSC - Acct. 347	Total Charge
3/4"	$130.00	$120.00	$250.00
1"	140.00	210.00	350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #2 (Excludes sinking fund interest from coverage calculation)

SCHEDULE NO. 4

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$ 5.70
6 inch	17.15
8 inch	34.35

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for public fire protection service.

RATE
For each public fire hydrant - $120.00 per year.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 6

LEAK ADJUSTMENT RATE
$0.164 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

Clarksburg, West Virginia, September 7, 1999

The regular meeting of the Clarksburg Water Board was held on Tuesday September 7, 1999 at 7:05p.m. at the offices of the Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

Board Members Present:	Robert S. Glotfelty,	Board President.,
	Patricia D'Anselmi	Board Member
	Charles O. Thayer, III	Board Member
Others present:	Patsy S. Trecost	General Manager
	Guy E. Morris	General Counsel
	Wakem Simon	Director of Operations
	Robert Guzzi	Superintendent of Distribution
	Dan L. Adkins,	Director of Finance
	Gena R. Davis	Accounting Assistant
Gannett Fleming:	Paul Herbert	
Absent:	Kathy L. Fazzini	Executive Secretary

Robert S. Glotfelty, Board President, called the meeting to order and proceeded with the roll call.

B. APPROVAL OF MINUTES

Regarding the minutes of the regular meeting of August 24, 1999 on page 4, A motion was made, but not recorded directing Mr. Trecost, to employ an attorney of his choice regarding the Clarksburg Water Board insurance.

A MOTION was made by Mrs. D' Anselmi, seconded by Mr. Thayer and unanimously carried, approving the minutes of August 24, 1999 as corrected.

C. Public Hearings, Request, Petitions and Delegations

Mr. Glotfelty, "I guess the time has come to consider this option of the resolution on the first reading of the Clarksburg Water Board rate increase. We have all had a chance to look it over. Have we all had a chance to study it? Time has come to make a motion and adopt something."

A MOTION was made by Mrs. D'Anselmi to adopt a resolution for providing for the establishment of new water rates for water and water service, and the promulgation of such other regulations as are appropriately a part of the tariff of the Clarksburg Water Board. In accordance with Chapter 24: Article 2, Chapter 8:Article 19, and other pertinent sections of the code of West Virginia and the charter of the City of Clarksburg and further that a public hearing on the above rate increase resolution will be held at the Clarksburg Water Board offices at 1001 South Chestnut Street Clarksburg, WV on September 28, 1999 at 7:00 p.m., at which times persons may appear and be heard on the subject and the copy of the proposed may be inspected at the said Clarksburg Water Board office prior to said meeting.

Discussion of Motion

Mrs. D'Anselmi, "This will be the first reading of this resolution, right?"
Mr. Glotfelty, "Is this complete enough Mr. Trecost? Does it identify the schedule of rates included in the resolution?"
Mr. Trecost, "Yes, the schedule is part of the resolution."
Mr. Morris, "Yes that is complete enough, unless someone objects and wants the entire resolution read. Is there any objection to working on it based on the way it is now?"
Mrs. D'Anselmi, "To read the entire resolution?"
Mr. Morris, "Only if someone objects, we can go ahead and take it as it is."
Mr. Glotfelty, "Are we selecting the schedule that we are favoring tonight in Alternative 1?"
Mr. Morris, "That is correct."
Mr. Glotfelty, "Has that been identified properly in there?"
Mr. Morris, "It has."
Mr. Glotfelty, "Then do we all agree that it is alternative 1. Then we are all satisfied and talking about the same thing? Do I here a second? I will second it. Any discussion?"
Mr. Thayer, "Under discussion In our work session I stated my reasons for why I favored alternative 2 as being the more excepted way of apportioning the distribution of rates. It is actually based on more of an actual consumption of the individual type class, for that reason that is the alternative that I favored, but it doesn't take a unanimous vote of the board to do it. Just for the record I wanted to state my opinion."
Mr. Glotfelty, "Any other discussion? All in favor say I "

Mrs. D'Anselmi and Mr. Glotfelty voted in favor of the motion Mr. Thayer opposed. Motion passed.

Mr. Trecost, "Mr. Herbert will we have the levels of consumption figures tomorrow?"
Mr. Herbert, "Maybe not tomorrow but by the end of the week. "

D. General Manager's Report

1. Report on the CSX rights of way and pipeline crossing.

Mr. Trecost, "For the last month we have been in negotiations with CSX. The last document we received was for $8,760.00, which started out at $20,000.00. I don't think we will be able to do any better. It is my recommendation that the board allows the document to be signed for $8.760.00 plus $500.00 the board had the administration holding for a grand total of $9,310.00."
Mr. Glotfelty, "I think you did a wonderful job with negotiations. I thought all along that, the original figure was a little false."
Mr. Thayer, "I have a question. This offer of $8760.00 is only including 8 crossings, right?"
Mr. Trecost, "Yes Sir."
Mr. Thayer, "Originally when we first got these crossings there were 14 on there, so 6 of them were excluded in this offer of $8,760.00"
Mr. Trecost, "No."
Mr. Glotfelty, "They were excluded before this, isn't that correct?"
Mr. Adkins, "A portion of them are no longer owned by CSX."
Mr. Trecost, "We will now have to have another set of negotiations with Rails for Trails."
Mr. Thayer, "Is that reason they were eliminated?"
Mr. Trecost, "Yes, they now belong to Rails for Trails. We just settled CSX."
Mr. Thayer, "I know one of them has a real high number?"
Mr. Trecost, "No, I am talking about the thousands of dollars they wanted for a one-time figure."
Mr. Glotfelty, "$20,000.00"
Mr. Adkins, "$7,847.00"
Mr. Thayer, "$7,800.00 and that one is not included on the list. "
Mr. Trecost, "Yes it is BOL96108 1925-06-15 is now $950.00. It was $1,847.00 and is right there."
Mr. Thayer, "It seems to me that I got some papers that do not include that on there."
Mr. Trecost, "If you go with sheet 1 it will be the sixth one down, if you go with sheet 2 it would be the sixth one down also. BOL96108 size 8 inch, cost $7,847.00 and the price is now $950.00."
Mr. Thayer, "Now wait a minute. Now on the very next page it says BOL96110 is the contract number and that is the one that is $7,847.00 and over here there is no BOL96110. It is not on the front page. No wonder they dropped the price. They just eliminated that one out of there, and said, well we wont put this one in there."
Mr. Trecost, "That could be, or there could be a mistake on their part. It may also be that it belongs to Rails for Trails. So that could be two fold,

but if that is their mistake, the check is only prepared for $10,000.00. That is all they are getting tomorrow with the signed document."
Mr. Thayer, "Well like I say, When they originally gave us a thing showing $20,407.00 and then they come back and said hey we will give it to you for $8,760.00, but what we did is we are now not including this one for $7,487.00 in there. We just pulled it out."
Mr. Trecost, "They will play heck in getting that if they send us another bill, because I went over them with Cindy on the phone."
Mrs. D'Anselmi, "They can't come back and make us pay that $7,800.00?"
Mr. Thayer, "I think we should know what we are buying, before we buy it."
Mr. Trecost, "I think we do know what we are buying, Mr. Thayer. We are buying the first sheet for $8,760.00."
Mr. Thayer, "Well its not listed on here what we are getting for the $8,760.00."
Mr. Trecost, "Mr. Thayer the figure was $20,407.00 and now it is $8,760.00. When I talked to Ms. Bridges she said I am going to fax it to you, I am not going to tell you on the phone, but it will make you happy. I then called her back and said we owe you $8,760.00 plus the $500.00 that we are holding and she said that's correct. When I added it up for her she said that is correct. I told her we would discus it a the board meeting."
Mr. Thayer, "But did you ask her where is the BOL96110?"
Mr. Trecost, "No, I did not."
Mr. Thayer, "That makes a big difference. There is 8 of them listed over here and over here there is 9, they pulled one of them out and that is the one that is a big amount of money, a one time fee. They didn't give that away to Rails for Trails from the time they gave it to us the first time until they faxed this one."
Mr. Trecost, "No, I just think that it is a mistake on their part."
Mr. Thayer, "Well I think that is something that I want to know before I released the check to them and say here is the check, and then they say well thanks you just bought 8 of them, you did not by all 9 of them. Now you have this one here what do you want to do about it. Why is it so much more $7,800.00 compared to 1,900.00?"
Mr. Trecost, "It is based on footage, that is the one that is 2,065 feet, an 8 inch crossing Penn Street to city limits."
Mr. Simon, "There are no existing tracks."
Mr. Trecost, "That's right. I mean we can hold them, we have been doing it for a year so it doesn't matter to me."
Mr. Glotfelty, "When is our next meeting?"
Mr. Trecost, "The 28th of September."
Mr. Glotfelty, "Would you want to hold it for that long?"
Mr. Trecost, "I don't have a problem holding them."
Mr. Glotfelty, "What is the easiest way to resolve this?"
Mr. Trecost, "To call Ms. Bridges tomorrow and ask her what happened. I hope that she doesn't say I forgot that one so go ahead and add it to your bill and make your bill $18,000.00."

Mr. Thayer, "That could happen, but I mean we need to know what we are doing."
Mr. Trecost, "Ok, I did not want to look a gift horse in the mouth, but if I open it up tomorrow that's what I may be doing."
Mr. Glotfelty, "How was this offered to you, was it in writing?"
Mr. Trecost, "No. The $20,000.00 is in writing, but the $8,700.00 was sent to me with 47 faxes of every rail that we have had in Clarksburg since 1924."
Mr. Thayer, "Well just simply call her back and say hey Cindy you forgot to add one on there that's in there for that $8,760.00 right? We want to make sure that we are buying what we think were buying."
Mr. Trecost, "Just table it until the next meeting. It may be cheaper then what we think. They may have overcharged us for $950.00"

2. Renewal of Lease at 432 West Main Street

Mr. Trecost, "In your packet you will find the letter from Dr. Heal, Dr. Raeder, Dr. Heal and Dr. Ortiz. After I wrote a letter to Dr. Heal he went to his three partners, assuming that they are all partners, and he wrote me a letter excepting the $1,375.00 per month for 10 years also with the two parking spaces originally leased to the phone company to be terminated. Dr. Heal agreed on everything we agreed on at the last meeting. I need a motion on that."
Mr. Morris, "Well originally when Dr. Heal was here I asked him if he was going to take the lease in his name, the same as the old lease he indicated that he has 4 doctors signing. The only thing that worries me is, and we really shouldn't worry about adding more doctors, but he says that the name of all four dentists should be included on the lease with the ability to terminate the lease as stated in the original lease. I am going to have to clarify that with him. I don't mind having four doctors on the lease."
Mrs. D'Anselmi, "They would all have to agree to terminate, right?"
Mr. Morris, "Well the way it was before Dr. Heal was the only one on the lease and if he died, went out of practice or was to old to practice he had a right to come in and terminate. This will be the thing I will clarify with him as long as he wants these people on the lease. This will be fine, but I need to clarify the termination part of it with him."
Mr. Trecost, "Why don't we go ahead and allow the motion to be made and then allow you to do your thing, so we don't have to keep bringing this up again."
Mr. Morris, "I would like that, because I am going to prepare the lease in the same format that we had before. It is a very good lease it is a landlords lease. I intend to prepare it the same way as before."
Mr. Thayer, "Have you Mr. Trecost talked to the Telephone Company about the parking spaces?"
Mr. Trecost, "No sir."

Mr. Morris, "We have a right to terminate at thirty days, they are paid up to December 31, 1999. Mr. Trecost has talked to Dr. Heal about it he did not want to have any problems with the telephone company. How about terminating them as of December 31,1999. Dr. Heal's new lease wont start till March 1, 1999. The Telephone Company has already paid and Dr. Heal says just let them run through."
Mr. Trecost, "I told Dr. Heal that I would be writing the letter to the Phone Company between now and December 15, 1999."
Mr. Morris, "I will take care of writing the letter also."

A MOTION was made by Mrs. D'Anselmi directing Guy E. Morris, General Counsel to upgrade the lease agreement between the Clarksburg Water Board and Gentle Dental Care in the amount of $1, 375.00 per month for a ten year period starting March 1, 2000 and also direct General Counsel to write a letter to Bell Atlantic informing them as of January 1, 2000 that rental for two dumpster spaces leased to them by us shall be terminated. Seconded by Mr. Thayer and unanimously carried.

3. MONTHY CONSUPTION REPORT

Mr. Trecost, "Of the thirteen Public Service Districts currently purchasing water from us three had an increase of consumption while ten had a decrease for the month of August 1999."

4. SLUDGE DISPOSAL REPORT

Mr. Trecost, "Mr. Simon is there anything different to report?
Mr. Simon, The reason the number was down is because, we couldn't haul for two weeks while we were rebuilding."

5. 1999 LABOR AND EMPLOYMENT SEMINAR

Mr.Trecost, "I have attached a copy of this seminar in the packet"

6. Y2K SEMINAR

Mr. Trecost, "This seminar has been scheduled for September 16, 1999, which is also attached to the packet. If any of the Board Member would care to go please see Ms. Gena Davis and she will take care of it. That concludes my report Mr. Glotfelty."

Mr. Glotfelty, "Mr. Adkins will we go with the Director of Finance Report

E. Director of Finance Report

Mr. Adkins, "Under my report, Mr. Glotfelty the cash balances statement has been provided to you, note the two balances in the Water Revenue Fund and the Water Maintenance Fund. As you know in the past year we have at time had to transfer from our reserve to supplement our operating

funds. I spoke briefly with Mr. Trecost about this before the meeting. As you can see our funds have continued to deteriorate over the last 12 months."
Mr. Glotfelty, "Do you have a recommendation?"
Mr. Adkins, "I gave a recommendation to Mr. Trecost earlier. I recommend that we transfer $180,000.00 to the Water Revenue Fund.from the Reserve Funds."

A MOTION was made by Mrs. D'Anselmi, to transfer $180,000.00 from the reserve fund to the Water Revenue Fund, in order to release the checks prepared for the payment of bills for normal operations. Seconded by Mr. Thayer and unanimously carried.

2. STATUS OF THE 1998/99 AUDIT
Mr. Adkins, "I spoke with representatives of Tetrick Bartlett, they will be here on Tuesday September 21, 1999 to begin fieldwork on the audit. The due date of that audit to be back to us by October 31, 1999 and I will prepare a copy for each of the board members upon receipt."

3. ANNUAL PSC REPORT
Mr. Adkins, "I am currently working on the annual PSC report due September 30, 1999 and it will be provided to you as well."

4. Kroger Drug Plan

Mr. Adkins, "I have provided you with a copy of a report received this past week from Kroger that lists the results of the group for the second quarter of 1999 giving the generic utilization rate at the cost per participant. If you have any question I will be glad to answer. In addition to that I have given you your standard accounts payable/ account status report as well as a copy of the PSC Pipeline monthly newsletter for your information."
Mr. Glotfelty, "We will move on to the General Counsel report."
Mr. Morris, Dan and I have things in line for tomorrow to, put together the advertisement."

F. UNFINNISHED BUSINESS

Mr. Glotfelty, "Are we still waiting on a report from Hornor Brothers?"
Mr. Trecost, "Yes sir. I spoke with Mr. Trey Hornor this morning and Mr. Hornor informed me that they were typing the final draft today and instead of just sending it to me I ask Mr. Hornor if he would have a meeting with us. He said yes and we will meet with him in a work session at 8:00 a.m. Friday morning September the 10th for one hour and a half, in reference to the tank."
Mr. Glotfelty, "Is that all the information we have to this point?"
Mr. Trecost, "Yes sir."

Mr. Glotfelty, "Is there any new business?"
Mr. Morris, "Are we meeting with on him on the sites, proposed for the tank?"
Mr. Trecost, "Chestnut Street tank site only"
Mr. Morris, "Do you realize we can not make any other move on this site till we find out where we are going?"
Mr. Glotfelty, "This will be cleared up very soon. Is there any other business?"
Mr. Thayer, "I've got a question? Under unfinished business Mr. Trecost item four step up transformer, how long would it take to obtain a step up transformer should the need arise to have that piece of equipment?"
Mr. Trecost, "I can not answer that question right now, I do not know."
Mr. Glotfelty, "Could you give us a cost?"
Mr. Trecost, "$250,000.00."
Mr. Simon, "We have a cost estimate of approximately $135,000.00 and are probably looking at about four to six weeks work."
Mr. Thayer, "Four to six work. I am at a loss to understand why we don't have such a piece of equipment."
Mr. Trecost, "I can only speak since I have been manager. This was part of the grant that we went for and did not receive when we went for the tank. Now what we do is on the new proposal with the infrastructure council, if you notice on the bottom of the last sheet that was in the packet about 3 weeks ago it had three capital improvements on it and then it had other projects. The other project was the step transformer. The reason it wasn't approved before is because, the manager at that time informed the board at that time that it cost $32,000.00. Wake and I discussed it with Mr. Aaron Keno and found that it was in the budget, for $32,000.00 and then found out that it cost $130,000.00 and we did not have the funds at that time to go after it."
Mr. Simon, "We bid this project."
Mr. Trecost, "We sent it out to bid thinking that it was going to come in at $28,000.00 to $35,000.00 and it came in at $130,000.00 and the board unanimously voted to reject all the bids because of the money. Where he received that figure of $32,000.00 I have no idea."
Mr. Thayer, "Regardless of the cost, I was totally taken back when I found out the potential problem that exists by not having this piece of equipment. What would we do in case of an emergency, not being able to deliver? Without this piece of equipment we could not deliver, correct?"
Mr. Trecost, "That is correct."
Mr. Glotfelty, "With out any major catastrophes it hasn't been a problem up until now."
Mr. Thayer, "Well we are facing Y2K."
Mr. Glotfelty, "We had a break downtown, that practically destroyed a building, we have other valves down there that could do the same thing. You have to question the priorities. Which do you want to do, we can't do it all, we don't have the money to do it all."

Mr. Thayer, "This is delivering water to people."
Mr. Glotfelty, "Have we failed to deliver water to the people?"
Mr. Thayer, "No, but have we failed to have electricity?"
Mr. Glotfelty, "No, we assume that the Power Company would see to that."
Mr. Trecost, "Mr. Thayer I think that the board will have a choice of priorities. I don't think that the tank is going to come in at 2.1 million dollars, and that will be before January 1st. I think at that time we will have to sit down and go over each capital improvement project that each department head submitted, because all were rejected except for Mr. Adkins. Wake did put this in the budget and we put it on hold until we saw whether or not we were going to get a grant or whether we were going to go with a loan. I think you will have an opportunity between now and January 1st to prioritize. At that time the board can decide whether this is a priority or if the Main Street line is a priority, along with other things that we have been working on for the past seven years. Also Aaron Keno's report that he provides for us every year which is part of the book that I provided for you tonight."
Mr. Thayer, "This has got to be on top of the priority list in my judgement."
Mr. Glotfelty, "It is in there along with others that are just as important. When that big line broke uptown people were in danger, we have more of those situations that we have to correct, so the question is which is the priority. We will try to do what we can."
Mr. Thayer, "And don't address that particular issue. To me that is an extremely critical thing and I hope the situation doesn't arise. I hope it doesn't come to that, but if not only for the fact that is why I asked the question how long would it take to get it on line, how long would it take to get it operational?"
Mr. Simon, "It is strictly an estimate on my part, I don't know if that it is true."
Mr. Thayer, "You mean it could be longer than that or less than that?"
Mr. Simon, "It is not something that we can go to Tolley electric and buy. It is something that will be designed for this plant, for our system."
Mr. Trecost, "That has been recommended since 1992, but the board in 1995 or 1996 let it to bid, but the price from $30,000.00 to $130,000.00 was a big gap and I don't know to date where that figure came from that Mr. Ashbaker gave to Mr. Adkins."
Mr. Thayer, "I agree with you Mr.Trecost we may have enough to take care of this situation. I saw it on your hold list when I first learned of the potential problem."
Mr. Trecost, "Do you see the date beside it that was put on hold probably a month after we rejected all bids."
Mr. Glotfelty, "Is they're anything else."

A MOTION was made by Mr. Glotfelty to go into executive session to discuss personnel matters, requesting that Mr. Trecost and Mr. Morris stay.

6540
approved 9-7-
Reg. meeting

A MOTION was made by Mr. Thayer to go back into regular session, seconded by Mrs. D'Anselmi and unanimously carried.
Mr. Glotfelty, "We discussed various personnel matters during the executive session and now we are back into regular session. I would like to enter a motion to enter the letter that the General Manager received from C. David Morrison dated August 31, 1999 to be entered into the record."

A Motion was made to enter the letter from C. David Morrison in to the record seconded by Mr. Thayer and unanimously carried.

Mr. Glotfelty, "Is there anything else?'
Mr. Thayer, "Yes, I would like to move that the board authorize the General Manager to engage Steptoe and Johnson to render a legal opinion regarding the letter from David Morrison dated August 31, 1999 addressing both A and B in the third paragraph in this letter. Seconded by Mrs. D'Anselmi and unanimously carried.

A MOTION was made by Mr. Thayer to request a legal opinion by Steptoe and Johnson regarding the letter from C. David Morrison seconded by Mrs. D'Anselmi and unanimously carried.

Mr. Glotfelty, "Is they're anything else?"

There being no further business to come before the Board A MOTION was made by Mr. Glotfelty, seconded by Mr. Thayer and unanimously carried, adjourning the meeting at 8:25 p.m.

Patsy S. Trevort
Secretary

Robert S. Glotfelty
President

Clarksburg, West Virginia, September 28, 1999

The regular meeting of the Clarksburg Water Board was held on Tuesday September 28, 1999 at 7:00p.m. at the offices of the Board, 1001 South Chestnut Street, Clarksburg, West Virginia.

Board Members Present:	Robert S. Glotfelty,	Board President.,
	Patricia D'Anselmi	Board Member
	Charles O. Thayer, III	Board Member
Others present:	Patsy S. Trecost	General Manager
	Guy E. Morris	General Counsel
	Wakem Simon	Director of Operations
	Robert Guzzi	Superintendent of Distribution
	Dan L. Adkins,	Director of Finance
	Gena R. Davis	Accounting Assistant
Gannett Fleming:	Aaron Keno	
	Mike Hritz	
	Paul Herbert	
Absent:	Kathy L. Fazzini	Executive Secretary

Robert S. Glotfelty, Board President, called the meeting to order and proceeded with the roll call.

B. APPROVAL OF MINUTES

A MOTION was made by Mrs. D' Anselmi, seconded by Mr. Thayer and unanimously carried, approving the minutes of the special meeting of September 1, and the regular meeting of September 7, 1999 as presented.

C. Public Hearings, Request, Petitions and Delegations

Mr. Glotfelty, "Of course we are here tonight for the public hearing and should read the water rate increase resolution."
Mr. Trecost," Yes Sir but, before we do that we have three items of correspondence Mr. Glotfelty which I past out earlier to the board. We have one from the City of Clarksburg sent by the City Manager Mr. Ashcraft, one from Richard Hudkins manager of Greater Harrison Public Service District a short notice that Quiet Dell and Lost Creek Mt. Clare

protest our hearing and one from a individual by the name of Cliff Mathews who did not give an address and objects to our increase for various reasons. We do have three letters of correspondence under that item."
Mr. Glotfelty, "We will incorporate and record them into the minutes. Would you like to go ahead with the ordinance."

The three letters of correspondence mentioned above can be viewed on page 32, 33,34,and 35of the minutes of September 28, 1999.

Mr. Trecost, "Item C - Consideration of adoption of resolution of second and final reading and the public hearing for resolution of rates for water and water service and the promulgation of such other regulations as are appropriately a part of the tariff of the Clarksburg Water Board in accordance with Chapter 24, Article 2, Chapter 8, Article 19 and other pertinent sections of the code of West Virginia and the Charter of the City of Clarksburg. Mr. Glotfelty, that is in order next."
Mr. Glotfelty, "Anyone wishing to speak for or against this resolution may do so at this time. Please state your name and address for the record."
Mr. Morris, "The publisher certificate should be entered at this time."
Mr. Glotfelty, "Do we have the certificate?"
Mr. Trecost, "Yes Sir we have the certificate."
Mr. Glotfelty, " Go ahead and enter that into the record."
Mr. Thayer, "Was it published twice?"
Mr. Trecost, "Only once."
Mr. Thayer, " What was the date?"
Mr. Trecost, "The 16th."
Mr. Thayer, "September 16th."
Mr. Trecost, "Would you like to start out with the public or the letter from the city?"
Mr. Glotfelty, "What ever you wish to do."
Mr. Trecost, "The letter from the City Manager on behalf of City Council, in order not to read it all we will go to the third paragraph, City Council is requesting that the Clarksburg Water Board reduce the fire hydrant fee from $120.00 per hydrant to $90.00. They would also like for the increase to become effective July 1, 2000. Due to the fact that the City's budget is set up for the fiscal year July to June like ours. Mr. Ashcraft also stated that the City of Clarksburg is willing to reduce the cost of the sludge that we deliver to the Treatment Plant in half the figures on the document are incorrect. The figures should read $40,000.00 to $20,000.00. The rest of the letter is he is thanking us for the opportunity to submit this letter in the spirit of negotiations. In regards to Mr. Ashcraft's proposal, item 1, I do not recommend to the board that we wait until July 2000 for reasons of the Public Service Commission of discrimination. Item 2, the charge of $20,000.00 for the sludge instead of $40,000.00 I have no problem with that." Item 3, to drop the hydrant rate to $90.00 per hydrant which would be 793 hydrants if we would agree to item 2 the $20,000.00 it would be a

loss to the Clarksburg Water Board of $3,790.00 a year, which we could live with. Item 4, forget the letter completely and proceed with the resolution. My recommendation at this time is to allow the City of Clarksburg to decrease the hauling of the sludge from $40,000.00 a year to $20,000.00 a year and also drop the hydrant rate from $120.00 to $90.00 per hydrant.
Mr. Glotfelty, "Do we have to make that decision now?"
Mr. Trecost, "We can."
Mr. Glotfelty, "Counsel what about the legality of it?"
Mr. Morris, "I think in the long run we are going to need an intergovernmental agreement between the City and the Clarksburg Water Board to effect this. In other words I don't know that what we do here is necessarily going to be binding until the City of Clarksburg enters into the agreement with us, in other words, this is a proposal by the City Manager and is not in granite."
Mr. Trecost, "That is correct, It is a proposal by the City Manager with the will and pleasure of City Council and Mr. Ashcraft called me at 2:00 p.m. today. I informed Mr. Ashcraft exactly what I just told the board I would not recommend the July 2000. However Items 2 and 3 I did not have a problem with and we both talked about the intergovernmental agreement, but he needs a motion before he can ask council to ask their attorney to enter into an intergovernmental agreement with us."
Mr. Glotfelty, "We have some Councilmen here would it be possible for them to speak if they would?"
Mrs. Bailey, "I am Margaret Bailey from Clarksburg City Council and I sincerely appreciate the opportunity to come forth tonight, I am humble and feel honored to be here. I certainly understand the complexity of problems facing the Clarksburg Water Board. As a member of City Council my middle name is cooperation, however I feel that the communication that we have had between the Clarksburg Water Board and the Clarksburg City Council on this matter has been at minimal to none. In order to solve any problems with in the City Government open lines of communication need to be there. Now again City Council has nothing to do with making this decision, but in the long run our understanding of the problem, the need and what is expected from the City and the citizens of Clarksburg is my ultimate concern. I represent 18,500 people not just a few and I want to be able to make a wise decision in their best interest. In order for me to do that, I need communication from you guys. I am requesting that you come to us as a City Council to open these lines of communication so that we may as a council understand where you are coming from and what we need to do."
Mr. Glotfelty, "May I ask a question?"
Mr. Trecost, "Yes sir."
Mr. Glotfelty, " Have you had contact with the City Manager Mr. Trecost?"
Mr. Trecost, "Yes Sir?"

Mr. Glotfelty, "Are you expecting us to duplicate what was done or do you feel that there is a lack of communication as a whole?"
Mrs. Bailey, " I believe that there is a lack a communication, and the last time we quizzed Mr. Ashcraft regarding information on this he informed us that he was unaware of these things until the resolution was delivered to him. Now would this be true I am certainly not privileged to that information. I did not know about it until it was presented to City Council. I am standing here and I am wanting to be a responsible council person and I am wanting to make a responsible decision, but I have to have the information in order to do that."
Mr. Glotfelty, "We have no problem with that."
Mr. Trecost, "I can speak to that. We could not present the resolution to Mr. Ferrari neither Mr. Ashcraft until it was passed after the first reading at the last meeting. Wednesday morning after the last meeting I contacted Mr. Ferrari, Mr. Ashcraft was not in his office. I asked to be transferred to the Director of Finance to talk to Mr. Ferrari and he wasn't in his office either. I then asked the secretary if I would have our service man Mr. Carter deliver the resolution that was passed the day before to Mr. Ferrari for him to read, and for Mr. Ashcraft or Mr. Ferrari to give me a call. That same afternoon Mr. Ferrari called me and asked me if a meeting would be in order between Mr. Ashcraft, Mr. Ferrari, Mr. Adkins, Mr. Simon, and myself. I told him that would be fine. We called the meeting for Monday, this was on a Wednesday Mr. Ferrari had a Director of Finance meeting and could not make it so we called the meeting for the following Monday. We met Monday in this room from 2:00 until 3:00p.m. We went over all the documents with Mr. Ashcraft and Mr. Ferrari. At the end of the discussion I asked Mr. Ashcraft if he would like for Mr. Adkins, Mr. Simon and myself to attend the conference session that the City Council was having the Wednesday after the Monday of which we meet. At that time Mr. Ashcraft said, no, I think that I can explain it myself even without Mr. Ferrari there. I said if you need Mr. Adkins I will ask him if he can be on stand by at home in case City Council would like to put him on a speakerphone, which we have done in the past. He said that would be fine but he didn't think that it would be necessary. I do not agree with Mrs. Bailey in reference to communication they received the resolution the following day after it was passed on first reading by this board."
Mr. Glotfelty, "Thank you, what can we do now?"
Mr. Thayer, Mr. Glotfelty, I think I understand were Mrs. Bailey's is coming from. What Mr. Trecost is talking about represents the last 3 or 4 weeks. This particular project and rate increase has been in the works for a considerable length of time there has been discussion way before I ever came onto the Clarksburg Water Board about the need for a new tank and etceteras. If council and the City Manager couldn't be made aware that this was in the works. I think that the general public should be aware of the needs. We have a need of this tank there is no question about it, it has been seven years since we had a rate increase that has been discussed

by previous Water Boards for I don't know how long, but for some period of time. We are not talking about last 3 or 4 weeks we are talking about years and to keep the public informed and to keep council informed. I see no problem with that what so ever. I think that is a reasonable request that she has made. I think that there should be more cooperation between government entities and a lot of time problems can be eliminated, there wouldn't be any need for members of other governmental bodies to come because they would know what is happening and what is going on. I think that is the way it ought to be and it hasn't been that way in the past and I think that it should be that way in the future."
Mrs. Bailey, "I would like say one more thing. The City of Clarksburg is in a state of flux right now, with our change in our leadership, and we do probably need to press a little harder in all departments and through council too, to make sure that our lines of communication are open, because we don't have all the birds in the nest in there proper positions yet. Any cooperation that I as a City Council member can give this board, I will be more than welcome, but at the same time, I would certainly respect and honor your input as I do want to understand and I do want to make a responsible decision and I am sure that each person here can certainly speak up as a member of City Council they may well express the same thing. All we want to know is the truth and to be able to understand it. Thank you."
Mr. Glotfelty, "Thank you, Mayor."
Mr. Mayor Kaites, "I am here this evening and wanted to approach the Water Board I was concerned about several things. I am quite sure that crises just don't happen in the span of two or three days or two or three weeks. I was amazed when we received a resolution and I saw a figure of $94,000.00. I was angered, because I am quite sure somebody knew that there was a need prior to this time I was concerned about the rate increase and I wanted to know why the delay in the resolution being presented to City Council. It had to have been a concern even when my friend Tom Flynn was the Mayor. Why the delay? I am just asking a personal question, and then the other concern was the resolution presentation. I am with Mrs. Bailey, I would have to agree with her tonight. There ought to be some coordination between the City and Water Board and other agencies so that it doesn't look like we are bickering and we have something against the Water Board. I think that we should be able to do something great for the people of Clarksburg with out always looking like we are fighting.
Mr. Glotfelty, "Thank you, anyone else?"
Mr. Trecost, "Mr. Glotfelty, Without the vote of the Water Board Members, I agree with Mr. Thayer, we have been talking about the tank for three years however we haven't had a vote on a rate increase until last meeting.
Mr. Kaites Without the resolution being passed there was no way that I was able to send that to the City Manager or the City Finance Director until after it was passed. I could have sent you a blank resolution, but until

we heard from the cost of service study from Gannett Fleming who is behind me I could not send you anything until the last meeting. I am sorry, but that is the way it works."
Mr. Glotfelty, Thank you,

Mr. Haws, My name is Kim Haws I am City Manager in Bridgeport. I felt a need to come and address the board on this issue. The City of Bridgeport comprises a 5th or a little less of water sales, well we would have to absorb a 5th or a little bit less of the rate increase and it is a significant amount for our community and our community members. Consequently the City of Bridgeport I feel has a fiduciary responsibility to find information out that directly effects its residents and its utility customers. As such it is imperative that the city understands the circumstances surrounding the rate increase as it has been spoken of here tonight. We were taken by quite a surprise also. In fact there were some informal conversation held with the members of the staff here late last spring because we were also looking at our rates and our expenditures through the budgetary process. And we were told at that time that there was no rate increases emanate. Needless to say it was a shock to us when we received notification as I think it was the day before it came out in the paper that there was going to be a rate increase. As one of your larger customers I would have expected a little bit more courtesy and understanding about our circumstances too and having to absorb $120,000.00 of your rate increase. In the spirit of trying to understand this conflict issue and I know that it is a very difficult issue and it takes time and you have to study the issues and the proposed rate increase. I feel a need to ask some questions that would help to clarify at least in our minds the circumstances behind the rate increase that we can be in a better position to explain the impact that your rate increase would have on our utility and our utility customers. You indicated that the last board rates increase was when?
Mr. Trecost, "In 1992."
Mr. Haws, "In 1992, we are in the utility business also and we realize that seven years without a rate increase if every thing is being managed properly needs to be considered. We are certainly not opposed to a reasonable adjustment in rates. How much additional revenue is this suppose to create?"
Mr. Trecost, "$778,000.00."
Mr. Haws, "Did the board have an operating surplus or a deficit last fiscal year?"
Mr. Adkins, "Deficit."
Mr. Haws, "How much was that?"
Mr. Adkins, "The deficit from last year was approximately $400,000.00."
Mr. Haws, "So you were $400,000.00 in the hole?"
Mr. Adkins, "Yes."
Mr. Haws, "How did you make that up?"
Mr. Adkins, "Funding through reserves."

Mr. Haws, "So you used your reserve balance to fund your deficit?"
Mr. Adkins, "Yes."
Mr. Haws, "Do you know what the trend is in terms of your annual surplus or deficit since your last rate increase?"

Mr. Adkins, "It has continued to decline part of the problem in this past fiscal year is we have not been able to meet our debt service coverage that is required in the 1992 bond ordinance. We are making the required payments, but the bond does require 20% debt service coverage. After the last fiscal year that ended it is approximately 16%."
Mr. Haws, "So part of this increase will go toward the 1992 debt service?"
Mr. Adkins, "Part will be to restore the debt service coverage on the 1992 Bonds, part will be the debt service on the proposed tank project and the other part will be to restore the deficit that we have been experiencing."
Mr. Haws, " Do you have a capital reserve fund?"
Mr. Adkins, "Yes Sir."
Mr. Haws, " How much do you have?"
Mr. Adkins, "Our bond ordinance requires that we set aside 5% of our revenues per month Which is about $20,000.00 per month and we have approximately one half million."
Mr. Haws, "What do you consider to be a reasonable amount of reserve to be present at any given time?"
Mr. Adkins, "Well at the current rate see as how we are running $400,000.00 in the red on a fiscal year basis, that $500,000.00 reserve will be half gone by the time the rate increase begins to effect our cash flow."
Mr. Haws, "I have to agree with the Mayor that this in not a crisis that has happened over night obviously there is a trend here and it is certainly something that probably should have been looked at over a period of time and sounds like you have been. My concern is that as one of your valued customers that maybe we could have been a part of the discussion, because here we are tonight trying to gather information to help understand this issue at the last hour and I think that it is unfair to you and unfair to us. Let me ask you a couple of other questions. Do you have any reserve accounts with Municipal Bond Commission?"
Mr. Adkins, "Yes."
Mr. Haws , "What are you reserve accounts?"
Mr. Adkins, "Our required reserve for the Municipal is one years average annual debt service which is 1.9 Million Dollars."
Mr. Haws, "And that is required to be set aside. Did a registered professional engineer complete a needs analysis in order to justify the additional storage space?"
Mr. Trecost, "Yes Sir. Gannett Fleming."
Mr. Glotfelty, "I apologize we should have introduce everyone. That is Mr. Adkins our Finance Director, Mr. Trecost our General Manager, and Gannett Fleming our engineering firm if you would introduce you staff."

Mr. Keno, "My name is Aaron Keno, I am a professional engineer for Gannett Fleming and the Manager of our Morgantown office. This is Michael Hritz also a registered engineer with Gannett Fleming. Paul Herbert, who has completed the evaluation in rate aspects.

Mr. Haws, " And we certainly understand how complex the process is it is not just a matter of sitting down and looking at figures. One of the questions that keeps surfacing is, have the existing storage tanks been utilized in the recent past for storage purposes?"
Mr. Trecost, "Have they been utilized in the past?"
Mr. Haws, "When was the last time they have been utilized for actively storage purposes?"
Mr. Trecost, "Mr. Simon, Would you answer that question?"
Mr. Simon, "They are currently being used."
Mr. Haws, "They are currently being used and are active and they supply pressure and storage for what part of your system?"
Mr. Simon, "Actually for 100% of our system."
Mr. Haws, " For the entire system? For the City of Bridgeport and its utility users is there a great benefit in terms of storage for your outlying customers."
Mr. Simon, "The storage from this tank set the hydraulics for the entire system."
Mr. Haws, "Does the systems clear well replace the need for additional storage and was that considered?"
Mr. Keno, " Yes that is counted as part of the storage needs."
Mr. Haws, " The estimated annual debt service for the new tank is projected at about $143,000.00 that is based on the figures we received."
Mr. Trecost, "Correct."
Mr. Haws, "The projected revenue once again was about $767,000.00, There is over a $600,000.00 differential there. What is the board planning to do with $600,000.00 additional each year?"
Mr. Adkins, "Well as we explained earlier that would off set the deficit that we are currently experiencing in our revenues as well as restore the debt service coverage factor to where it should be."
Mr. Haws, "And that will bring it in line? Have you done any projection in terms of when another rate increase will have to be addressed in order to address deficit and surpluses."
Mr. Herbert, "That is difficult to exactly determine that depending on future capital requirements of this system and inflation and increased operating costs. I would think that this rate increase would last at least two to three years.
Mr. Haws, "I can understand after seven years the need to have a pretty sizable rate increase if everything is being operated properly. To look at this as a 15% rate increase and then it will only handle the system for two or three years is a concern of mine."

Mr. Herbert, "The subsequent rate increase I would expect to not be as large."
Mr. Adkins, "As a mater of fact if you compare the 15.6% to the consumer price index and the inflation that resulted over the seven year period you would find that the consumer price index will exceed oiur rate increase requst."
Mr. Haws, "Absolutely, I mean seven years worth of level funding I understand that. What efforts has the board made in the past and what future efforts does it plan to make in order to reduce operation and maintenance costs. Do you have any specific plans?"
Mr. Trecost, " As of right now we are as low as we can go in our employees and capital improvements."
Mr. Haws, "Let me ask me another question. I am asking questions to address issues that maybe other people have. I really am feeling a strong need to represent our utility customers and try to answer any questions they may ask us. If in the future we anticipate some type of rate increase we are going to have to answer the same questions, so we understand. One of the items that I think needs to be clarified in terms of efficiency is the operation maintenance of the program. What is the organization policy in extending overtime and or comp time to management employees?"
Mr. Trecost, "I think Mr. Glotfelty that he is getting away from the rate increase. I think he is getting into the budget right now and this is a meeting for the rate increase."
Mr. Glotfelty, "I don't think it is time discuss comp time and things of that nature.
Mr. Haws, "This is part of the operation cost."
Mr. Glotfelty, "As far as the operation we have reduced personnel and far as the maintenance it is an on going thing and another thing I would like to interject here people seem to question timing of all this. I would just like to say this I was elected to the board in 1993, and in 1995 I did an inspection of the water tanks and that is when I ran into the Chestnut Street tank. I took the former General Manager up there and we looked it over and he said it was superficial. I said that it scares me. So a period of time went by and I ask that we have an engineer look at the tank, so Gannett Fleming was our engineers in 1995 when we looked at it. They came back and said that it was structurally unsound and we must cut down the water level immediately. Then we instructed Mr. Trecost to try and work for a grant. I think we tried to get thirteen different grants. That is why everything came to a head at once. We finally got a grant for a half million but we didn't have the money to match it. So we kept on and he finally found a Drinking Water Loan Fund and that is how we came up with this 2.1 millionat 3%. If we don't take it all we could give it back and reduce the rate accordingly. That is what brought this all to a head here at this time. This did not just happen over night it was a continuing thing there was no stop and go point, because we have all these grant application in and we were trying to run the place do everything together and try and figure out how we can do

it. When we got the figures and this offer, we didn't want it to get away and that is maybe one reason why this came to little bit of a head a little faster than under normal circumstances.
Mr. Haws, "One of the suggestions that I would make for the future is you do have I think it is seventeen bulk water customers. Is that right?"
Mr. Trecost, "We have fourteen satellites."
Mr. Haws, "I would sugest that one of the options here is to have a quarterly or semi annual meeting with these folk and maybe bring them up to date to what you are doing to improve the operations of the plant that directly effect us. One of the concerns that I have is you want to say that the way the operations is managed has no bearing on the rate increase. I beg to difference with you. Your cost for your storage tank is $143,000.00 to reduce that debt that mean you have $600,000.00 that got to go towards operation and maintenance and so when I talk about how overtime and compensation is utilized and is expanded within the organization that has a direct impact on how much we pay and what our involvement is in that coverage. The other thing that is very similar to that, that I want to bring up is what is the organizations policy on, and you are not going to like this either, for providing medical insurance to employees and board members and how many current employees and board members are on extended medical insurance policies?"
Mr. Trecost, "Mr. Glotfelty we are getting away from the rate increase."
Mr. Glotfelty, "You are talking about comp time and overtime then you come down to the question do we hire extra men water leaks here don't come at any given time 24 hours a day."
Mr. Haws, "My question extending overtime and comp time to management employees who are exempt.
Mr. Trecost, "Management employees do not get comp time."
Mr. Haws," That was my question, so you are saying that management employees do not get comp time."
Mr. Trecost, "We have foremen that are paid overtime."
Mr. Haws, "Do ex-employees and board member receive lifetime insurance benefits following their tenure with your board."
Mr. Trecost, "Mr. Morris."
Mr. Morris, "Yes we have a few that have retired."
Mr. Haws, "So what you are saying is that part of this rate increase goes towards supporting past board members and their insurance benefits."
Mr. Morris, "I am not drawing that analogy, you are."
Mr. Haws, "I am just asking."
Mr. Morris, "You can say that anything we do causes a rate increase."
Mr. Haws, "Efficiency has a great bearing on this folks and if you don't look at that I am sorry."
Mr. Morris, "It would have the same bearing as we had in 1997 when we ask for a minor rate increase for the Northern Water Line, that everyone admitted that we should have and Bridgeport is the one who took objection to it and blocked us on the rate increase, we finally backed

offour request. That was a thing that your management had agreed to before that line was put in and yet you came back and we lost $28,000.00 per year.
Mr. Haws, "Am I suggesting that we are opposed to the rate increase, absolutely not. What I am saying is that we need to understand clearly in order to support this the internal operation of this organization. Make sure that it is being done efficiently so that the money that we are going to have to pass on to our utility users is efficient and effective. I don't think that is unreasonable at this point.

Mr. Glotfelty, "Any information that you want we would be happy to provide, but if we are going to get into the inner workings we are not going to do it in a meeting like this.
Mr. Haws, "One last comment, and I think that this is a solution that we can uphold because obviously you are not prepared to answer these questions, but I think that it needs to be on the table that we are serious about wanting to understand what happens here.
Mr. Glotfelty, "We have no problem with that."
Mr. Haws, "Our proposal is that the City of Bridgeport and other satellites and any other users that would like to be involved we would like to have an opportunity to set down with your consultants to go over their figures to understand their analysis, to understand what process they went through to come to this conclusion. I want to know whether there was a performance audit done through this process.
Mr. Trecost, We have no problem with you talking to Gannett Fleming as long as they are on your pay roll.
Mr. Haws, "That is fine. You will allow us to have access to any thing that they have."
Mr. Trecost, "That is up to Mr. Keno."
Mr. Haws, " That is my suggestion, that we sit down with your consultants so we can understand what process they went through to come to this conclusion.
Mr. Glotfelty, "Would anyone else like to speak?"
Mr. Flynn, "I have one question how many satellites are we not selling, I understand that we have plenty of water and we only sell like 50%.
Mr. Trecost, "Shinnston, Salem, and West Milford."
Mr. Flynn, "Are there any possibilities that we could start selling them water or do they manufacture their own water.
Mr. Trecost, "Mr. Flynn we have had meetings with the City of Shinnston we have had meetings with the City of Salem when Lake Floyd petitioned us to take them over. We also had meetings with the City of West Milford and offered the opportunity to go together and get a grant to run a line. Salem would be the most complicated and Shinnston would be the easiest right now because of Saltwell. We do have a feed part way to Shinnston. We offered, because of their plant being in such a condition that we would be more than glad to take them on as customers. The only one that we did

not speak in reference to is West Milford we have not had any communications with them. Other than that we did propose to take over Salem and Shinnston.
Mr., Flynn, " What was their response?"
Mr. Trecost, "They did not come back to us. We had conference sessions with both their councilmen from both cities. We had public hearings down stairs with the community of Salem and Lake Floyd when they petitioned us and we were talking about the Western Water Line and the City of Salem went back and said they were not interested. They wanted to continue to produce their own water in their own plant and thanked us for having the meeting. I understand that the residents of Lake Floyd still do not have proper water."
Mr. Flynn, "What about the line that we ran out to Saltwell, Don't we have a line out there.
Mr. Trecost, "Yes sir."
Mr. Flynn, "Is there a possibility of that area developing and sell more water?"
Mr. Trecost, "If it develops we can, we have the capabilities right now of doing that."
Mr. Flynn, "Wouldn't that eliminate some of this problem with cash flow."
Mr. Trecost, Yes, any customers, if we could have reached some kind of agreement with The City of Shinnston, we may not be sitting here tonight, but they wanted to operate their own plant at that time. That was about two years ago."
Mr. Flynn, "Could we go back and contact them again?"
Mr. Trecost, "They have a new City Manager I called and talked to him about a month ago and I don't think they are ready at this time."
Mr. Lamb, "Mayor Lamb Town of Anmore, I am not at liberty to say whether this raise is justified or not. I realize that you haven't had a raise in some time, but what I cant understand is why somebody in this organization didn't realize as far as this tank going bad. While the rest of us who are associated with water systems know that periodically these things have to be replaced, in fact I have one myself that will have to be replaced in the next five to ten years. I feel that it is going to be my and the town responsibility to do that. Secondly I feel that this raise is going to cause an undo hardship on some people, because it is nothing for a $3.00 water raise. A lot of our systems are based on a series of twice the rate of what are water is. So you can realize anytime we get a increase in our water system we are not only getting that but we are getting a big increase in our sewer system.
Mr. Glotfelty, "Number 1 when you say that the water rate will increase the sewer rate I don't understand that, because to get another rate increase you have to go to the Public Service Commission. You can't raise one and automatically raise the other. It is usually a percentage of the bill that is adjusted if the water rate goes up, as I understand it. You mentioned about the tank. I am the oldest board member here I have been here since

1993, you mention about that you know when a tank is going bad, well I walked upon the hill and saw it and knew it was going bad. What did I have to go on. There was nothing in the books or records.
Mr. Flynn, "The question is why wasn't it acted on then?"
Mr. Lamb, " I was getting the impression that the tank has never been operated.
Mr. Glotfelty, "No It has been operating since 1910. When I saw it, it scared me that's why I wanted to get an engineer to look at it, and they said to cut the water down. It is dangerous, then we started looking for grants. We went through thirteen applications you don't do that in a month. In the mean time we were struggling along to see how far we could go. Here at the end the pressure started to come in because we are not meeting our bond service coverage so we couldn't have gone two or three years before that and done it we would have a hard time justifying it. You can't raise the rates to accumulate money to do a capital project.
Mr. Flynn, "Are you saying that you can't have a rate increase for a capital improvement?"
Mr. Glotfelty, "With some big capital improvement like this, the Public Service Commission if you put a capital improvement in the people that it helps are the one who should pay for it."
Mr. Thayer, "In response to Mayor Lamb, my understanding about the sewage bill is that we people have an idea that it is an percentage of the water bill it works out that it is a percentage, but the water rates have absolutely nothing to do with the sewage rate. The sanitary board, the sewage plant, they set their rates. The water board operates the water board and we set the water rates. If the water rates increase that does not mean that it has any effect at all on the sewage rates. The sanitary board would have to go and apply to the Public Service Commission and ask for an increase in their sewage rates. If they want to do it they have to be able to justify it and why they wanted a rate increase so by the water rates increasing it doesn't have a thing to do with the sewage rates. as a matter of fact if you want to talk percentages if the water rate goes up and the sewage doesn't go up your percentage is going to drop. It will be less."
Mr. Flynn, What situation is going to happen?"
Mr. Thayer, What effect it is going to have? The water rate increase will have no effect on the sewage what so ever. None.
Resident, " How about the big fine that they just got the Sanitary Board?"
Mr. Trecost, "We can't answer that."
Resident, "I know that you can't, but someone will have to pay that."
Mr. Thayer, "Well the Sanitary Board will have to pay it, an ultimately the customers will have to end up paying it." I would like to also say something in response to Mr. Haws I appreciate you being here and I did not know that you were going to bring any of this information before us. I would like to tell you that since I have been on the board that we are discussing and have in the works. I have proposed that we have a study by an outside firm, I understand that they are doing it for the City of Bridgeport, the West

Virginia Department of Entrepreneurial Studies come in here and do that for the Clarksburg Water Board. We have a proposal tonight that we just got from them.
Mr. Haws, "The performance audit what is that exactly."
Mr.Thayer, "A cost benefits analysis
Mr. Trecost, "A time study."
Mr. Thayer, " Right, they are professional people of various fields that will come in and look at the operation and see how we can be more efficient or how we could save money and so on. When I was on the Clarksburg City Council we did that for the City of Clarksburg. We had the same people do a study for us then and they made recommendation that ultimately saved the tax payers of the City of Clarksburg a lot of money over the years, so that is in the works right now. We are also right now looking into the legality and the ethics of what you brought up about board members and former board members being aggrandized by benefits. That is something else that I wanted to have done, because I feel that there is possibly some severe problems there. There could be tremendous savings evolved in eliminating that kind if stuff. I am not in favor of it and have never been. I think that it is wrong and am waiting on a legal opinion."
Mr. Haws, "Just as one of your larger customers we are very strongly supportive of efforts to your internal studies and your comprehensive plans to check these kind of things out, because I think that there is a direct correlation between spending and operation. There is that point of efficiency that we all need to reach and we need to know where this board is on that latter so that we can feel good about it."
Mr. Thayer, " I just came on board July 1st."
Mr. Cox, "Mr. Glotfelty, I am Albert Cox former Mayor of the City of Clarksburg and I am speaking as a private citizen consumer of the Water Board. I know these gentlemen very well up here Mr. Thayer and I served on council, Mr. Glotfelty and I serve on boards together, Mrs. D'Anselmi used to be our City Clerk, and Mr. Trecost was our City Manager. I respect all your opinions and what you all are going to do. I agree with Mr. Trecost, it is not easy to raise any kind of a fee or a rate on anybody in the city. I know that when Mr. Thayer and I were on City Council we did that cost benefit study before we did anything else. We also looked at all of our operations every thing before we asked the citizens to cough up more money. I have had a good and a bad relationship with the Water Board the good relationship was kind of leading on the Councils side because we had to vote for the bonds that built this beautiful facility here. Mr. Thayer and I had to do this together. We had some Council Members that were opposed to it, but we stuck to the grindstone and have a beautiful facility here. That was one of the good things that happened. Shortly after that and I will be very candid about this I agree with what he said and what Mr. Thayer said I believe that some of the operation decisions and the some of the expenditures that are made here all effect the bottom line. I

remember being in New York City to sign the water bonds we were going to have a rate increase here we were voting then to endebit the people here to thirty years to pay this place off. I ask the bond council at Steptoe and Johnson how many people have to go to this bond signing and they said about seven of us, the Mayor, the Manager, the Attorney for the city and a few people from the Water Board so on. I stepped off of the elevator at the Plaza Hotel in New York and I am not exaggerating there were almost thirty people there. Predominately Water Board people and families all picked up by somebody. That was my first inkling of what kind of decisions were made out here these all effect operating costs. Mr. Thayer and I proposed what an editorial said here in the paper the other day, this bickering between intergovernmental agencies wouldn't be necessary if in fact there we more corporation between the two entities of the City of Clarksburg and the Water Board. We proposed that and looked at minutes of meetings and it was very glaring where things were going on were certain people were benefiting from being on the board of this organization. I am not speaking for the people who are here right now you people I empathize with you have inherited a lot of very bad policies that have been established over the years and are struggling right now how to correct them. They all effect the bottom line. I got a little bit offended when he ask the question to people here about expenses and right away it is like a sacred cow don't touch this thing, don't talk about it its out of order. Those things all effect the bottom line of the operating cost of this organization. Mr. Thayer is a friend of mine I worked for his election and I worked for Bob Glotfelty on his election six years ago. We have a whole new group here and I think that there is a change in attitude. I am not against the rate increase we need to put that tank up there, But I think that I would do a little homework to on the other side and look at what goes on out here behind the scenes. Seems like people here are unwilling to talk about it. I think that under the freedom of information or under audit by the Public Service Commission both an operational audit and a financial audit will uncover a lot of things that go one like these life time benefits that people who are no longer on this board and you are paying out over $500.00 a month for certain peoples benefits. This is public record I am not talking about people and the privacy of their files. We are talking thousands of dollars some of these people aren't even retirement age and are getting benefit from the City for life. It has got to stop and you guys have got to do it. I think that your challenge is there to do it you have new thinking you've got a new manager lets re-bid some of these things and get rid of some of these old time policies of taking care of ourselves. Take care of the people for a change just take care of the people of this town and then we go to them for a rate increase they say hey those guys are on the up and up, but when we hear things I don't want to talk about it or this is out of order. It makes you suspicious. I do believe that there is an opportunity here to save thousands of dollars in unnecessary benefit costs. I mean you are paying peoples life insurance benefits these are

whole life policies with cash values. Which means when this person dies that cash goes to their beneficiaries and who are paying for that the citizen of this community and the people on these water systems they are funding these things with public money for personal gain, but people who have been on this water board and I think that it needs to come to an end do you agree. You have a tough job, raise the rate but take care of things out here too."
Mr. Glotfelty, "Thank you Albert."
Mr. Summers, "Robert Summers 171 Kramer Drive. My question is where are they going to build a new tank?"
Mr. Trecost, That will be a decision we will make after the rate increase."
Mr. Summers, "Because the old tank is right above my house and it is leaking right now. In 1990 a 22-inch main broke and came across my property. My property has moved. The concrete has come away from my house. You can't build a new tank up there. There is a hole up there big enough for me to bury you in. I can't get anybody there to take care of it. I can show you pictures were they tore the old tank down and came and backed the trucks in my yard and tore stuff down. Frank Angotti came up and said that it is mine subsidence, I had the mine subsidence board to come out and look at it, they told me they couldn't do anything until the foundation of my house falls in. A 22-inch main line busts and caused the problem. Then the calibration on the water tank kept overflowing and I don't know how many times I called the water board about it and it always happens in the middle of the night. It hasn't done it now because the have lowered the tank down to half tank, but I went up there just last week and the tank is leaking now. There is no doubt that you need a new tank, but I would like to know what is going to be done. When the mineshaft went in there where the right a way goes up they have to take everything up, if they do put a new water tank up on Chestnut Hills.
Mr. Glotfelty, "We are going to take care of that tonight. Would anyone else like to speak?"
Mr. Myers, "I am Ray Myers also a former Mayor of the city. I second Al Cox's observation unless you clean up your house here your going to have a referendum that going to do away with the Water Board and it is going to become under control of the City of Clarksburg. Where they have a proven method of departments, I may not always agree with it, but there are much tighter audits of the City than of the Water Board. The other thing that I have got this mostly deals with the news media they put in the newspaper 15.9% that is an average. The resident it says here that they have to pay 18.7%. You ought to read it. "
Mr. Trecost, "You are correct."
Mr. Myers, "Average is 15.9%, but nobody in the news media anywhere brought up the residents and average home owners would pay 18.7%."
Mr. Trecost, "Mr. Myers they were all told that they were out here on the receptionist desk since day one. We can only put them in our boxes."

Mr. Myers, "That bothers me considerably that our news media is delinquent in that instances."
Mr. Cox, Wait a minute, I take offense to that, I don't want to get into personalities here but to say that we lay things on a desk out here and our citizens have to come to the Water Board to discover information when they ought to be told the truth up front and given all the information these averages are very basic for the low end that we are talking $3.60 per month increase, people use a lot more water than that, but it is very deceptive what goes on. There is a big spread for what we need for the tank and what we do with this indebtedness the Water Board has. If you are worried about you indebtedness take care of your own house first get it in order than come to the people to pay for you problems."
Ms. Clevenger, "I wanted to ask he said that after the resolution is passed and all that is ready they would decide where the tank is going to go. Have you not purchased property to put that tank on.
Mr. Trecost, "That will also be decided tonight also."
Ms. Clevenger, "Is that an additional amount of money that we need to think about?"
Mr. Trecost, "No that will decided tonight also, that is part of our loan?"
Ms. Clevenger, "May I ask one more question?
Mr. Glotfelty, "Sure."
Ms. Clevenger, "The pictures that I am seeing on television is that pictures of the tank now or were they taken years ago."
Mr. Trecost, "They were taken Sunday."
Ms. Clevenger, "Well I want to know were the maintenance has been on that tank and the brush is over top of it."
Mr. Trecost, "Well I can't speak to that I have only been General Manager for two years."
Ms. Clevenger, "Well I think before you have another picture taken you get some of these guys up there to clean it up so that you can see the tank.
Mr. Glotfelty, "When I found it in 1995 in that condition we started working on a new tank right a way."
Ms. Clevenger, Well it seems to me that maintenance is maintenance whether it is on your house, my house or someone else's property and we are talking about cleaning up the City of Clarksburg and we look at this tank on television and I could hardly see the tank. Now someone needs to cut the brush off I think that you have people in this department that could do that. I am just saying that if you want to preserve something you clean it and have it taken care of annual or semi annually you paint those tanks and try and preserve them as long as you can. I don't think that that one had the proper maintenance."
Mr. Glotfelty, "Anyone else have anything to say."
Mr. Cox, "One other thing I would like to ask this is a nicer thing to, Patsy has made his remark we seem to be in disagreement, but we are in more of agreement more than we disagree. The thing with economic development the impact we are talking deficit problems and talking about

composite and so on. What will the impact of this new tank have on future economic development here in the community? I think that is worth knowing."
Mr. Trecost, "Mr. Keno."
Mr. Keno," We based the capacity of the storage tank on methodology that is prescribed by the American Water Works Association under their standards. We went through that evaluation of that prescribed methodology for all the elements that have to be in the storage, which accounts for the fire demands on the system, the domestic demands that is purchased by the customers for domestic use for homes and businesses. What we call equalization storage and that is to off set various pressure and flow deferential in the systems, so the economic development aspect really enters it in water demand which we projected over the planning horizon of the study. We estimated those based on the trends and our knowledge of what may happen in the system and that is how the storage is based."
Mr. Cox, " Tank effect what pressure and available of water. Mr. Trecost the plant here I know is designed with a lot more power. I think that it has a lot more capacity that it can handle. Is that true? I know that this plant really is a Cadillac. It can do a lot as far a putting out water."
Mr. Trecost, "That is correct. We are at 6.5 million gal of production right now.
Mr. Cox, "It is just the storage and pressure and all that?"
Mr. Trecost, "That is correct."
Mr. Myers, "What is the total capacity this plant can do?"
Mr. Trecost, "Ten million gal per day."
Mr. Myers, "Did they take into consideration when they did your engineering study the capability how long does it take to come up to ten million or can it pump ten million?"
Mr. Keno," It can."
Mr. Hritz, " Pending the operation number of filters that are running they can produce ten million gal per day out of the plant. The ultimate capacity of the facility depending of the filtration rates and water quality is fifteen million gal per day, however that would require some detail evaluation to determine whether with the raw water quality whether they would actually produce that."
Mr. Myers, "What I am referring to really is the size of that tank up there verses the capacity of this plant can pump."
Mr. Keno, "The two are not directly related. They both are sized based on the usage requirements but you don't pick the size of the tanks based on the size of the treatment plant.
Mr. Myers, "I realize that, but it also means that if you have a tank problem you can bring up to make the short fall of the tank, you can bring up the capacity up?"
Mr. Trecost, "No sir, you can not."

Mr. Keno," Well that would not meet the national AWWA standards nor the state regulations regarding storage. That is looked at a totally different way."
Mr. Trecost, " Mr. Myers are you thinking that if we remove the tank and run a twenty four inch line and pumped it to that line it is going to do the same thing as the tank."
Mr. Myers, "No I am not saying that, I am just saying that the tank is a relatively large tank, and I am looking at the overall costs of what happens it you brought the plant up to seven and a half million."
Mr. Keno, "An example of that would be if there would be an extended power outage in the plant you would need to rely on the storage that is out in the system until those corrections could be made you have to have a certain amount out there.
Mr. Myers, "How big is this new tank going to be?"
Mr. Trecost, "Two million gals."
Mr. Myers, "How much water does the city use?"
Mr. Trecost, "6.5 million gals per day."
Mr. Keno, " That means if you had an outage it is not very long. There are other tanks in the system."
Mrs. Clevenger, "My name is Emma Clevenger and I would like to say something about the people that don't have water in Harrison County. There are 70% of the people in Harrison County that don't have public water and they are finding out the problems, this year especially with the drought that there are lots and lots of water projects laying on the table waiting for funding so a two million gallon tank is not too large. Your are going to need it if these projects go through the next five to ten years with out any development. People are begging for water just to wash their hands and wash their dishes right now. They are carrying drinking water we have people that are begging. I am happy that we do have a proposal.
Mr. Flynn, " Where is you district?"
Ms. Clevenger, "Sun Valley. We have a project on the table right now and are waiting on funding we hope that it will be approved before spring we don't know for sure whether Salem wants it or not. When you think about 70% of people in Harrison County who don't have public water I am not about to squabble over the tank, it's the amount of the money it takes that we worry about the people who don't have the money to pay for this thing, because of a fixed income and because of so many people in this are that are retired."
Ms. Hines, "My name is Mary Lee Hines and I am on the water board for the public service district of Short Line. We have around eleven hundred customers, and I would like to reiterate what Ms. Clevenger said. We live in an area where when you turn on the spigot you have red water one day, another day you get black water, when you turn on the spigot another day you get no water, and you guys are fighting on maybe $3.00 on a bill I know people who would pay anything to have good clean water like the Water Board of Clarksburg is sending us now. I realize that we are talking

about big bucks here and the people in our area want to know that if our water is effected does it go through this tank and another thing that they want to know is once it is paid for do we still have to pay an increase? Is it on going. There are more people moving into the area all the time a lots of people are going to want more water and as she said there are many who have no water, no water at all. We have 150 people out in Sardis who are despurate for water they have none, and we are fighting about $3.00 or $4.00 a month extra.
Mr. Keno, " there is a network of piping so the water follows the natural course, depending on the elevation and the pipe sizing. So it is not easy to say how much goes through it and how much go directly by the pipeline.
Ms. Hines, "That is the question they are asking."
Mr. Keno, "It is the first tank in the system and the main pumps at the water treatment plant are turned on and off by level at that tank so it drives everything in that system."
Mr. Trecost, "Mr. Glotfelty, one of the fallacies that several people in the audience has implied tonight, and I don't know where it is coming from. The rate increases that the board voted on at the last meeting and the vote was two to one was $1.79 or .06 a day. I don't know where the $3.60 came from if it was the newspaper then they were in error, because the figure is $1.79 a month on a minimum bill of 0 to 3 units. I would like to correct that because it has been made several times tonight."
Mrs. Lake , "That is residential?"
Mr. Trecost, "Yes."
Mr. Glotfelty, " Thank you,"
Mr. Cox, "I can attest to this I know that down on Second Street you had that major break and water went three stories high. You have a very good work force out here there is no question about it. How many people work for the Water Board?"
Mr. Trecost, "Forty."
Mr. Cox, "You have forty employees is that management? Does it include the board?"
Mr. Trecost, "That is not counting the janitor or the Board Members."
Mr. Glotfelty, "Does anyone else have anything that they want to add?"
Resident, "What is the average residential use?"
Mr. Trecost, "Right now it is 0 to 3 units minimum bill we have 33,000 customer on a minimum bill."
Resident, "What is a unit?"
Mr. Trecost, "750 gallons."
Resident, "So the residential you have listed here is 4,500 gallons."
Mr. Trecost, "It depend on which area you are looking at. There are so many blocks are you looking at alternative 1."
Resident, "Right here at residential."
Mr. Trecost, "You are not on the same page that I am on."
Mr. Adkins, "4,500 gallons is the average consumption and it will be an increase of$3.60."

Mr. Trecost, "4,500 gallons will be $3.60 once you passed that figure.
Resident, " The average now is?"
Mr. Trecost, "The average is 0 to 3 units which increase a $1.79 a month, the minimum bill and that is the most customers we have are minimum bill users and are senior citizens."
Mr. Lamb, "This is a little misleading because the one paper that you gave out the information packet stated that 15.9%."
Mr. Trecost, "Over all, meaning public authority, meaning public service districts meaning commercial customers, industrial and residential. When you average them all out it is 15.9%, but when you break it down into the brackets that is where you come up with your figure such as $1.79 per month from 0 to 3, $3.60 if you go over 6 units excreta, excreta. This is why we placed this in the newspaper. This was outside and the library to be picked up by the residents or the Public Service Districts, who ever wanted it."
Mr. Lamb, "It is a little misleading because it 15.9% then intern it ends up being 18.7%."
Mr. Trecost, "That is correct. 18.6% minimum user that is $1.79"
Mr. Lamb, "That is the average household."
Mr. Trecost, "That is correct, it increases .06 a day is what your bill goes to."
Ms. Hines, "Our concern is the satellites going to be the same percentage?"
Mr. Trecost, "13.5%"
Ms. Hines, "And when will we know when this is going to take effect?"
Mr. Trecost, "Depends on what happens in reference to a protest. If we don't have any protest it will still take Mr. Morris forty-five days to present everything and get everything ready so we probably wont know until January Mr. Morris?"
Mr. Morris, "We could have it in effect with no protest if everything goes smooth on the 15th of November. If we get into a protest then no telling how long it is going to take, because then it goes before the Public Service Commission at that point in time. That is not going to help us any if it keeps on going we are only go to be worse and worse."
Mr. Trecost, "See we didn't find out until yesterday at 2:00p.m. that our loan will be presented to one of the boards tomorrow and the infrastructure council next Wednesday. If the loan is approved, by the infrastructure council next Wednesday and the rate is not approved by the board, regardless of what bracket they choose to pick tonight. Our loan can not be approved by the infrastructure council until the final resolution is mailed to the Infrastructure Council for approval. That is the predicament that we are in here, we either don't raise our rates and loose 2.1 million dollars for 3% for twenty years or raise our rates and prove to the Infrastructure Council that we can pay for the loan. That is the situation that my board is in tonight."

Mr. Cox, "This is why we are doing this so quickly, you have a window of opportunity."
Mr. Trecost, "It closed in on us yesterday, Mr. Cox."
Mr. Glotfelty, "This is why it all came to a head now. We worked on grant after grant finally a guy came through and said raise the rates and they would give us a grant." They also said the water rates are too low in Clarksburg.
Mrs. Lake, "I think to try and sum all this up is, I don't think that anyone is denying the fact that we probably need a new tank. I don't think that anyone is denying that we probably need to have a rate increase. I think that what everyone is expressing tonight is something that I said when I was in Huntington Municipal League is if our city and our municipalities in every department can not begin to work together we are all in this for the common good. I think for the situation of accessibility creditability and accountability and cooperation, so we have to move forward and move past this and maybe none of us like it, but we are going to have to get past it. What I would like to see is Bridgeport, Nutterfort everyone let's start working a little more together. We are your customers."
Mr. Glotfelty, "I don't think any of this is by design it is just the nature of the project the way it developed. I don't think that Bridgeport versus us or anyone else versus anybody else." We could probably improve relations, I think that it is a good idea. There are no hard feelings between anybody and me on council. I can assure you I know them all very well."
Resident, "Well you kept it pretty quite."
Mr. Glotfelty, "We didn't have much to talk about until we got the loan."
Mrs. Bailey, "I think that what I would like to see the Water Board has a image as this autonomous group that is self governing and kind of island unto itself. I believe knowing all of you fine people that are on this board individually and as a group I know that is not to be true, but as a member of the Clarksburg City Council and you as member of this water board please let us help you get rid of that image as this forboding autonomous group that dictates instead of communicates and lets work together. I believe as Mrs. Lake said that working together and all the others here is the key."
Mr. Lopez, " I was not going to say anything, but I will remark to that comment. I have been on the Clarksburg City Council for two years I think that I have been in almost everybody's office down here and if I had questions they have never refused to answer anything I have. Really everything down here is public information if a citizen is concerned I don't think that anybody up here would turn them down if they wanted to ask questions about the budget or about anything. I have been in Mr. Adkins office and asked him questions about finances. I know that I have talked to Mr. Morris and I know that I have talked to the board members that were here and I just want to say that I think that the Water Board had a thing here that just had to be done and I came tonight just to find out what some of the reasons were. I have been out of town a lot lately and have not had

a chance to talk to Mr. Glotfelty, Mrs.D'Anselmi or Mr. Thayer but I am sure if I would have they would have given me the answer that I would ask. I have never came down here once where they have ever tried to hide anything from anybody. As far as being dictators I have way beyond that and say you guys would open your doors for anybody that ever walked through the doors.
Mr. Trecost, "Thank you Mr. Lopez.
Mr. Glotfelty, "Our door is open to anybody, if there is anybody shut out I don't know about it, because we don't enjoy this any more than you do. We want to do the best job that we can and if you have a good idea we will listen to it. Does any one else have anything to say? I appreciate all of you showing up we are now going to continue with the rest of our meeting and you are certainly welcome to stay and share that."

Mr. Trecost, " We need to vote on the rate increase now."
Mr. Glotfelty, "Mr. Trecost would you like to go ahead?"
Mr. Trecost, "The first thing that we should decide on Mr. Glotfelty is before you vote on the rate increase and the alternate that you choose that Mr. Herbert as supplied to us is your letter from your City Manager on behalf of the Mayor and City Council what is your pleasure on that item. I told Mr. Ferrari and Mr. Ashcraft that I would let them know them tomorrow.
Mr. Glotfelty, "I don't know how far we can go Mr. Morris, you said that this is an intergovernmental matter."
Mr. Morris, "The board can express a desire to do a certain thing, and direct me to prepare a intergovernmental agreement with the city assuming the city is going to agree to it, of course we really don't know two days from now the City Manager is going to be gone. I hate to put it like that but it is true. The question that I think that the board should ask is if this change is going to be a material change in our rate structure. We can make minor changes. So if the board would like to proceed then you can give the General Manager the authority to enter into such an agreement. He and I will work together."
Mr. Glotfelty, "Should we direct that or would you rather we vote on it?"
Mr. Trecost, "I would like to have a motion to enter into a intergovernmental agreement with the City of Clarksburg were are going to deny the July 2000. They will charge us $20,000.00 for sludge instead of $40,000.00 for sludge and drop the hydrant rate from $120.00 per hydrant, there are 793 hydrants, to $90.00 per hydrant and that is the kind of motion I need in order for Mr. Morris and I to prepare the intergovernmental agreement."
Mr. Thayer, "according to the cost of service study what is the amount that it cost us to provide the service to fire hydrants."
Mr. Trecost, "There was two figures according to the cost of service study we could have charged them $272.50 per hydrant, The Clarksburg Water

Board has spent in the last five years $75,600.00 per year in maintenance of the hydrants."
Mr. Glotfelty, "That is strictly maintenance?"
Mr. Trecost, "Maintenance only, painting, flushing, repairing, excreta, Excreta."
Mr. Thayer, "$75,600.00 per year is the average."
Mr. Trecost, "Yes sir, for the last five years."
Mr. Thayer, "That breaks down to how much per hydrant?"
Mr. Trecost, "I did not break that down Mr. Thayer the $75,000.00."
Mr. Thayer, "it would be right around $100.00. it doesn't look like its out of line to go to $90.00."
A MOTION was made by Mr. Thayer to direct the General Manager to enter into an intergovernmental agreement with the City of Clarksburg charging them $90.00 per hydrant and reduce the charge to the Clarksburg Water Board from $40,000.00 to $20,000.00 per year on sludge disposal. Seconded by Mrs. D'Anselmi and unanimously carried.

Mr. Trecost, "We need a motion on the rate increase itself."

A MOTION was made by Mrs. D'Anselmi to adopt a resolution as presented and that the General Manager and his staff proceed with the rate increase as outlined in the resolution. Seconded by Mr. Glotfelty and opposed by Mr. Thayer.

Discussion on the motion

Mr. Thayer, " I would like to ask Mr. Herbert to make a comment relative to the alternate options that we were presented. We have alternate 1 and alternate 2 and then a number of them beyond that, but we looked at 1 and 2. As records indicate the rate increase on the basis of the schedule that we are choosing in your presentation to us you stated that the alternate 2 plan is more closely reflecting the cost for consumption in a truer since than the alternate number 1 plan. Well you explain it some of the classes because of margin and so on actually we are subsidizing some of the other classes, right?"
Mr. Herbert, "Well not exactly. Both alternative rate structures recover the cost of service, by their respective customer classifications. It is simply a different way of recovering those costs. Alternative 1 is pretty much of the same type rate structure that your existing rate structure is with a minimum charge which includes 3 unit of consumption in that charge and then each subsequent charge of consumption is billed per unit. The alternative 2 rate structure that I presented eliminated that minimum usage and instead charged a $6.00 customer charge that excluded no consumption with it and then each consumption unit was billed at several block rates. The theory with alternative 2 is that people would pay the cost of having service line facilities and also paying for meter reading and

billing and collecting of the bill. Then all consumption would be billed at a rate as opposed to the existing rate structure under alternative 1."
Mr. Thayer, "Where as under number 1 if someone only used 1 unit or 2 units of water they would actually be paying the rate for 3 units of water as they are doing today. "
Mr. Herbert, "That is right alternative 2 would eliminate this."
Mrs. D'Anselmi, "This isn't a vote that I am not happy with at all but it is necessary and should never have happened in this amount. I am one of two new members of this board I was sworn in on January 5' 1999 and this rate increase is something that we inherited. I resent the fact very much that previous board members did not and would not increase rates and didn't check into rate increases really on a regular basis in small increments as it should have been done. I was at a meeting in Charleston and it was discussed, and I remember that the comment was made that rate increases should be done on a regular basis. Don't let it accumulate until it gets to this kind of a figure and then your going to hit them with something they cant stomach. The need for this tank isn't something that occurred over night and they knew about since 1992 and it was put aside. It isn't something to be quick fixed. Major money is involved. They knew this but didn't want to lose a vote next year that is what I think. By increasing rates and they wanted to remain the good old boys. You can't do that. I am a senior citizen of Clarksburg and I am on a fixed retirement income and certainly would like to have had a small increase than what this is going to come out to. It is not a lot for everybody but some people just can't handle this kind of a rate increase. It bothers me that the citizens feel that this board is doing the disservice, because the disservice was done by previous boards. Who didn't see fit to do their job properly. I thought possibly there wasn't a real need for this tank, but I was up there yesterday to see for myself and it is a very serious problem which has a potential to effect life and property. It has to be corrected, build a new tank, and to do that we have to have the rate increase, which I understand that most of you have no problem with. Loss of this tank would effect every resident in this county. The City of Clarksburg objects to this increase from $60.00 to $120.00, well now we are going to reduce it tonight per hydrant per year for upkeep of hydrant. Mr. Trecost stated how much it is costing the Water Board to keep hydrant maintained over the years, but even with the $120.00 cost Clarksburg would have been lower than any other municipalities in the area. Parkersburg has a per hydrant cost of $308.00 and Grafton has a $120.00 since 1986 they have been paying$120.00 which is what we wanted to charge you. When the board applied for and did not receive previous grants I think common since would have told them to push for a rate increase, don't wait they knew this had to be done. What were they waiting on? As a board member I favor a regular small rate increase do it on a regular basis it wont hurt anybody the municipalities, the Cities and the people and I will work with the other board members to curb expenses so we can proceed with other projects

as needed, because there will be other projects. The capacity in the plant it self was mention by someone in the meeting. That can't be done with out money there has to be money there to do that. I just wanted people to know that I am not happy with doing this, but I don't see anyway not to after I saw the tank it convinced me that I couldn't vote no."
Mr. Glotfelty, " I would like to make a comment. Number 1 as I understand the Public Service Commission you can't go and get a rate increase approved as long as we had the coverage we have we couldn't get a rate increase period and we were trying to get thirteen grants and trying to put that all together who could make a decision. We are finally getting down where it is pretty tight but we will be alright if we get the rate increase and get the tank in we are going to get a very attractive rate and we are going to borrow at a very attractive rate. I don't know where this political stuff comes from, because I can tell you right now that I am not political. I could care less every day whether I am on this water board on not. I enjoy it I don't need to work but I like to feel that we have done something and accomplished it and I can assure you that none of my actions were political. I could care less whether I get elected next time or not. In fact I don't even know if I am running."
Mr. Haws, "May I comment?"
Mr. Trecost, "No you can't comment now, not under a motion."
Mr. Haws, " Is this not open for discussion?"
Mr. Trecost, "A motion is on the floor and a second has already been made so you need a vote now."
Mr. Haws, "The chairman can address that"
Mr. Trecost, "When is your council meeting?"
Mr. Haws," You're welcome any time, If you can report on your progress of the board."
Mr. Trecost, "Ok."
Mr. Haws, "The only thing that I would suggest is I think that your direction is right in terms of one to deal with internal operations and maintenance issues, the concern that I have is that there is no question on the tank, that is a given. We are also funding a deficit of the board that is the thing that I think is the biggest concern. I guess my suggestion is that maybe the tank's fine I think that you need to look at your debt and projected debt and maybe deal with that in terms of the rate increase, but I have a problem of a $600,000.00 increment per year. Do you understand what I am saying?
Mr. Glotfelty, "Let me ask you this way when you have very little growth and your expenses go up every year, you get into a squeeze too. When our coverage dropped we got into trouble. Any time you want to discuss this we can discuss it, anytime. Let's get on with the meeting."
Mr. Trecost, "We need a motion on the alternate rate increase."
A MOTION was made by Mrs. D'Anselmi and seconded by Mr. Glotfelty on alternate 1Seconded by Mr. Glotfelty and opposed by Mr. Thayer.

D. General Manager's Report

Mr. Trecost, "You need to amend the managers report for item 8 for the Proposal for the operations review/ Water Board presented by the center for Entrepreneurial Studies and Development Inc. of West Virginia that will be item 8.

1.Chestnut Street Tank Replacement Project

Mr. Trecost, "We need a motion on the location of the tank, on the size of the tank, and kind of the tank. And also we need a motion to approve $47,000.00 for Gannett Fleming for authorization to proceed with the finial designs service for a two million-gallon concrete water storage tank and phase two, which is final design service through bid phase for the lump sum fee of $45,700.00."

Mr. Glotfelty, "Is that all one motion?"

Mr. Trecost, "Yes sir, motion on all four items in one motion."

A MOTION was made by Mrs. D'Anselmi to direct the General Manager to direct Gannett Fleming inc. to proceed with the new Chestnut Street Tank Project at the Second Street site, with a new two million gallon concrete tank and I further move to direct Guy E. Morris, General Counsel for he Clarksburg Water Board, to proceed with the negotiations for the purchase of the site for the new tank and also authorize Gannett Fleming Inc. to proceed with the finial design services for a two million gallon concrete water storage tank at the Second Street site. Pending suitable result of Phase 1- Geotechnical Subsurface investigations Phase 2-Finial Design Services (Through bid phase) are authorized for a lump sum fee of $45,000.00. Seconded by Mr. Thayer and unanimously carried.

Discussion of the motion

Mr. Thayer, "In this proposal does this take into account that this includes the cost of providing service lines to these customers now like the YMCA and a couple other residential customers in that area. Is that all included in the cost estimate which was provided to us in this project?"

Mr. Keno, "Running new lines to those customers? I think that the distribution will stay intact.

Mrs. D'Anselmi, "They told me that additional lines would be needed."

Mr. Trecost, "Second Street site."

Mr. Thayer, " I know, didn't she say that it would require some additional pumping or something different if we relocate the tank to Second Street as compared to where it is now on Chestnut Street.

Mr. Keno, "No all of the main line piping to take care of this new site are in this proposal."

Mr. Trecost, "If we would have went for Chestnut Street tank see we won't kill the main."

Mr. Thayer, "You are going to maintain the line that are there on Chestnut Street."

Mr. Trecost, "on the 24 inch on the right of way where the houses on Van Buren are hooked on to we are not going to kill that 24 inch line so we wont have to put

them on Second Street."
Mr. Keno, "Now I am not aware of any new situation that we are creating. We will of course look at that in final design, but the ideas for that points to stay live and all the piping modification for the Second Street site to pipe that into the distribution are included in that design."
Mr. Trecost, "The line will still be dead though that we have off from 9th to the tank. We won't need that line in service that we have off."
Mr. Keno, "Right."

2. A letter to Jim Hall project administrator with Region 6

Regarding the grant for emergency Power Step-up Transformer. At the last meeting Mr. Thayer brought up the Step-up Transformer. I contacted Jim Hall whom I work through when I was City Manager for Region 6. Jim ask me to have a letter drafted with Mr. Simon for my signature, I mailed it to Jim Hall we are going to try and go for the Governors Partnership Grant in reference to this project for $150,000.00. The only thing that the board may have to pass a resolution which he is going send me a rough draft of which I will show Mr. Morris before the next meeting and once the resolution is passed by the board then we will be able to apply for the grant for the Step-up Transformer. That was more or less an information item form the last meeting."

3. Deferred Payment Schedule

Mr. Trecost, "On your deferred payment schedules there are some updates to give to the board on page 1 item 6 Avis Jones paid September 27th $110.00. Number seven Beverly Thomas paid September 24th $125.00, this is after the packet went out. Number 8 BLJ Corporation is due by Friday. That takes care of the deferred.

4. Source Water Analysis

Mr. Trecost, "Mr. Simon."
Mr. Simon, "Nothing to report."

5. Leak Report for period 8/29/99 to 9/10/99

Mr. Trecost, "You have a memo in your packet from Mr. Guzzi to myself it shows that we had from 8/29/99 to 9/10/99 approximately five leak in our system. The largest was a 8" main on West Virginia Avenue.

6. The S. 21st Street Job

Mr. Trecost, "This is one of the job's the board approved about three months ago, that was recommended by staff. That job is now completed, total for that job was $4,712.48 I think that the service area may have went over approximately $300.00. I think it took more concrete than what we had anticipated. The estimate was $4,300.00 and we spent $4,712.00.

7. Job Service Employer Committee Annual Conference

Mr. Trecost, "Which I attached if anyone cares to attend that conference please see myself or Ms. Davis."

8. **Proposal from Dr. Byrd Proposal for the operations review/ Water Board presented by the center for Entrepreneurial Studies and Development Inc. of West Virginia**

Mr. Trecost, "In reference to the study done by WEST VIRGINIA UNIVERSITY. I do need action on item 8 only on the manager's report. That concludes the manager's report Mr. Glotfelty."
Mr. Glotfelty, "If there is no hurry on that report I would like to take mine with me I didn't get a chance to look at it and would like to look at the City's first and compare."
Mrs. D'Anselmi, "Did you give us a copy of the city's that they had done."
Mr. Trecost, "Yes I thought that I did."
Mrs. D'Anselmi, "I think you did give me a copy."
Mr. Trecost, "The one that you and I had done before years ago."
Mr. Thayer, "Yes, you gave us that almost a month ago. They want to start the work for us right away. I think that it is something we need to do and if we want to get them I don't know what is the point in putting it off. You got this didn't you? How long are you going to be gone."
Mr. Glotfelty, Ten or twelve days."
Mr. Thayer, " I suppose that we could put it off it is not something that has to be done immediately. We have been putting him off for quite a while now for three months."
Mr. Glotfelty, "We just got that today,, didn't we?"
Mr. Thayer, "No I am talking about some other matters that we discussed.'
Mr. Glotfelty, "We are bringing it to a head aren't we?"
Mr. Thayer, "yes, I guess. It takes time."
Mr. Trecost, " Is that motion by Mr. Glotfelty to table because I will have to call Sara Eells and inform her tomorrow, because I asked her in her report she asked for approval by the 27th and I explained to her that we didn't have the meeting until the 28th if I could have extra time do I tell Sara. Eells tomorrow that we are going to bring it up at the next meeting or how do I handle this?"
Mr. Glotfelty, "Think we should table it."
Mrs. D'Anselmi, " Are you going to be back for the next meeting?"
Mr. Glotfelty, "Yes."
A MOTION was made to table the Proposal from Dr. Byrd Proposal for the operations review/ Water Board presented by the center for Entrepreneurial Studies and Development Inc. of West Virginia. Seconded by Mrs. D'Anselmi and Mr. Thayer opposed.

E. Director of Finance Report

1. Mr. Adkins, "I have for you tonight the funds balances statement when I distribute those you will see the effect of the draw down that we had to do last week to help cover the deficit in funding for our current accounts payables."
2. Status of the 1998/99 Audit

Mr. Adkins, "I would like to advise you that the auditors, are working on the audit presently. I ask them today and they told me they had approximately two days of fieldwork left after that they will of course finalize the report.

3. Copy of House Bill #2481 re: Audits of Government Agencies
   Mr. Adkins, "This changes the requirements for Auditing Government Agencies, I have given that to you for your information if you have any questions on it please get in contact with me."
4. Account Payables and Cash Funds Statement September 23, 1999
5. Copy of Completed WV PSC Annual Report for Fiscal 1998/99

Mr. Adkins, "As you can see it was very voluminous if you have any question just contact me and I will be glad to go over any part of it with you."

F. General Counsel's Report

Mr. Morris, " I take it that the board still wants me to purchase the Second Street property."
Mr. Glotfelty, "Right?"
Mr. Morris, "According to what we have talked about."
Mr.Trecost. "Yes that was in the motion."
Mr. Morris, "I mean the price."
Mr. Trecost, " Yes I understand and they all know the price."
Mr. Morris, "I don't want to be putting the price out to some one and it not be correct. I want to warn you that we may end up with condemnation on that."
Mr. Keno, "The recommendation on the property was that we have right of access and option to purchase so that when we do the drilling and geotechnical first and confirm suitability before you move to purchase I am not sure if that's part of what you are saying Mr. Morris."
Mr. Morris, "No and I will tell you why, because the ownership of that property is messed up. To get these different people one in Minnesota and one in Illinois and a executor in Illinois as well as the WVU endowment fund. Endowment fund is no problem if we can get these other people to get the option on is going to be tough. If you want me to just go get an option it will take more time than just to buy."
Mr. Keno, "Our previous discussions were that we were recommending that we get right of entry and perhaps a option."
Mr. Morris, "Right and I appreciate that
Mr. Glotfelty, "Are you saying you are going to go ahead and condemn it. Is that what you are say?"
Mr. Keno, "That was the prudent move and the recommendation was to drill it and confirm that we wont hit anything that we aren't anticipating that is the ground and nobody knows for sure until you drill these holes and make sure you know what is there."
Mr. Morris, "Let me run the option by the people and try and communicate with them and get that option. If we cant get that option I will come back to you and tell you what then we should do."
Mr. Keno, "Or perhaps they will also allow a simple right of entry across the property to do the drilling."

Mrs. D'Anselmi, "That would be the simplest thing then you could do it right away."
Mr. Keno, "Right."
Mr. Morris, "I think that if they are going to give us a right of entry they will give us an option. I don't know this to be I haven't talked to them."
Mr. Glotfelty, "Do we have a clear understanding of what Mr. Morris is suppose to do?"
Mr. Trecost, "We put Mr. Morris on hold because of the second opinion so he stopped and now he has the ok."
Mr. Morris, " I was on hold all this time I couldn't go out offering prices to be people when we thought that we might build at Chestnut Street."
Mr. Glotfelty," Mr. Morris does that complete your business. Do you have you instructions?"
Mr. Trecost, "Are you alright with that Mr. Keno?"
Mr. Keno," Yes I think that you should proceed with a right of entry or an option to purchase until we drill it and confirm what our estimates are that we can use the site as we had anticipated and then you can purchase it immediately there after."
Mr. Adkins, Mr. Glotfelty, Mr. Herbert has brought copies of the rule 42 cost of service study and before you leave you are welcome to have a copy."
Mr. Glotfelty, "Ok, good."

G. Unfinished Business

Mr. Glotfelty, "How about any other business? How about adjournment?"

A Motion was made by Mrs. Mr. Thayer to adjourn the meeting of the Clarksburg Water Board Seconded by Mrs. D'Anselmi and unanimously carried, adjourning the meeting at 8:50 p.m.

Patsy S Trecost
Secretary

Robert S Glotfelty
President

and water services, as set forth below, at a regular meeting of the members of the Clarksburg Water Board to be held on September 28, 1999 at 7:00 p.m. at the office of the Clarksburg Water Board located at 1001 South Chestnut St., Clarksburg, Harrison County, West Virginia, and at such hearing all objections and suggestions shall be heard by the Board relating to such action to confirm, reject or modify said Resolution as it shall deem properly in the premises. The proposed increase in rates and charges will result in an increase in the annual operating revenues by fifteen and nine-tenths percent (15.9%). The Resolution reads as follows:

A RESOLUTION FOR THE PROVIDING FOR THE ESTABLISHMENT OF NEW WATER RATES FOR WATER AND WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROPRIATELY A PART OF THE TARIFF OF THE CLARKSBURG WATER BOARD, IN ACCORDANCE WITH CHAPTER 24, ARTICLE 2 AND CHAPTER 8, ARTICLE 19, AND OTHER PERTINENT SECTIONS OF THE CODE OF WEST VIRGINIA, AND THE CHARTER OF THE CITY OF CLARKSBURG.

WHEREAS, The Clarksburg Water Board is a municipal corporation which owns and operates the water works system supplying water for the City of Clarksburg and to various outlying cities, towns, districts and associations for domestic, industrial and commercial purposes;

WHEREAS, the Clarksburg Water Board has been operating under rates and charges established by law;

WHEREAS, upon the advice of its Treasurer, engineers, and accountants, said Clarksburg Water Board has determined that an adjustment and increase in water rates will have to be made in order to provide sufficient operating revenue for continued operations of the water system, and to provide adequate debt service coverage for the funding of its outstanding obligations,

NOW THEREFORE, BE IT RESOLVED BY THE CLARKSBURG WATER BOARD OF THE CITY OF CLARKSBURG, WEST VIRGINIA, that the following rates and charges be in effect for services rendered by the Clarksburg Water Board.

Further, that a public hearing on the above rate increase resolution will be held at the Clarksburg Water Board offices at 1001 So. Chestnut Street, Clarksburg West Virginia, September 28, 1999 at 7:00 o'clock P.M., at which time persons may appear and be heard on the subject, and that a copy of the proposed may be inspected at said Clarksburg Water Board Office prior to said meeting.

The rates and charges set forth below shall be effective forty-five (45) days after final action following said hearing relating to the Resolution.

This resolution passed this 7th day of September 1999.

PATSY S. TRECOST
Secretary-Treasurer and
General Manager
Clarksburg Water Board

SCHEDULE NO. 1 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial, and public authorities.

RATE:

CCF Metered

First	2,000 cu ft used per month	$3.81	per 100 cu ft
Next	28,000 cu ft used per month	$2.59	per 100 cu ft
All over	30,000 cu ft used per month	$1.873	per 100 cu ft

Gallons Metered

First	15,000 gallons used per month	$5.093	per 1,000 gallons
Next	210,000 gallons used per month	$3.463	per 1,000 gallons
All over	225,000 gallons used per month	$2.504	per 1,000 gallons

MINIMUM CHARGE:

No bill will be rendered for less than the following amounts, according to the size of the meter installed.

Meter Size	Minimum Charge	Consumption Included
5/8" Meter	$11.43 per month	300 cu ft (2,250 gallons)
1" Meter	$28.58 per month	700 cu ft (5,250 gallons)
1 1/2" Meter	$57.15 per month	1500 cu ft (11,250 gallons)
2" Meter	$91.44 per month	2500 cu ft (18,750 gallons)
3" Meter	$171.45 per month	5300 cu ft (39,750 gallons)
4" Meter	$285.75 per month	9400 cu ft (70,500 gallons)
6" Meter	$571.50 per month	19500 cu ft (145,860 gallons)
8" Meter	$914.40 per month	32,400 cu ft (242,352 gallons)

TEMPORARY SERVICE RATE:

The minimum water charge for water for temporary uses shall be $5.05 per 100 cubic feet ($6.75 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interested and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE:

When water service has been disconnected for non-payment of bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURN CHECK CHARGE:

When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee of Seven Dollars ($7.00).

SCHEDULE NO. 2 (WATER)

AVAILABILITY OF SERVICE:

Available for all water delivered to water utilities for resale.

CCF Metered	$1.668	per 100 cubic feet
GALLONS Metered	$2.229	per 1,000 gallons

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, a ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3 (WATER)

Applicable in entire area served.

CHARGE FOR TAPPING MAINS:

The person or cooperation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.

The charges for these items are as follows:

Size of Tap	Cost of Tap PSC-Account 345	Cost of Meter Installation PSC-Account 347	Total Charge
3/4"	$130.00	$120.00	$250.00
1"	$140.00	$210.00	$350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

SCHEDULE 4 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE:

Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$6.75
6 inch	$20.25
8 inch	$40.50

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 5 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE:

Available for public fire protection.

RATE:

For each public fire hydrant $120.00 per year

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

PUBLISHER'S CERTIFICATE

STATE OF WEST VIRGINIA,

COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE CLARKSBURG EXPONENT, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

CLARKSBURG WATER BOARD

was published in said THE CLARKSBURG EXPONENT one time, on the

16 day of September 19 99

The publisher's fee for said publication is $ $150.78

Sara V. Shingleton
Classified Manager of The Clarksburg Exponent

Subscribed and sworn to before me this 21 day of

September, 19 99

Shelley V. Riffle
Notary Public in and for Harrison County, WV.

My commission expires on the 21st day of July 2009

Form CA-14 E

SEAL

...Water Board to be held on September 28, 1999 at 7:00 p.m. at the office of the Clarksburg Water Board located at 1001 South Chestnut St., Clarksburg, Harrison County, West Virginia, and at such hearing all objections and suggestions shall be heard by the Board relating to such action to confirm, reject or modify said Resolution as it shall deem property in the premises. The proposed increase in rates and charges will result in an increase in the annual operating revenues by fifteen and nine-tenths percent (15.9%). The Resolution reads as follows:

A RESOLUTION FOR THE PROVIDING FOR THE ESTABLISHMENT OF NEW WATER RATES FOR WATER AND WATER SERVICE AND THE PROMULGATION OF SUCH OTHER REGULATIONS AS ARE APPROPRIATELY A PART OF THE TARIFF OF THE CLARKSBURG WATER BOARD, IN ACCORDANCE WITH CHAPTER 24; ARTICLE 2 AND CHAPTER 8, ARTICLE 19, AND OTHER PERTINENT SECTIONS OF THE CODE OF WEST VIRGINIA, AND THE CHARTER OF THE CITY OF CLARKSBURG.

WHEREAS: The Clarksburg Water Board is a municipal corporation which owns and operates the water works system supplying water for the City of Clarksburg and to various outlying cities, towns, districts and associations for domestic, industrial and commercial purposes;

WHEREAS: the Clarksburg Water Board, has been operating under rates and charges established by law;

WHEREAS, upon the advice of its Treasurer, engineers, and accountants, said Clarksburg Water Board has determined that an adjustment and increase in water rates will have to be made in order to provide sufficient operating revenue for continued operations of the water system, and to provide adequate debt service coverage for the funding of its outstanding obligations.

NOW THEREFORE, BE IT RESOLVED BY THE CLARKSBURG WATER BOARD OF THE CITY OF CLARKSBURG, WEST VIRGINIA, that the following rates and charges be in effect for services rendered by the Clarksburg Water Board.

Further, that a public hearing on the above rate increase resolution will be held at the Clarksburg Water Board offices at 1001 So. Chestnut Street, Clarksburg West Virginia, September 28, 1999 at 7:00 o'clock P.M., at which time persons may appear and be heard on the subject, and that a copy of the proposed may be inspected at said Clarksburg Water Board office prior to said meeting.

The rates and charges set forth below shall be effective forty-five (45) days after final action following said hearing relating to the Resolution.

This resolution passed this 7th day of September 1999.

PATSY S. TRECOST
Secretary-Treasurer and
General Manager
Clarksburg Water Board

SCHEDULE NO. 1 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial, and public authorities.

RATE:

CCF Metered

First	2,000 cu ft used per month	$3.81	per 100 cu ft
Next	28,000 cu ft used per month	$2.59	per 100 cu ft
All over	30,000 cu ft used per month	$1.873	per 100 cu ft

Gallons Metered

First	15,000 gallons used per month	$5.093	per 1,000 gallons
Next	210,000 gallons used per month	$3.463	per 1,000 gallons
All over	225,000 gallons used per month	$2.504	per 1,000 gallons

MINIMUM CHARGE:

No bill will be rendered for less than the following amounts, according to the size of the meter installed.

Meter Size	Minimum Charge	Consumption Included
5/8" Meter	$11.43 per month	300 cu ft (2,250 gallons)
1" Meter	$28.58 per month	700 cu ft (5,250 gallons)
1 1/2" Meter	$57.15 per month	1500 cu ft (11,250 gallons)
2" Meter	$91.44 per month	2500 cu ft (18,750 gallons)
3" Meter	$171.45 per month	5300 cu ft (39,750 gallons)
4" Meter	$285.75 per month	9400 cu ft (70,500 gallons)
6" Meter	$571.50 per month	19500 cu ft (145,860 gallons)
8" Meter	$914.40 per month	32,400 cu ft (242,352 gallons)

TEMPORARY SERVICE RATE:

The minimum water charge for water for temporary uses shall be $5.05 per 100 cubic feet [$6.76 per 1,000 gallons], plus the actual cost of making service available.

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interested and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE:

When water service has been disconnected for non-payment of bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURN CHECK CHARGE:

When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee of Seven Dollars ($7.00).

SCHEDULE NO. 2 (WATER)

AVAILABILITY OF SERVICE:

Available for all water delivered to water utilities for resale.

CCF Metered	$1.668	per 100 cubic feet
GALLONS Metered	$2.229	per 1,000 gallons

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, a ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3 (WATER)

Applicable in entire area served.

CHARGE FOR TAPPING MAINS:

The person or cooperation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.

The charges for these items are as follows:

Size of Tap	Cost of Tap PSC-Account 345	Cost of Meter Installation PSC-Account 347	Total Charge
1"	$130.00	$120.00	$250.00
1"	$140.00	$210.00	$350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess of the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

SCHEDULE 4 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE:

Available for private fire protection service.

RATE:

Size of Service	Charge per Month
4 inch	$6.75
6 inch	$20.25
8 inch	$40.50

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 6 (WATER)

Applicable in entire territory served.

AVAILABILITY OF SERVICE:

Available for public fire protection.

RATE:

For each public fire hydrant $120.00 per year

DELAYED PAYMENT PENALTY:

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

PUBLISHER'S CERTIFICATE

STATE OF WEST VIRGINIA,

COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of CLARKSBURG TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

CLARKSBURG WATER BOARD

was published in said CLARKSBURG TELEGRAM one time, on the 16 day of September 19 99

The publisher's fee for said publication is $ $177.71

Sara V. Shingleton
Classified Manager of Clarksburg Telegram

Subscribed and sworn to before me this 21 day of September, 19 99

Shelley V. Riffle
Notary Public in and for Harrison County, WV.

My commission expires on the 2nd day of July 2009.

Form CA-14 T

SEAL

991570coma051200.sca

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 12th day of May, 2000.

CASE NO. 99-1570-W-MA

CITY OF CLARKSBURG, a municipal corporation.

Investigation and suspension of increase in water rates and charges as a result of petitions filed in accordance with W.Va. Code §24-2-4b

COMMISSION ORDER

On September 28, 1999, the Clarksburg Water Board (Utility) adopted an ordinance which increased rates for water service to approximately 8,576 customers at Clarksburg, West Virginia, and surrounding communities located in Harrison County. The proposed increase was to become effective November 15, 1999, unless otherwise ordered by the Commission, producing approximately $777,000 annually in additional revenue, an increase of 15.9%.

Following publication of notice of the increased rates, a petition protesting the Utility's rate ordinance was filed on October 28, 1999, by the City of Bridgeport, the Town of Anmoore, the City of Stonewood, the Greater Harrison County Public Service District, the Shortline Public Service District, and the Sun Valley Public Service District (collectively referred to as Intervenors). The Intervenors alleged that the ordinance discriminated against the Utility's resale customers.

By Order entered October 29, 1999, the Commission suspended the rate ordinance until 12:01 a.m., March 14, 2000, unless otherwise ordered by the Commission, and referred the matter to the Division of Administrative Law Judges (ALJ) for decision on or before February 14, 2000. Staff was directed to file its report on or before December 30, 1999.

By Procedural Order entered November 5, 1999, the ALJ assigned to this case established a procedural schedule for this proceeding.

On December 16, 1999, Commission Staff filed a Petition to toll the suspension period, to extend the ALJ's decision due date, to extend the Staff report due date, and to revise the November 5, 1999 Procedural Order. By Commission Order entered December 22, 1999, the Commission granted Staff's Petition, suspending the rate ordinance until 12:01 a.m., May 13, 2000, directing Staff to file its report by February 28, 2000, and directing the ALJ to file its decision by April 14, 2000.

By Procedural Order entered December 23, 1999, the ALJ, among other things, ordered the previously-scheduled January 5, 2000 hearing, notice of which having already been published, be conducted for the purpose of taking public comments, and that a subsequent evidentiary hearing be scheduled for March 3, 2000.

The public comment hearing was conducted as scheduled, on January 5, 2000. T.D. Kauffelt, Esquire, appeared on behalf of the Utility; Norman T. Farley, Esquire, appeared on behalf of the Intervenors; and James V. Kelsh, Esquire, appeared on behalf of Commission Staff. No members of the public appeared to make comment.

The evidentiary hearing was conducted as scheduled, on March 3, 2000, at which the above-mentioned parties appeared, by counsel.

Evidence Presented and Recommended Decision

On April 13, 2000, the ALJ issued its Recommended Decision in this case, finding that "[t]he evidence shows a pattern of abusive managerial decisions which improperly enrich board members, managers, key employees and even an independent contractor –its former attorney. This pattern includes various medical, prescription and life insurance plans, overtime for managers and monthly sums for office expenses for its former attorney." Recommended Decision, p. 18. As a result, the ALJ excluded from the Utility's revenue requirements "[t]he benefits for present and past board members, the general counsel, the general counsel's office expenses and the overtime payments made to salaried managers." Id, at p. 19. At the request of both Staff and the Intervenors, the ALJ also recommended that the Commission institute a general investigation into the Utility's activities.

Further, according to the evidence presented, the Utility's current 1,080,000 gallon water storage tank, located at Chestnut Street, is beyond repair and needs to be replaced as soon as possible. The Utility plans to replace the tank with a 2,000,000 gallon tank at a new site on 2nd Street.[1] In contrast, the Intervenors presented evidence that the tank should be

[1]The Utility has filed an application for a certificate of convenience and necessity for construction of the tank project, which is currently pending before the Commission in Case No. 99-

Public Service Commission
of West Virginia
Charleston

replaced with a 750,000 gallon to 1,000,000 gallon tank because the existing amount of storage on the system is adequate to cover equalization, emergency reserve and fire protection. The Intervenors further challenged the location and height of the proposed tank.

The Utility intends to borrow $2,151,000 from the West Virginia Drinking Water Treatment Revolving Fund (DWTRF) to replace the storage tank. The loan, which has an annual debt service of $143,196, plus a 15% coverage requirement, will significantly impact rates.

As repayment of the DWTRF loan is not scheduled to begin until January 2002, the ALJ determined that any rate increase related to the proposed construction of the new water storage tank should be effected in two steps. The first step, or rate increase, approved by the ALJ is to be put into effect on and after May 13, 2000. The second rate increase reflects the cost associated with the new, $2,100,000 tank project, which should go into effect only after the new tank is in use. The ALJ approved these rates on the condition that the Utility receives a certificate of convenience and necessity to build the proposed $2,100,000 tank. If, during the course of the certificate case, the Commission determines that a smaller tank is required, then a new rate ordinance must be enacted by the City of Clarksburg and the second rate increase approved in the Recommended Decision will not go into effect.

Also in contention at the hearing in this case was whether interest earned on the City of Clarksburg's bond reserve fund and depreciation account, and on a temporary construction fund should be included in calculating the Utility's cash basis revenue requirement.

The primary dispute among the parties concerned whether the City of Clarksburg's Waterworks Improvement and Refunding Revenue Bonds, Series 1992 (bond ordinance), permits or prohibits the use of interest earned on the City of Clarksburg's bond reserve fund and depreciation account in calculating the 120% debt service coverage requirement.[2] It was

---

1742-W-CN.

[2] §6.04 of the bond ordinance provides, inter alia, that "[t]he schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the system sufficient to make the prescribed payments into the funds and accounts created hereunder. . . . the Issuer and the [Clarksburg Water] Board hereby covenant and agree that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be in the Reserve Account in order to satisfy the Reserve Account Requirement . . . [.]"

Public Service Commission
of West Virginia
Charleston

Staff's position that the interest income is available to meet the coverage test because the bond ordinance allows the use of gross revenues in the calculation. "Gross Revenues" as that term is defined in the bond ordinance, means "the aggregate gross operating and non-operating revenues of the system determined in accordance with generally accepted accounting principles after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts and includes any proceeds from the sale of or disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments)."

Staff argued that the definition of gross revenues does not specifically exclude interest but rather, includes proceeds from the sale of capital assets because the Utility can readily determine what the proceeds are and can actually possess them. Conversely, according to Staff, the term gross revenues excludes increases in the value of capital assets, retained and not liquidated, preventing the Utility from recording "paper profits," which may not materialize when the assets are ultimately liquidated. Staff asserted that failing to include interest income would provide the Utility with excessive debt service coverage and would improperly raise rates.

Staff further maintained that interest income is routinely included in calculating debt service coverage. See City of Wheeling, Case No. 95-0480-W-MA (1996); City of Shinnston, Case No. 93-0576-W-MA (1993); and City of Ravenswood, Case No. 83-481-W-MA (1984).

In contrast, the Utility argued that the language of the bond ordinance precludes the inclusion of interest income in calculating the required debt service coverage. In support thereof, Vincent Collins, Esquire, the attorney who prepared the bond ordinance at issue and who represents the bond issuer, testified that, in his opinion, the definition of gross revenues "does not include earnings plain and simple because it says it does not include any increase in the value of capital assets including qualified investments. And that basically is the definition of what earnings would be, an increase in the value of qualified investments. So gross revenues, for the purpose of [the coverage] test, cannot include earnings." March 3, 2000 Hearing Transcript (Tr.), p. 285. Mr. Collins further testified that the bond ordinance was

> insured by a bond insurer, asset guarantee, and that some of these provisions may be slightly different and may be more stringent than what may be typical in an ordinance. But my recollection is that at that time Clarksburg had had some problems with rate coverage in the past and that essentially the bond insurer made in [sic] very clear by requiring certain provisions in the ordinance to be more stringent than is normal, to make sure that that did not happen in the future. And that's one reason, although I do not remember all

Public Service Commission
of West Virginia
Charleston

the details, that's one reason why these provisions are so explicit that the rate increase for any additional bonds, rather the rate coverage for any additional bonds, can only include a rate increase and cannot include any earnings on any funds in accounts.

Tr. 286.

Mr. Collins also testified concerning §6.08 of the bond ordinance, which provides, in relevant part:

> Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the Gross Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.
>
> . . . .
>
> No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:
>
> (1) The Series 1992 Bonds then outstanding;
>
> (2) Any additional parity Bonds theretofore issued pursuant to the provision contained in this Ordinance then outstanding; and
>
> (3) The additional parity Bonds then proposed to be issued.

(Emphasis added)

Mr. Collins explained that under §6.08, "in order for the City of Clarksburg to issue additional bonds as it proposes to do, I think the DWTRF, or the Drinking Water Treatment Revolving Fund Loan, would involve the issuance of bonds by the City of Clarksburg, it must comply with these provisions and that compliance will be evidenced by a certificate of a CPA or a statement of a CPA that they have complied with this rate covenant, and the CPA will analyze this on the basis of the gross revenues definition and whether or not they meet the requirement of the rate coverage based upon that definition." Tr. 284-85.

Public Service Commission
of West Virginia
Charleston

Also at issue at the hearing was the inclusion in the revenue requirement of interest income earned on the temporary construction fund, set aside for other capital improvements during the Depard/FBI extension project. According to the Utility, the fund has been seriously depleted over the last eighteen months. During the test year, the fund had $800,000, but, at the time of the hearing, contained only $500,000. The Utility anticipates using the fund as matching funds for another project. The fund, which earns 5.12% annually, could be reduced to zero. Thus, the Utility objected to the use of interest on this fund in calculating the debt service coverage requirement.

Although Staff did not dispute the fact that the temporary construction fund has diminished, it argued that adjustment of rates is not warranted because its recommended rates will substantially exceed the Utility's coverage requirements, enabling the Utility to rebuild the principal in the fund.

With little explanation, the ALJ adopted Staff's arguments with regard to the use of interest income on the bond reserve fund and depreciation account, as well as on the temporary construction fund, in calculating the debt service coverage requirement.

The ALJ further recommended that the Commission order the Utility to file with the Commission a plan addressing its unaccounted-for water problems within ninety (90) days after the Recommended Decision becomes a final order of the Commission. Such plan should outline the appropriate steps needed to reduce the rate to below 15% and to remain 15% for the foreseeable future.

Finally, the ALJ recommended that the Commission order the Utility to contact Staff for advice and assistance in modifying the Utility's accounting program in order to provide a better trail from the actual invoices to the general activity ledger. The Utility shall make the necessary accounting changes within six (6) months after the Recommended Decision becomes a final order of the Commission.

Exceptions

On April 28, 2000, the Utility filed Exceptions to the April 13, 2000 Recommended Decision. The Utility contends that the ALJ improperly included in the revenue requirement interest earned on the bond reserve fund, depreciation account and temporary construction fund.

The Utility asserts that the terms of the bond ordinance dictate that interest earned on the bond reserve fund and depreciation account cannot be included in the calculation to determine whether the rates generate sufficient money to support the existing bonds. The term "gross revenues," as defined in the bond ordinance, "does not include any increase in

Public Service Commission
of West Virginia
Charleston

the value of capital assets (including Qualified Investments)." The Utility argues that interest earned on capital assets constitutes an increase in their value and, therefore, cannot be included in gross revenues when calculating the required bond coverage. Further, it is the Utility's contention that the use of interest income in calculating bond coverage for the existing bonds leaves the level of revenues inadequate to permit the CPA certification of compliance with the bond ordinance, and thus prevents additional borrowing. See §6.08 of the bond ordinance, supra.

With regard to the interest on the temporary construction fund, the Utility maintains that the funds therein continue to shrink and that, soon, there will be no construction fund upon which interest can be earned. Thus, the Utility argues, a construction fund which will no longer be available to earn interest should not be considered a source of revenue.

The Utility also excepted to the ALJ's exclusion from the revenue requirement the cost of health benefits for present and past Board members and the Board's General Counsel. The Utility reasoned that it included these benefits in its operating and maintenance expenses because it is unclear whether such benefits may be lawfully terminated in instances where they have "vested."

DISCUSSION

The primary issue before the Commission is whether the bond ordinance precludes or permits the use of interest earned on the bond reserve fund and depreciation account in calculating whether the Utility's rates generate sufficient revenue to support the existing bond.

This is a strongly contested issue, and one that depends on the interpretation of the covenants contained in the bond ordinance document. The Commission agrees with Staff that exclusion of interest income, even interest income on sinking fund deposits, from a coverage calculation is unusual. Though the Utility asserts that the cases relied upon by Staff did not address the interest income issue, see City of Wheeling, Case No. 95-0480-W-MA (1996); City of Shinnston, Case No. 93-0576-W-MA (1993); and City of Ravenswood, Case No. 83-481-W-MA (1984), review of the orders in their entirety reveals that coverage was calculated including both operating revenue and non-operating revenue. This coverage calculation was contained in an Appendix to each of the orders in the above-cited cases. However, the Utility apparently overlooked the Appendices when preparing the "copies" it filed with its Exceptions. A copy of the coverage calculation from each of those orders is attached hereto as Appendix A.

The Commission recognizes, however, that coverage calculations in other cases, while instructive for purposes of demonstrating generally accepted accounting principals, cannot

Public Service Commission
of West Virginia
Charleston

be the sole basis for a determination in this case. The requirements of the bond ordinance in this proceeding must be the basis for determining the appropriate coverage calculation thereunder. The City of Clarksburg's bond ordinance clearly includes non-operating income in the definition of gross revenues and net revenues which are the basis for the coverage calculation. If the bond ordinance intended to exclude interest income on sinking fund deposits which are required under the ordinance, it would have been a simple matter to clearly state such a limitation. However, there is no such clear statement in the bond ordinance document. In our view, the only argument in support of the Utility's position is that the interest earned on sinking fund deposits should be excluded from net revenue because it represents an increase in value of a capital asset. While the bond ordinance clearly includes interest income in earnings available for coverage, it specifically excludes increases in value of capital assets, including capital assets which are qualified investments under the bond ordinance. While Staff makes a strong argument that the interest income credited to the Utility under its sinking fund investment is not an increase in the value of a capital asset as contemplated in the bond ordinance, the attorney who drafted the bond ordinance, Vince Collins, testified to the contrary. The Commission finds his testimony to be persuasive.

The Commission finds that the Utility's position should be adopted until a coverage certification is prepared that clearly includes the increments of operating and non-operating revenue in the coverage calculation that the Staff maintains are appropriate and consistent with sound accounting principals and the requirements of the bond ordinance. Therefore, until such a certification is made, we shall approve rates that will support a 120% coverage after excluding interest income on sinking fund deposits from the coverage calculation. Because there is presently a case pending for the certification of facilities construction and because there will be a significant borrowing related to that construction, we will require that a copy of the coverage certification by the Utility's CPA be filed in that case. If the CPA's certification of coverage adopts the Staff's approach, the rates approved herein to become effective after construction shall be based on the ALJ's recommendation which adopted Staff's coverage calculation. If, however, the Utility's CPA certifies that the coverage calculation should exclude the contested portion of interest income, the rates approved by the Commission will be sufficient to produce 120% coverage based on such calculation.

The Commission notes that Clarksburg will have significantly more cash available than necessary if we design rates to produce a 120% coverage without considering all of the City's interest revenue. Excluding the sinking fund interest from the coverage calculation increases Clarksburg's operating revenue requirements by $231,300 per year, or $19,275 per month. However, there is no evidence that indicates that this excess amount of revenue is necessary to meet normal cash requirements of the City. While the Commission may adopt Clarksburg's coverage calculation pending a bond issuance certification of coverage by a CPA, as described above, we shall require that the excess revenue of $19,275 per month be

deposited in a separate escrow account which Clarksburg shall establish. Accumulated funds in this account shall not be used by the City without first making application to this Commission for use of such funds. This requirement shall be in effect as long as Clarksburg is charging under the rates established in Appendix C or Appendix E, attached hereto. If the coverage certification by Clarksburg's CPA includes sinking fund interest income, Clarksburg shall be authorized to charge the rates shown in Appendix D attached to this order, and the $19.275 monthly deposit requirement shall no longer be in effect.

There is no dispute that a portion of the interest income earned by the Utility can be included in its earnings for the purpose of calculating coverage. This includes interest on construction funds or any other interest bearing account other than the bond sinking fund. However, the Utility disputes the amount of the interest that the Staff included in its calculation which was adopted in the ALJ's Recommended Decision.

The Utility argues that the interest from the temporary construction fund is declining as that account is drawn down. Here, again, the Commission must look to the language of the bond ordinance. The bond ordinance clearly requires that coverage be calculated based on net revenues for the most recent fiscal year. The coverage recommended by the Staff and the ALJ, and adopted herein by the Commission, includes the actual interest earned for the test year ended June 30, 1999, in accordance with the requirements of the bond ordinance. Furthermore, the rates approved herein will generate cash in excess of the City's cash requirements by over $400,000 per year. This is the excess referred to by the Staff and ALJ that will be available to offset draw downs in the construction fund balances. Therefore, the Commission shall reject the City's request to exclude actual test year interest that is not at issue insofar as the bond ordinance is concerned for the purposes of coverage calculations.

Finally, the Commission finds that the cost associated with the health benefits for present and past Board members and the Board's General Counsel should be excluded from the Utility's revenue requirements.[3] Though the Commission believes the ALJ properly excluded these costs, it does not believe the provision of the benefits, and the other activities described in the Recommended Decision, warrant the institution of a general investigation at this time.

---

[3]Though the ALJ also excluded from the calculation the general counsel's office expenses and overtime payments to salaried managers, the Utility only filed exceptions with regard to the benefits for Board members and its general counsel.

FINDINGS OF FACT

1. On September 28, 1999, the Utility adopted an ordinance which increased rates for water service to approximately 8,576 customers at Clarksburg, West Virginia, and surrounding communities located in Harrison County, to become effective November 15, 1999.

2. A petition protesting the Utility's rate ordinance was filed by the Intervenors on October 28, 1999, alleging that the ordinance discriminated against the Utility's resale customers.

3. By Order entered October 29, 1999, the Commission suspended the rate ordinance until 12:01 a.m., March 14, 2000, and subsequently, upon Staff's motion to toll the suspension period, granted said motion and suspended the rate ordinance until 12:01 a.m., May 13, 2000.

4. The public comment hearing was conducted as scheduled, on January 5, 2000. No members of the public appeared to make comment.

5. The evidentiary hearing was conducted as scheduled, on March 3, 2000.

6. On April 13, 2000, the ALJ issued his Recommended Decision in this case, in which he found there to be a pattern of abusive managerial decisions by the Utility concerning the awarding of health benefits, medical and life insurance plans, overtime pay and the payment of its attorney's office expenses. As a result, the ALJ excluded from the Utility's revenue requirements "[t]he benefits for present and past board members, the general counsel, the general counsel's office expenses and the overtime payments made to salaried managers." Id, at p. 19.

7. At the request of both Staff and the Intervenors, the ALJ also recommended that the Commission institute a general investigation into the Utility's activities.

8. The Utility's current 1,080,000 gallon water storage tank, located at Chestnut Street, is beyond repair and needs to be replaced as soon as possible.

9. The Utility plans to replace the tank with a 2,000,000 gallon tank at a new site on 2nd Street.

10. The Intervenors presented evidence that the tank should be replaced with a 750,000 gallon to 1,000,000 gallon tank because the existing amount of storage on the

Public Service Commission
of West Virginia
Charleston

system is adequate to cover equalization, emergency reserve and fire protection. The Intervenors further challenged the location and height of the proposed tank.

11. The Utility intends to borrow $2,151,000 from the West Virginia Drinking Water Treatment Revolving Fund (DWTRF) to replace the storage tank. The loan, which has an annual debt service of $143,196, plus a 15% coverage requirement, will significantly impact rates.

12. As repayment of the DWTRF loan is not scheduled to begin until January 2002, the ALJ determined that any rate increase related to the proposed construction of the new water storage tank should be effected in two steps. The first step, or rate increase, approved by the ALJ is to be put into effect on and after May 13, 2000. The second rate increase reflects the cost associated with the new, $2,100,000 tank project, which should go into effect only after the new tank is in use. The ALJ approved these rates on the condition that the Utility receives a certificate of convenience and necessity to build the proposed $2,100,000 tank. If, during the course of the certificate case, the Commission determines that a smaller tank is required, then a new rate ordinance must be enacted by the City of Clarksburg and the second rate increase approved in the Recommended Decision will not go into effect.

13. Also in contention at the hearing in this case was whether interest earned on the City of Clarksburg's bond reserve fund and depreciation account, and on a temporary construction fund should be included in calculating the Utility's cash basis revenue requirement.

14. The primary dispute among the parties concerned whether the City of Clarksburg's Waterworks Improvement and Refunding Revenue Bonds, Series 1992 (bond ordinance), permits or prohibits the use of interest earned on the City of Clarksburg's bond reserve fund and depreciation account in calculating the 120% debt service coverage requirement.

15. The ALJ adopted Staff's position that the interest income is available to meet the coverage test.

16. According to Staff, the bond ordinance allows the use of gross revenues in the calculation and that the definition of gross revenues, as that term is defined in the bond ordinance, does not specifically exclude interest but rather, includes proceeds from the sale of capital assets because the Utility can readily determine what the proceeds are and can actually possess them. Conversely, according to Staff, the term gross revenues excludes increases in the value of capital assets, retained and not liquidated, preventing the Utility from recording "paper profits," which may not materialize when the assets are ultimately

liquidated. Staff asserted that failing to include interest income would provide the Utility with excessive debt service coverage and would improperly raise rates.

17. Staff further maintained that interest income is routinely included in calculating debt service coverage. See City of Wheeling, Case No. 95-0480-W-MA (1996); City of Shinnston, Case No. 93-0576-W-MA (1993); and City of Ravenswood, Case No. 83-481-W-MA (1984).

18. In contrast, the Utility argued that the language of the bond ordinance precludes the inclusion of interest income in calculating the required debt service coverage. In support thereof, Vincent Collins, Esquire, the attorney who prepared the bond ordinance at issue and who represents the bond issuer, testified that, in his opinion, the definition of gross revenues does not include earnings because it does not include any increase in the value of capital assets including qualified investments.

19. Mr. Collins further testified that the bond ordinance was

> insured by a bond insurer, asset guarantee, and that some of these provisions may be slightly different and may be more stringent than what may be typical in an ordinance. But my recollection is that at that time Clarksburg had had some problems with rate coverage in the past and that essentially the bond insurer made in [sic] very clear by requiring certain provisions in the ordinance to be more stringent than is normal, to make sure that that did not happen in the future. And that's one reason, although I do not remember all the details, that's one reason why these provisions are so explicit that the rate increase for any additional bonds, rather the rate coverage for any additional bonds, can only include a rate increase and cannot include any earnings on any funds in accounts.

Tr. 286.

20. Mr. Collins also testified that under §6.08 of the bond ordinance, "in order for the City of Clarksburg to issue additional bonds as it proposes to do, I think the DWTRF, or the Drinking Water Treatment Revolving Fund Loan, would involve the issuance of bonds by the City of Clarksburg, it must comply with these provisions and that compliance will be evidenced by a certificate of a CPA or a statement of a CPA that they have complied with this rate covenant, and the CPA will analyze this on the basis of the gross revenues definition and whether or not they meet the requirement of the rate coverage based upon that definition." Tr. 284-85.

21. Also at issue at the hearing was the inclusion in the revenue requirement of interest income earned on the temporary construction fund, set aside for other capital improvements during the Despard/FBI extension project.

22. The Utility objected to the use of interest on this fund in calculating the debt service coverage requirement.

23. Although Staff did not dispute the fact that the temporary construction fund has diminished, it argued that adjustment of rates is not warranted because its recommended rates will substantially exceed the Utility's coverage requirements, enabling the Utility to rebuild the principal in the fund.

24. The ALJ adopted Staff's arguments with regard to the use of interest income on the bond reserve fund and depreciation account, as well as on the temporary construction fund, in calculating the debt service coverage requirement.

25. The ALJ recommended that the Commission order the Utility to file with the Commission a plan addressing its unaccounted-for water problems within ninety (90) days after the Recommended Decision becomes a final order of the Commission. Such plan should outline the appropriate steps needed to reduce the rate to below 15% and to remain 15% for the foreseeable future.

26. The ALJ recommended that the Commission order the Utility to contact Staff for advice and assistance in modifying the Utility's accounting program in order to provide a better trail from the actual invoices to the general activity ledger. The ALJ recommended that the Commission order the Utility to make the necessary accounting changes within six (6) months after the Recommended Decision becomes a final order of the Commission.

27. On April 28, 2000, the Utility filed Exceptions to the April 13, 2000 Recommended Decision.

28. Exclusion of interest income, even interest income on sinking fund deposits, from a coverage calculation is unusual.

29. The requirements of the bond ordinance in the present proceeding must be the basis for determining the appropriate coverage calculation thereunder.

30. Excluding the sinking fund interest from the coverage calculation increases the Utility's operating revenue requirements by $231,300 per year, or $19,275 per month, which is not necessary to meet the Utility's normal cash requirement.

Public Service Commission
of West Virginia
Charleston

CONCLUSIONS OF LAW

1. Under this bond ordinance, and based upon the testimony of Vincent Collins, the interest income credited to the Utility under its sinking fund investment is an increase in the value of a capital asset and therefore, should not be included in the coverage calculation.

2. The Commission will require that a written statement by a CPA be filed in Case No. 99-1742-W-CN, the pending certificate case for the construction of the tank project, which indicates that the interest income credited to the Utility under its sinking fund investment either should or should not be included in the coverage calculation.

3. If the CPA's written statement concurs with Staff's approach, that the interest income credited to the Utility under its sinking fund investment should be included in the coverage calculation, then the Commission will approve the rates set forth in Appendix D, attached to this Order. The rates set forth in Appendix D would not become effective after construction of the water tank project if the project is not approved as currently proposed.

4. If the CPA's written statement concurs with the Utility's approach, that the interest income credited to the Utility under its sinking fund investment should be excluded in the coverage calculation, then the rates set forth in Appendix C and Appendix E, which rates are approved by this Order, will be sufficient to produce 120% coverage based upon such calculation. The rates set forth in Appendix C will take effect prior to construction of the water storage tank while the rates set forth in Appendix E will take effect after construction, if the project is approved as currently proposed.

5. The Commission will require the Utility's excess revenue of $19,275 per month be deposited in a separate escrow account which the Utility shall establish.

6. Accumulated funds in the escrow account shall not be used by the Utility without first making application to this Commission for use of such funds so long as the Utility charges the rates established in Appendix C or Appendix E.

7. In the event the coverage certification by the Utility's CPA includes sinking fund interest income, the Commission will authorize the Utility to charge the rates set forth in Appendix D, and the $19,275 monthly deposit requirement shall no longer be in effect.

8. The Commission will deny the Utility's exception that the interest income from the temporary construction fund should not be included in the coverage calculation.

Public Service Commission
of West Virginia
Charleston

9. The Commission will deny the Utility's exception that the cost associated with the health benefits for present and past Board members and the Board's General Counsel should not be excluded from the Utility's revenue requirements.

10. The Commission will not initiate a general investigation into the Utility's activities.

11. The Commission will adopt the Recommended Decision entered April 13, 2000, except as modified herein.

ORDER

IT IS THEREFORE ORDERED that the interest income credited to the Clarksburg Water Board under its sinking fund investment not be included in the coverage calculation

IT IS FURTHER ORDERED that a written statement by a CPA be filed in Case No. 99-1742-W-CN, the pending certificate case for the construction of the tank project, which indicates that the interest income credited to the Utility under its sinking fund investment either should or should not be included in the coverage calculation.

IT IS FURTHER ORDERED that if the CPA's written statement concurs with Staff's approach, that the interest income credited to the Utility under its sinking fund investment should be included in the coverage calculation, then the Commission will approve the rates set forth in Appendix D, attached to this Order. The rates set forth in Appendix D would not become effective after construction of the water tank project if the project is not approved as currently proposed.

IT IS FURTHER ORDERED that if the CPA's written statement concurs with the Utility's approach, that the interest income credited to the Utility under its sinking fund investment should be excluded in the coverage calculation, then the rates set forth in Appendix C and Appendix E, which rates are approved by this Order, will be sufficient to produce 120% coverage based upon such calculation. The rates set forth in Appendix C will take effect prior to construction of the water storage tank while the rates set forth in Appendix E will take effect after construction, if the project is approved as currently proposed.

IT IS FURTHER ORDERED that the Utility's excess revenue of $19,275 per month, under rates set forth in Appendix C or Appendix E, be deposited in a separate escrow account which the Utility shall establish within thirty (30) days after entry of this Order. The Utility shall then immediately file with the Commission a statement that such escrow account has been established.

IT IS FURTHER ORDERED that accumulated funds in the escrow account shall not be used by the Utility without first making application to this Commission for use of such funds so long as the Utility charges the rates established in Appendix C or Appendix E.

IT IS FURTHER ORDERED that in the event the coverage certification by the Utility's CPA includes sinking fund interest income, and the water tank project is approved as currently proposed, the Commission will authorize the Utility to charge the rates set forth in Appendix D, and the $19,275 monthly deposit requirement shall no longer be in effect.

IT IS FURTHER ORDERED that the Utility's exception that the interest income from the temporary construction fund should not be included in the coverage calculation be denied.

IT IS FURTHER ORDERED that the Utility's exception that the cost associated with the health benefits for present and past Board members and the Board's General Counsel should not be excluded from the Utility's revenue requirements be denied

IT IS FURTHER ORDERED that the petition for general investigation into the Utility's activities be denied.

IT IS FURTHER ORDERED that the Recommended Decision entered April 13, 2000, be adopted as a final Commission Order, except as modified herein.

IT IS FURTHER ORDERED that this case is hereby resolved and shall be removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order upon all parties of record by United States First Class Mail, and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

ARC
MSB/lfg
991570ca.sca

CITY OF WHEELING - WATER
CASE NO. 95-0480-W-MA
CASH FLOW ANALYSIS

Appendix A

	Approved Rates
	$
Cash Available:	
Operating Revenues	
Sales Revenue	3,809,001
Other Operating Revenues	214,046
Other Income	244,473
Total Cash Available	4,267,520
Cash Requirements:	
Operation & Maintenance Expenses	2,693,170
Taxes Other Than Income Taxes	
Cash Requirements Before Debt Service	2,693,170
Cash Available for Debt Service (A)	1,574,350
Debt Service Requirements:	
Interest	804,480
Principal	455,000
Other	
Subtotal (B)	1,259,480
Reserve Requirement	
Total Debt Service Requirements	1,259,480
Beginning Cash	314,870
Coverage Ratio (A)/(B)	1.250

APPENDIX A

CITY OF SHINNSTON
CASE NO. 93-0576-W-MA

CASH FLOW ANALYSIS

	Staff Recommended $
Cash Available:	
Operating Revenues	
Sales Revenue	721,206
Other Operating Revenues	23,042
Other Income	17,671
Total Cash Available	761,920
Cash Requirements:	
Operation & Maintenance Expenses	460,169
Taxes Other Than Income Taxes	12,646
Cash Requirements Before Debt Service	472,815
Cash Available for Debt Service (A)	289,105
Debt Service Requirements:	
Interest	161,361
Principal	70,887
Other	
Subtotal (B)	232,248
Reserve Requirement	
Total Debt Service Requirements	232,248
[redacted] Cash	56,857
Coverage [redacted] (A)/(B)	1.245
Construction Requirement	56,857
Depreciation Fund Requirement (Eligible to Apply to Construction Requirement)	-0-

APPENDIX A

CITY OF RAVENSWOOD
CASE NO. 83-481-W-MA

CASH FLOW

	$
Available Cash	
Operating Revenues	194,030
Other Income	18,428
Total Available Cash	212,458
Cash Requirements	
Operating Expenses	136,195
Taxes	3,771
Total Cash Requirements Before Debt Service	139,966
Cash Available for Debt Service (A)	72,492
Debt Service Requirements	
Interest	48,591
Bond Retirement	11,200
Subtotal (B)	59,791
Reserve Requirements	-0-
Depreciation Reserve	9,701
Total Debt Service Requirements	69,492
Surplus	3,000*
Percent Coverage (A) - (B)	121.24%
Available Cash for Construction	
Depreciation Reserve	9,701
Cash Flow Surplus	3,000*
Total Available Cash for Construction	12,701
Construction Cash Requirements	
Construction Budget-Historical	7,699
Yearly Provision for Water Dept. Truck	3,000*
Total Construction Cash Requirements	10,699
Surplus Cash After Construction	2,002

Appendix B

CASE NO. 99-1570-W-MA
CITY OF CLARKSBURG WATER BOARD
COMMISSION ORDER
REVENUE REQUIREMENTS and COVERAGE CALCULATION

	Prior to Completion of Construction	After Completion of Construction	
		Alternative #1 (1)	Alternative #2
	$	$	$
Cash Available			
Operating Revenues			
Sales Revenues	5,426,029	5,376,010	5,607,297
Other Operating Revenues	176,199	175,752	177,820
Other Income	39,851	271,151	39,851
Total Cash Available	5,642,079	5,822,913	5,824,968
Cash Operating Requirements			
Operation & Maintenance Expenses	3,132,072	3,131,628	3,133,683
Taxes Other Than Income	110,431	110,431	110,431
Cash Requirements before Debt Service	3,242,503	3,242,059	3,244,114
Cash Available for Debt Service (A)	2,399,576	2,580,854	2,580,854
Debt Service Requirements			
Interest	1,188,013	1,230,240	1,230,240
Principal	760,000	848,394	848,394
Other	60,000	81,076	81,076
Subtotal (B)	2,008,013	2,159,710	2,159,710
Reserve Requirements	0	0	0
Total Debt Service Requirements	2,008,013	2,159,710	2,159,710
Remaining Cash after Debt Service Requirements	391,563	421,144	421,144
Interest Income not Included in Other Income Above	231,300		231,300
Remaining Cash	622,863	421,144	652,444
Coverage Ratio (A)/(B)	1.20	1.20	1.20
Depreciation Fund	280,111	277,588	289,256

Notes: (1) Includes all operating and non-operating revenues, including interest on sinking funds, for the purposes of calculating coverage.

Appendix C

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
PRIOR TO COMPLETION OF CONSTRUCTION

SCHEDULE NO. 1

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial, industrial and public authorities.

RATE

CCF Metered			
First	2,000 cu ft used per month	$3.64	per 100 cu ft
Next	28,000 cu ft used per month	2.40	per 100 cu ft
All Over	30,000 cu ft used per month	1.665	per 100 cu ft
Gallons Metered			
First	15,000 gallons used per month	$4.866	per 1,000 gallons
Next	210,000 gallons used per month	3.208	per 1,000 gallons
All Over	225,000 gallons used per month	2.226	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge	
5/8" Meter	$10.92	per month
1" Meter	27.30	per month
1 - ½" Meter	54.60	per month
2" Meter	87.35	per month
3" Meter	163.80	per month
4" Meter	273.00	per month
6" Meter	546.00	per month
8" Meter	873.60	per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.35 per 100 cubic feet ($5.82 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Seven Dollars ($7.00).

Appendix C

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
PRIOR TO COMPLETION OF CONSTRUCTION

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale.

RATE
CCF Metered $1.599 per 100 cubit feet
Gallons Metered $2.138 per 1.000 gallons

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

Applicable in entire area served.

CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.
The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC - Acct. 345	Cost of Meter Installation PSC - Acct. 347	Total Charge
3/4"	$130.00	$120.00	$250.00
1"	140.00	210.00	350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

Appendix C

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
PRIOR TO COMPLETION OF CONSTRUCTION

SCHEDULE NO. 4

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$ 5.70
6 inch	17.15
8 inch	34.35

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for public fire protection service.

RATE
For each public fire hydrant - $120.00 per year.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 6

LEAK ADJUSTMENT RATE
$0.164 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

Appendix D

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #1 (Includes sinking fund interest in coverage calculation)

SCHEDULE NO. 1

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial, industrial and public authorities.

RATE

CCF Metered			
First	2,000 cu ft used per month	$3.52	per 100 cu ft
Next	28,000 cu ft used per month	2.38	per 100 cu ft
All Over	30,000 cu ft used per month	1.675	per 100 cu ft
Gallons Metered			
First	15,000 gallons used per month	$4.706	per 1,000 gallons
Next	210,000 gallons used per month	3.182	per 1,000 gallons
All Over	225,000 gallons used per month	2.239	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge	
5/8" Meter	$10.56	per month
1" Meter	26.40	per month
1 - ½" Meter	52.80	per month
2" Meter	84.50	per month
3" Meter	158.40	per month
4" Meter	264.00	per month
6" Meter	528.00	per month
8" Meter	844.80	per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.35 per 100 cubic feet ($5.82 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Seven Dollars ($7.00).

Appendix D

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #1 (Includes sinking fund interest in coverage calculation)

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale.

RATE
CCF Metered $1.616 per 100 cubit feet
Gallons Metered $2.160 per 1,000 gallons

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

Applicable in entire area served.

CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.
The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC - Acct. 345	Cost of Meter Installation PSC - Acct. 347	Total Charge
3/4"	$130.00	$120.00	$250.00
1"	140.00	210.00	350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

Appendix D

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #1 (Includes sinking fund interest in coverage calculation)

SCHEDULE NO. 4

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$ 5.30
6 inch	15.90
8 inch	31.80

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for public fire protection service.

RATE
For each public fire hydrant - $120.00 per year.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 6

LEAK ADJUSTMENT RATE
$0.164 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

Appendix E

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #2 (Excludes sinking fund interest from coverage calculation)

SCHEDULE NO. 1

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for general domestic, commercial, industrial and public authorities.

RATE

CCF Metered			
First	2,000 cu ft used per month	$3.74	per 100 cu ft
Next	28,000 cu ft used per month	2.50	per 100 cu ft
All Over	30,000 cu ft used per month	1.748	per 100 cu ft
Gallons Metered			
First	15,000 gallons used per month	$5.000	per 1,000 gallons
Next	210,000 gallons used per month	3.342	per 1,000 gallons
All Over	225,000 gallons used per month	2.337	per 1,000 gallons

MINIMUM CHARGE
No bill will be rendered for less than the following amounts according to the size of the meter installed, to wit:

Meter Size	Minimum Charge	
5/8" Meter	$11.22	per month
1" Meter	28.05	per month
1 - ½" Meter	56.10	per month
2" Meter	89.75	per month
3" Meter	168.30	per month
4" Meter	280.50	per month
6" Meter	561.00	per month
8" Meter	897.60	per month

TEMPORARY SERVICE RATE
The minimum water charge for water for temporary uses shall be $4.35 per 100 cubic feet ($5.82 per 1,000 gallons), plus the actual cost of making service available.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

RECONNECTION CHARGE
When water service has been disconnected for non-payment of a bill or fraudulent use of water, water service shall not be restored until all past due water bills and penalties have been paid in full and a reconnection charge in the amount of Fifteen Dollars ($15.00) has been paid.

RETURNED CHECK CHARGE
When a check has been returned unpaid by the bank for any reason, the customer will be charged a fee equal to the actual NSF incurred by the Water Board up to a maximum of Seven Dollars ($7.00).

Appendix E

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #2 (Excludes sinking fund interest from coverage calculation)

SCHEDULE NO. 2

AVAILABILITY OF SERVICE

Available for all water delivered to water utilities for resale.

RATE

CCF Metered	$1.657 per 100 cubit feet
Gallons Metered	$2.215 per 1,000 gallons

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 3

Applicable in entire area served.

CHARGE FOR TAPPING MAINS

The person or corporation making application for a service connection shall pay in advance to the Water Board for the permit and the furnishing of labor and material for (1) the service connection and pipe complete from the water main to the curb line, including the curb stop and box, or valve box, and (2) the meter installation, including the meter vault.
The charges for these items shall be as follows:

Size of Tap	Cost of Tap PSC - Acct. 345	Cost of Meter Installation PSC - Acct. 347	Total Charge
3/4"	$130.00	$120.00	$250.00
1"	140.00	210.00	350.00

For sizes larger than 1 inch, the charges will be equal to the actual cost of the installation. Upon receipt of an application for a service connection of a size larger than 1 inch, the Water Board will provide an estimate of actual cost, which amount must be deposited by the applicant in advance of the installation. Upon completion of the installation a final statement of the actual installation cost will be prepared and submitted for payment to the applicant. The amount of payment due will be reduced by the amount of the advance deposit. In the event of an excess in the amount deposited over the actual installation cost, the amount of the excess will be refunded to the applicant.

Appendix E

CITY OF CLARKSBURG WATER BOARD
CASE NO. 99-1570-W-MA
COMMISSION ORDERED RATES
AFTER COMPLETION OF CONSTRUCTION
Alternative #2 (Excludes sinking fund interest from coverage calculation)

SCHEDULE NO. 4

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for private fire protection service.

RATE

Size of Service	Charge per Month
4 inch	$ 5.70
6 inch	17.15
8 inch	34.35

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE NO. 5

Applicable in entire territory served.

AVAILABILITY OF SERVICE
Available for public fire protection service.

RATE
For each public fire hydrant - $120.00 per year.

DELAYED PAYMENT PENALTY
The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

SCHEDULE 6

LEAK ADJUSTMENT RATE
$0.164 per 1,000 gallons. To be used when the bill reflects unusual consumption, which can be attributed to eligible leakage on the customer's side of the meter. This rate is to be applied to the excess consumption above the customer's historical average usage.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 15th day of June, 2000.

CASE NO. 99-1570-W-MA

CITY OF CLARKSBURG, a municipal corporation.

Investigation and suspension of increase in water rates and charges as a result of petitions filed in accordance with W.Va. Code § 24-2-4b

COMMISSION ORDER

This case is pending before the Commission on a petition for reconsideration of the Commission's May 12, 2000, order.

This case originated with an appeal, pursuant to W.Va. Code § 24-2-4b, of a September 8, 1999, water rate ordinance enacted by the City of Clarksburg (City) increasing water rates. The municipal appeal was filed with the Commission by the City of Bridgeport, the Town of Anmoore, the City of Stonewood, the Greater Harrison County Public Service District, the Shortline Public Service District, and the Sun Valley Public Service District, all of whom are resale customers of the City (collectively, Resale Customers).

A number of issues were presented to the Administrative Law Judge (ALJ) assigned to this matter, including, but not limited to: (1) Staff's allegations that the City's records established a pattern of abusive managerial decisions which improperly enriched board members, managers, key employees and the City's former attorney; (2) inclusion of interest earned on the City's bond reserve fund and depreciation account, and on a temporary construction fund, in calculating the City's cash basis revenue requirement; and (3) Staff's concerns regarding the City's high, unaccounted-for-water figures.

On April 13, 2000, the ALJ issued a Recommended Decision in this matter. With regard to the City's alleged financial misconduct, the ALJ excluded from the City's revenue requirements "[t]he benefits for present and past board members, the general counsel, the

general counsel's office expenses and the overtime payments made to salaried managers." Recommended Decision, at p. 19. With regard to inclusion of certain interest in the City's cash basis revenue requirement, the ALJ adopted Staff's arguments that the interest received by the City from its reserve fund, depreciation account, and temporary construction fund should be used in calculating the City's necessary debt service coverage. Recommended Decision, p. 21-22; Conclusion of Law 4, p. 33. With regard to unaccounted-for-water, the ALJ recommended that the Commission order the City to file with the Commission a plan addressing its unaccounted-for water problems within ninety (90) days after the Recommended Decision became a final order of the Commission. Recommended Decision, p. 23; Conclusion of Law 5, p. 33. The ALJ recommended that such plan outline the appropriate steps needed to reduce the rate to below 15% and to remain at that level for the foreseeable future. Id.

Finally, the ALJ recommended that the Commission immediately commence a general investigation of City. Recommended Decision, p.18-19, 23; Conclusion of Law 1, p. 32; First Ordering Paragraph.

On April 28, 2000, the City filed exceptions to the April 13, 2000 Recommended Decision, contending that the ALJ had erred in deciding to exclude health benefits for present and past Board members and the Board's general counsel from the City's revenue, requirements. The City also contended that the ALJ erred in adopting Staff's position on the inclusion of certain interest.

By Order issued May 12, 2000, the Commission ruled on the City's exceptions. The Order upheld the ALJ's exclusion of benefits. However, the Commission amended the Recommended Decision's treatment of the interest issue. The Order further declined to initiate a general investigation of the City as recommended by the ALJ.

On May 23, 2000, the Resale Customers filed a petition for reconsideration of the Commission's May 12, 2000, Order. The Resale Customers urged the Commission to reconsider only that portion of its decision that declined to institute a general investigation of the City. In support of their request, the Resale Customers pointed not only to the hearing evidence regarding improper enrichment of board members, former board members, key employees, etc., but also to the evidence regarding the City's high unaccounted-for-water levels.

The Commission has reviewed its May 12, 2000, Order, and will deny the Resale Customers' request that the Commission reconsider its decision not to institute a general investigation of the City. The Commission addressed the improper enrichment of board members and employees by adopting the ALJ's exclusion from the City's revenue requirements of the general counsel's office expenses, overtime payments to salaried

Public Service Commission
of West Virginia
Charleston

managers, and health benefit costs for the general counsel and present and past board members. The costs of these benefits will no longer be covered by the City's customers. The Commission agrees with the City that many of the issues that would be investigated in a general investigation involve pension benefit rights, and employee contract and benefit rights, which are not matters appropriate to the Commission's jurisdiction. Response of City to Petition for Reconsideration, filed on May 31, 2000.

With respect to the issue of unaccounted-for-water losses that was raised again by the Resale Customers in their petition for reconsideration, the Commission notes that the ALJ has already ordered that the City file a plan to reduce its unaccounted-for-water losses. The Commission adopted this requirement in its May 12, 2000, ordering paragraph which reads, "IT IS FURTHER ORDERED that the Recommended Decision entered April 13, 2000, be adopted as a final Commission Order, except as modified herein." Recommended Decision, p. 16.

The Resale Customers' petition for reconsideration will be denied.

FINDINGS OF FACT

1. The Resale Customers filed a Petition for Reconsideration of the Commission's May 12, 2000, Order, asking that the Commission reconsider only that portion of its decision that declined to institute a general investigation of the City.

2. The Commission addressed the improper enrichment of board members and employees by adopting the ALJ's exclusion from the City's revenue requirements of the general counsel's office expenses, overtime payments to salaried managers, and health benefit costs for the general counsel and present and past board members. The costs of these benefits will no longer be covered by the City's customers.

3. The ALJ has already ordered that the City file a plan to reduce its unaccounted-for-water losses. This ordering paragraph was adopted by the Commission in its May 12, 2000, ordering paragraph which reads, "IT IS FURTHER ORDERED that the Recommended Decision entered April 13, 2000, be adopted as a final Commission Order, except as modified herein." Recommended Decision, p. 16.

CONCLUSIONS OF LAW

1. Many of the issues that would be investigated in a general investigation of the City involve pension benefit rights, and employee contract and benefit rights, which are not matters appropriate to the Commission's jurisdiction. *See* Response of City to Petition for Reconsideration, filed on May 31, 2000. These issues should be addressed in a separate

Public Service Commission
of West Virginia
Charleston

forum.

2. The Resale Customers' petition for reconsideration should be denied.

ORDER

IT IS THEREFORE ORDERED that the petition for reconsideration filed on May 23, 2000, by the City of Bridgeport, the Town of Anmoore, the City of Stonewood, the Greater Harrison County Public Service District, the Shortline Public Service District, and the Sun Valley Public Service District, to the Commission's May 12, 2000, Order, is hereby denied.

IT IS FURTHER ORDERED that upon entry hereof, this case shall be removed from the Commission's docket of active cases.

IT IS FURTHER ORDERED that the Commission's Executive Secretary shall serve a copy of this order on all parties of record by First Class United States Mail, and upon Commission Staff by hand delivery.

JML/sag
991570eb.wpd

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

122 N. Oak St. • PO Box 1916 • Clarksburg, WV 26302-1916 • (304) 624-5564 • Fax: (304) 624-5582 • E-mail: TB@tetrickbartlett.com

May 18, 2000

Clarksburg Water Board
Clarksburg, West Virginia

Re: Public Service Commission
Case No. 99-1570-W-MA

Pursuant to the May 12, 2000 order of the Public Service Commission in the above styled case, we have reviewed the City of Clarksburg (West Virginia) Waterworks Improvement and Refunding Revenue Bonds, Series 1992, as to the Calculation of Debt Service Coverage Factor.

Based on our review of the Waterworks Improvement and Refunding Revenue Bonds, Series 1992, provisions and ordinances, the Sinking Funds of the Clarksburg Water Board are by definition a "Qualified Investment". Qualified Investments are considered a capital asset and any increase in the value of a capital asset should not be included in the Calculation of Debt Service Coverage. Therefore, based on these criteria, interest income credited to the sinking fund investment cannot be used in the Calculation for Debt Service Coverage.

Respectfully,

Tetrick & Bartlett, PLLC

Tetrick & Bartlett, PLLC

26C

APRIL 5, 2001

The Clarksburg City Council met in REGULAR SESSION on Thursday, April 5, 2001 at 7:30 P.M. at the Clarksburg Municipal Building – Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Kates presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Becky Lake
Sam Lopez
Kathryn Folio, Vice Mayor
Pastor David Kates, Mayor

ALSO PRESENT:

Tom Vidovich, City Manager
Gregory Morgan, City Attorney
Annette Wright, City Clerk

Following roll call, Vice Mayor Folio requested that we keep employees, Ann (of the Fire Department) and Ralph (of the Public Works Department) in our prayers as they are both undergoing cancer treatments. Vice Mayor Folio offered the opening prayer and Mayor Kates led in the Pledge of Allegiance.

Vice Mayor Folio presented Mr. Watson and Mr. Bailey with a proclamation in recognition of April 6, 2001 – "Tartan Day." Following the proclamation presentation, Mr. Watson recited a few facts concerning the Scottish Heritage and informed that the first weekend in May is the Scottish Heritage Sunday. Mr. Watson thanked Council for the proclamation.

Mayor Kates called for petitions, communications and public hearings with the following individuals speaking therefor:

Margaret Ann Bailey 118 S. Alexander Avenue – advised that she has worked with the Veterans of the United States of America as a Registered Nurse in various Veterans Hospitals across the United States. Councilwoman Bailey expressed that she has the highest regards for our veterans and that this group holds a special place in her heart. Councilwoman Bailey informed that she has been in contact with Congressman Mollohan concerning available health care in Clarksburg for veterans. Councilwoman Bailey advised that she received a communication from Congressman Mollohan informing that he is doing everything that he can to ensure that the Clarksburg VA Medical Center receives adequate funding to carry out its mission of ensuring the best care for our veterans. Congressman Mollohan's letter stated that the fiscal year 2001 VA-HUD Appropriations bill provided $100,000,000 to pay for state acquired or constructed nursing homes for veterans and that there is a bill in the West Virginia State Senate to issue bonds to pay the State's matching share of $5 million for a planned 120 bed, skilled, long-term care facility to be located on the grounds of the Clarksburg VA Medical Center. Councilwoman Bailey expressed her enthusiasm with this positive project.

Vice Mayor Folio directed the City Manager to draft a letter of support of the Senate Bill referenced in Congressman Mollohan's letter.

MOTION by Councilman Greaver, **SECONDED** by Councilman Hunt for approval of the minutes of the Regular meeting of March 15, 2001. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 6: CONSIDERATION OF A RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

MOTION by Councilman Greaver, **SECONDED** by Councilman Lopez for the adoption of the above-stated resolution. Under discussion, Councilman Hunt pointed out that although we follow the open governmental proceedings rules, this resolution reduces the procedure to writing. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 7: **CONSIDERATION OF THIRD AND FINAL READING AND PUBLIC HEARING OF AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER WORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO**

The City Clerk advised that notices regarding the Public Hearing concerning Agenda Item No. 7 appeared in both *The Clarksburg Exponent* and *The Clarksburg Telegram* on March 23, 2001 and March 30, 2001 and that the Publishers' Certificates would be filed with the permanent record.

Mayor Kates declared the Public Hearing open with the following individuals speaking therefor:

Anthony Olivito, 527 Hornor Avenue – stated that he wanted to discuss the financing of the construction of this waterworks project. Mr. Olivito commented that this started out at $2.5 million and is now $3 million. Mr. Olivito inquired as to why this amount raised. Mr. Olivito advised that he received a letter from a Charleston lawyer informing him that they had asked for more money. Mr. Olivito opined that the Water Board agreed to pay the engineer $94,000 for consulting; however, the engineer now wants $192,000. Mr. Olivito commented that this project has many flaws. Mr. Olivito stated that they want to place this water tank in a different area instead of placing it on the number one water main, the Chestnut Street water main. Mr. Olivito stated that this engineer does not want to put this water tank back on this number one water main but to place it on Second Street. Mr. Olivito continued that they want to tie this water main back into Chestnut Street. Mr. Olivito remarked that the number one water main fills up the Adamston, Glen Elk and Despard tanks. Mr. Olivito added that they want to place this water tank on top of a deep mine and change the elevation of the tank. Mr. Olivito opined that this elevation change would cause a head loss in the tanks and their solution is to place a valve on each one of these tanks at a cost of $25,000 per valve. Mr. Olivito further opined that there is sufficient room at the Chestnut Street location for the tank. Mr. Olivito stated that the new water tank would be sitting between South Second Street and Route 98 which would assist the development of that area. Mr. Olivito commented that this cost is inflated and unfair to the citizens. Mr. Olivito opined that there are many associated costs with this project due to the placement of the tank at the South Second Street and Route 98 location. Mr. Olivito stated that he would like to see this project go back out for bids. Mr. Olivito proposed that three one million gallon tanks be constructed rather than one giant tank. Mr. Olivito opined that there were problems with the work performed by Garnet Fleming in the past and that he did not feel confident with this company performing further work.

Vice Mayor Folio apprised Mr. Olivito that although his concerns may have validity, they should be addressed to the Water Board directly. Mr. Olivito responded that he has voiced his concerns to the Water Board and added that he does not want the water tank constructed because it will inflate the water bill.

Vince Collins, attorney with Steptoe & Johnson, Bond Counsel to the Water Board, reported that the amount being borrowed is not $3 million although that is the amount placed in the ordinance as the maximum amount. Mr. Collins informed that the actual amount is $2,383,850 which is well within the estimates. Mr. Collins informed that these bonds are not actually being sold on the market but rather to the West Virginia Bureau for Public Health at a very subsidized interest rate (2%) fixed rate for a period of 20 years with a 1% administrative fee. Mr. Collins noted this favorable financing option and remarked that this project has been a long time coming and that it has been approved by a number of West Virginia agencies, including the funding agency. Mr. Collins advised that this project was bid and the lowest qualified bid was selected. Mr. Collins advised that he would discourage the rebidding of the project.

There being no one else desiring to speak on this matter, Mayor Kates closed the Public Hearing.

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Lopez for approval of the above-captioned ordinance on third and final reading. **MOTION APPROVED UNANIMOUSLY.**

Vice Mayor Folio thanked Mr. Olivito for bringing his concerns to Council and suggested that he present his concerns to the Water Board.

AGENDA ITEM NO. 8: **CONSIDERATION OF A SUPPLMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTERST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM), OF THE CITY OF CLARKSBURG; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS**

MOTION by Councilman Greaver, **SECONDED** by Councilwoman Lake for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 9: **CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER OF THE CITY OF CLARKSBURG TO EXECUTE THE NECESSARY AGREEMENT WITH COMVEST LTD., INC. TO REFINANCE THE BALANCE OF EXISTING DEBTS FOR EQUIPMENT AND IMPROVEMENTS**

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Hunt for adoption of the above-captioned resolution. **MOTION** by Vice Mayor Folio, **SECONDED** by Councilman Hunt to amend the resolution to include the following: that the interest rate for the Comvest loan is not to exceed 5.9%. **MOTION FOR ADOPTION OF THE ABOVE-CAPTIONED RESOLUTION (AS AMENDED) APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 10: **CONSIDERATION OF A RESOLUTION AUTHORIZING THE CITY MANAGER OF THE CITY OF CLARKSBURG TO EXECUTE THE NECESSARY AGREEMENT WITH BANC ONE LEASING CORPORATION TO REFINANCE THE BALANCE OF EXISTING DEBTS FOR EQUIPMENT AND IMPROVEMENTS**

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Hunt for adoption of the above-captioned resolution. **MOTION** by Vice Mayor Folio, **SECONDED** by Councilman Hunt to amend the resolution to include the following: that the interest rates for the loan involving the four police cruisers not to exceed 4.3%, the loan covering the high-pressure sewer cleaner not to exceed 4.5% and the interest rate on the fire pumper truck not to exceed 4.8%. Under discussion, Councilman Hunt informed the public that some of the City debt has been refinanced which will result in a savings to the citizens. Councilman Hunt noted that Comvest is an endorsed program by the Municipal League and Bank One has been a cooperative lender for many years with the City. Councilman Hunt commented that an advantage to having competition results in a lot of savings to our member cities. Vice Mayor Folio commended Mr. Ferrari and his department on this job that resulted in such a savings to the City. **MOTION FOR ADOPTION OF THE ABOVE-CAPTIONED RESOLUTION (AS AMENDED) APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 11: CONSIDERATION OF A RESOLUTION APPOINTING EMERGENCY ABSENTEE VOTING COMMISSIONERS FOR THE GENERAL ELECTION TO BE HELD IN THE CITY OF CLARKSBURG ON TUESDAY, JUNE 5, 2001

MOTION by Councilman Greaver, **SECONDED** by Vice Mayor Folio for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 12: CONSIDERATION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF CLARKSBURG, WEST VIRGINIA, AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE WEST VIRGINIA DEPARTMENT OF TRANSPORTATION, DIVISION OF HIGHWAYS, WITH REGARD TO THE ESTABLISHMENT OF RULES, REGULATIONS, AND RESPONSIBILTIES GOVERNING THE USE, MAINTENANCE, AND OPERATION OF RELOCATED HARRISON COUNTY ROUTE 24 (MEADOWBROOK ROAD, I-79 END), A PORTION OF WHICH IS LOCATED IN THE CITY OF CLARKSBURG, WEST VIRGINIA

MOTION by Councilwoman Lake, **SECONDED** by Vice Mayor Folio for adoption of the above-captioned resolution. Under discussion, Vice Mayor Folio requested the City Manager to explain this issue. Mr. Vidovich informed that this is an agreement whereby the City would take the responsibility to keep the road clean, remove the snow, etc., once the road is constructed. Vice Mayor Folio inquired as to how much of the road would be in the City with Mr. Vidovich responding that such information is uncertain at this time; however, those figures would be available once the road is built. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 13: CONSIDERATION OF A RESOLUTION OF THE COUNCIL OF THE CITY OF CLARKSBURG, WEST VIRGINIA TO PARTICIPATE IN THE WEST VIRGINIA HOUSING DEVELOPMENT FUND DEMOLITION LOAN PROGRAM AND TO AUTHORIZE AND DIRECT THE CLARKSBURG URBAN RENEWAL AUTHORITY TO RECEIVE AND ADMINISTER THE PROGRAM AWARD LOAN AND TO AUTHORIZE AND EMPOWER THE OFFICERS OF THE CITY TO EXECUTE ALL NECESSARY DOCUMENTS WITH RESPECT TO THE DEMOLITION LOAN PROGRAM AND TO DECLARE A BLIGHTED AREA IN ACCORDANCE WITH WEST VIRGINIA CODE CHAPTER 16, ARTICLE 18, SECTION 6

MOTION by Councilman Lopez, **SECONDED** by Councilman Greaver for adoption of the above-captioned resolution. **MOTION APPROVED 6-0 with Councilman Hunt abstaining.**

AGENDA ITEM NO. 14: CITY MANAGER'S REPORT/UPDATE

TRAFFIC COMMISSION ITEMS **RECOMMENDED FOR APPROVAL**:

THE TRAFFIC COMMISSION MET ON MARCH 14, 2001 AND TOOK THE FOLLOWING ACTIONS:

A) APPROVAL TO ESTABLISH A 'STOP' ASSEMBLY ON MEIGS AVENUE AT SOUTH MAPLE AVENUE
B) APPROVAL TO PAINT ADDITIONAL YELLOW ACROSS FROM DRIVEWAY FOR 141 OCELLO STREET
C) APPROVAL TO OFFICIALLY ESTABLISH AND SIGN THE NORTH SIDE OF CLARK STREET BETWEEN LEGGETT STREET AND NORTH THIRD STREET
D) APPROVAL TO ALLOW MEIGS AVENUE TO REMAIN AS TWO-WAY TRAFFIC BETWEEN MAPLE AVENUE AND PARK AVENUE

Mr. Vidovich recommended that Council approve items A through C.

UNFINISHED BUSINESS:

Vice Mayor Folio noted that there have been several data sheets submitted for an appointment to the Park Board, as well as a data sheet for an appointment to the Health Board. Vice Mayor Folio inquired if it was appropriate at this time to place into nomination the name of Joanne McNemar for a position on the Park Board. Vice Mayor Folio commented that Ms. McNemar's qualifications were impressive and added that she believed it would be a plus to have a woman on the Board. Mr. Morgan informed that the item needs to appear on the agenda for it to be voted upon. Vice Mayor Folio requested that these appointments be put on the next Council agenda for proper consideration at that time.

Councilwoman Lake noted that Officer Tommy Thomas was named Citizen of the Year and requested that Chief Walker extend congratulations to Officer Thomas on behalf of the Council. Councilwoman Lake further noted Officer Thomas' positive involvement with the youth.

Councilwoman Lake commended Mr. Soles and his department for the information presented on code enforcement. Councilwoman Lake noted that we have had the rental inspection program on the back burner for over a year and commented that we need to make sure that this program does not remain neglected.

Councilwoman Bailey thanked the Engineering Department, Public Works and the City Manager for helping to expedite the demolition program noting the positive impact it will have on the City. Councilwoman Bailey thanked the City Clerk and her office for preparing all the necessary information for the upcoming election.

Councilman Lopez noted such positive things as the refinancing of the City's debt, the demolition program, the neighborhood clean-ups, the compost facility, etc. Councilman Lopez commented that he would like to see our citizens educated on the sidewalk program offered by the City and the disposing of bulk items.

NEW BUSINESS:

A. CONSIDERATION OF ELECTION OFFICIALS (POLL WORKERS) FOR THE GENERAL NON-PARTISAN ELECTION TO BE HELD IN THE CITY OF CLARKSBURG ON TUESDAY, JUNE 5, 2001

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Hunt to accept the list of workers, as submitted. **MOTION APPROVED UNANIMOUSLY.**

B. CONSIDERATION OF AWARD OF BID FOR PURCHASE OF ORGANIC SCREENER FOR THE COMPOST DEPARTMENT

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Lopez to approve the award of the bid for purchase of an organic screener for the Compost Department to Wildcat Manufacturing Co., Inc. in the amount of $71,329. **MOTION CARRIED 6-1 with Vice Mayor Folio casting the "NO" vote.** Vice Mayor Folio commented that her vote is consistent with her belief that the Compost Facility should be closed.

C. CONSIDERATION OF AWARD OF BID FOR SITE IMPROVEMENTS AT COMPOST FACILITY

MOTION by Councilwoman Bailey, **SECONDED** by Councilman Hunt to award the bid for site improvements at the Compost Facility to Dodd General Contractors Corp. in the amount of $29,316.00. **MOTION CARRIED 6-1 with Vice Mayor Folio casting the "NO" vote.**

D. CONSIDERATION OF APPROVAL OF SPRING CLEAN-UP (APRIL 16 THROUGH MAY 4) AND FOR THE APPROPRIATION OF FUNDS FOR THE CLEAN-UP THROUGH A BUDGET REVISION

With Vice Mayor Folio entertaining the motion, **MOTION** by Mayor Kates, **SECONDED** by Councilman Hunt for approval of the above-captioned clean-up. **MOTION** by Mayor Kates, **SECONDED** by Councilman Hunt to amend the motion to include that a special day be set aside for the prelude of the clean-up wherein members of Council will kick-off the clean-up as a group project. **MOTION (AS AMENDED) APPROVED UNANIMOUSLY.**

E. CONSIDERATION OF A "NOTICE OF APPLICATION TO OPERATE: A PRIVATE CLUB, PRIVATE WINE RESTAURANT OR TAVERN" FILED BY MOUNTAINEER MART #22

MOTION by Councilman Hunt, **SECONDED** by Councilwoman Bailey for approval of the above-captioned Notice. **MOTION APPROVED 6-0 with Vice Mayor Folio abstaining.**

MOTION by Councilman Hunt, **SECONDED** by Councilman Greaver for approval of the Traffic Commission items (A through C) (as outlined hereinabove). **MOTION APPROVED UNANIMOUSLY.**

Councilman Greaver thanked everyone for attending the meeting. Councilman Greaver noted that the election is near and announced that his son did not apply for a position with the Sanitation Department and jested that if such rumors continue, he just might obtain more votes than Councilman Hunt.

Councilwoman Bailey thanked everyone for coming out this evening and expressed her pleasure with the letter from Congressman Mollohan.

Mayor Kates welcomed Nutter Fort Councilman Barry Calef to the meeting and expressed his appreciation to Mr. Calef for the basketball game project at WI Middle School.

Councilman Hunt complimented Mr. Calef on the basketball game project and remarked that he has been the moving force behind this project for the last ten years.

Councilman Hunt, noting Officer Thomas as Citizen of the Year, remarked that Mr. Thomas' letter in the paper was very "classy" and commended Officer Thomas for his letter.

Councilman Hunt informed that April 19th will mark the anniversary of the Oklahoma City bombing and that there will be a memorial on this date at 9:01 a.m. at the Harrison County Courthouse (Plaza) which will involve the Police and Fire Departments and the students. Councilman Hunt informed that he would provide additional information in the near future on this event.

Mayor Kates requested that Councilman Hunt speak concerning an event to be held on April 24th in Charleston. Councilman Hunt informed that he and the Mayor were at Liberty High School today and spoke to the senior class. Councilman Hunt remarked that Liberty's Civil Rights Team is the top civil rights team in the state. Councilman Hunt advised that the he and the Mayor have been invited to participate in the meeting to be held on April 24th in Charleston.

Vice Mayor Folio thanked Councilwoman Bailey for her efforts with Congressman Mollohan in pursuing the information on the veterans' nursing home. Vice Mayor Folio commended Councilman Hunt and the City employees on their efforts to move forward the demolition program.

Mayor Kates complimented the City Clerk and expressed his appreciation for everything she does for him and the Council. Mayor Kates also complimented the City Manager on performing a good job.

Mayor Kates referenced a communication from Lisa Burkhart with Mountain CAP of West Virginia, Inc. Mayor Kates stated that her agency has received a grant along with a computer for public use to improve and expand community-based HIV/AIDS prevention services. Mayor Kates informed that the agency did not have a location for this computer; however, he spoke with Mr. Bruce Carter who has agreed to donate space for the use of the computer.

Mayor Kates informed that there would be a celebration in the near future for "Mrs. Harrison County" wherein he would be crowning Mrs. Harrison County and extended an invitation to Council to be a part of this celebration.

Mayor Kates expressed appreciation to Mr. Hardy for his involvement in the community. Mayor Kates expressed gratitude to Councilman Hunt for his involvement with the unity/diversity projects. Mayor Kates requested that we pray for our nation regarding our concerns with China at this time.

There being no further business to come before Council, **MOTION** by Vice Mayor Folio, **SECONDED** by Councilwoman Lake and **UNANIMOUSLY APPROVED** to adjourn said meeting.

Pastor David D.A. Kates

Pastor David D.A. Kates, Mayor

April 19, 2001

Approved

Annette M. Wright

Annette M. Wright, City Clerk

MARCH 15, 2001

The Clarksburg City Council met in REGULAR SESSION on Thursday, March 15, 2001 at 7:30 P.M. at the Clarksburg Municipal Building – Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Kates presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Becky Lake
Sam Lopez
Kathryn Folio, Vice Mayor
Pastor David Kates, Mayor

ALSO PRESENT:

Tom Vidovich, City Manager
Gregory Morgan, City Attorney
Annette Wright, City Clerk

Following roll call, Mr. Bellotte led in the Lord's Prayer and Mr. Morgan led in the Pledge of Allegiance.

Mayor Kates called for petitions, communications and public hearings with the following individuals speaking therefor:

Rev. Michael Hardin, 438 Ben Street – appeared before Council to discuss the parking situation in front of his residence. Mr. Hardin advised of various health problems of family members living at his residence which requires him to have parking in front of his residence. Mr. Hardin informed that he obtained a handicapped parking spot at the bottom of his steps; however, it is often occupied.

Councilman Hunt inquired as to who was blocking the steps with Mr. Hardin stating that he had a license plate number of the vehicle. Councilman Hunt inquired if this matter could be resolved by having the City paint a 'yellow line' at the location. Mr. Hardin responded affirmatively. Vice Mayor Folio directed the City Manager to request Mr. Bellotte to assist Mr. Hardin with this situation.

Carl Hardy, 141 Washington Avenue – appeared before Council to express appreciation to the departments that responded during the recent storm. Mr. Hardy commented that the response of the Police, Fire and Public Works Departments was quick and outstanding.

Councilwoman Lake advised that she would like the following remarks entered into the record:

I have before me a copy of a recent newspaper release about Clarksburg's fire service fee and I am concerned about some of the contents of that article. I have been told that the participants in the Folio lawsuits have paid in full for all assessed fire service fees to the City of Morgantown and I would gather that they have paid any assessed fees in other cities they own property or do business, and to my knowledge they have not caused other cities to endure over $120,000 in legal fees which the City of Clarksburg has incurred, which public monies could well have been spent to pave roads, increase or enhance services to our city business environment and seniors and insure our employees receive adequate salaries/benefits.

The newspaper article is, I feel, very accusatory, by innuendo, and in reading the article first, asking questions to our administration and attending yesterday's Circuit Court proceedings, I cannot perceive that any single fact has been brought to light. I personally feel the article has slandered the City administration and City Council and implies a character and professional assassination of our Finance Director, Frank Ferrari, who works under the direction of the City Manager, not City Council. I would respectfully ask that our City Manager address and support his employee

in this or any situation in a manner he would expect the City Council to support him of his duties, reputation and responsibilities.

The fire service fee ordinance adopted by City Council in the mid 1980's has been a long debated and exhaustive issue spanning years of blatant refusal of the authors of the article to pay assessed fees and penalties until both Circuit and Supreme Courts have determined the validity of the fee and awarded fees and penalties to be paid most recently in Circuit Court in favor of and upholding the City of Clarksburg's assessment and collection.

Since I have been a member of this governing body, the #1 question asked of me concerns the fire service fee and the only answer relevant to this point was to refer to the many litigations tying our hands, so to speak, from collecting. The citizens of Clarksburg have paid dearly not only in the over $120,000 legal fees but by possibly jeopardizing the quality, continuation of, or adding services our citizens deserve in order to pay these legal fees and additional overtime expended through out finance department continually putting aside day to day operations and assignments to prepare for these cases. The stress and workload I am sure has affected not only Mr. Ferrari but his entire staff and I commend each of them for their professionalism and hard work.

Since the newspaper article, I attended the Circuit Court case regarding the penalty assessment which case follows the Court's ruling in February that the Folios must pay all fees to August, 1999, totaling over $32,000. During the court questioning, I learned that the alleged agreement listed in the article in 1993 was never committed to paper nor did the acting city manager in 1993 or any city manager to date ever bring before Council the alleged mandate of changes agreed upon for consideration and adoption of changes to the ordinance.

Since the fire service fee proceeds are allocated for fire department needs and service, I would like to consider that the monies just received through August, 1999 and the penalty awarded yesterday be partially earmarked to go towards staff or overtime for our fire inspector to physically update registration and measure every non-residential building (which appears to be the largest area in question) in our city to assist our finance department in tabulation and assessment. Now please understand, it is the building owners' responsibility to register with the city, but it is apparent in the news article and/or court proceedings that the authors of the article question the honesty of building owners, building tenants, our Finance Department and City Council.

It would then be my hope that the City not be caused to use another $100,000 in citizens monies to collect the fire service fee owed and delinquent from September 1999 to 2001, or from anybody owing uncollected fees, and encourage each citizen to pledge to satisfy unpaid fees and continuing to follow the ordinance in complying so that all members of City Council will be able to vote on each and every issue we are elected to do without abstaining or causing further harm to the future growth and success of our city. It is my belief each council member wants our city to prosper.

I wish to go on record that as a Council member, I am not intent on attacking personally or professionally nor am I reacting in a prejudicial manner to any parties of the article or lawsuits. I do intend to follow the dictates of my responsibility as a council member, as I understand them to be, to assess issues and address them as a spokesperson for the citizens of Clarksburg. I request that this statement be entered in its entirety into record at the March 15, 2001 Council meeting.

MOTION by Councilman Greaver, **SECONDED** by Councilman Lopez for approval of the minutes of the Regular meeting of March 1, 2001. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 5: CONSIDERATION OF APPROVAL OF BUDGET FOR FISCAL YEAR 2001-2002 IN THE AMOUNT OF $9,269,000 FOR THE GENERAL FUND, $40,500 FOR THE COAL SEVERANCE TAX FUND, $803,183 FOR THE CAPITAL IMPROVEMENT LEVY FUND, AND $47,250 FOR THE POLICE FINE ESCROW ACCOUNT

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Bailey for the approval of the above-stated budget for fiscal year 2001-2002. Under discussion, Vice Mayor Folio stated that she noticed that under payroll in several categories, the City Manager proposes to reduce the contributions to social security and reduce the contributions to retirement and inquired as to the reasoning for such reductions. Mr. Ferrari responded that he believes that the social security is probably Police and Fire. Vice Mayor Folio stated that the reductions also included Council and the compost. Mr. Ferrari explained the reasoning for the compost matter and stated that Council and the retirees should not have been reduced. Vice Mayor Folio commented that last year a budget was passed which she did not support because of the compost facility issue. Vice Mayor Folio stated that last year's proposed budget for the compost facility was $375,000 and the City administration promised to seek grants to underwrite the costs of operating the facility. Vice Mayor Folio further stated that to date, this has not been done. Vice Mayor Folio added that several Council members agreed to give the compost facility one more year to become a viable operation and that one year has passed with the facility still not viable. Vice Mayor Folio continued that with the proposed budget, it would cost a minimum of $197,806 to run the compost facility. Vice Mayor Folio stated that it is her understanding that we also budgeted a $50,000 grant that has already been reduced to $32,000, if received at all. Vice Mayor Folio continued that in reality, the compost facility is going to cost the City $240,000 with no hope of any income to offset this expense. Vice Mayor Folio stated that we need to start cutting back on our extras and commented that the revenues we are projecting be realistic. Vice Mayor Folio opined that we need to start putting an emphasis on the services that the City is suppose to provide to its citizens. Vice Mayor Folio requested that this Council seriously look at the compost facility issue this evening and make a decision, one way or other, whether to support it or not. Vice Mayor Folio further requested that Council not support the compost facility but use that money to reinstate the second yearly clean-up, repair the sidewalks in the neighborhoods, upgrade the paving of our streets, and add more manpower to the Code Enforcement to allow us to work proactively rather than reactively.

Mayor Kates raised the issue of Robert's Rules of Order and informed that the maker of the motion cannot question his/her own motion. Vice Mayor Folio stated that she could make the motion to bring the matter up for discussion. Councilman Lopez stated that he has always been supportive of the compost facility and inquired of the City Manager if the compost facility is actually costing the City $240,000 to operate with Mr. Vidovich responding in the negative. Mayor Kates informed that at this time, we were at a loss for a motion. Vice Mayor Folio stated that due to the concern with parliamentary procedure, she would withdraw her motion to approve the budget.

MOTION by Councilman Hunt, **SECONDED** by Councilwoman Bailey to approve the above-captioned budget. Under discussion, Councilman Lopez complimented the administration on a well-prepared budget. Councilman Hunt commented that the budget is a useful planning tool that takes much time and work to prepare and complimented all the City employees on their involvement with the budget. Councilman Hunt noted many positive aspects of the budget and also referenced the compost facility. Councilman Hunt commented that we have a state-of-the-art compost facility with Mr. Bellotte being one of the experts in this field and that Council and the City Manager need to make known to the delegates the investment the citizens of Clarksburg have made to protect the environment, as required by law.

Vice Mayor Folio stated that she has no complaints with the work-product of Mr. Ferrari and his department and commended him on his job performance. Vice Mayor Folio concurred that the compost facility is a state-of-the-art facility and that Mr. Bellotte does a superb job. Vice Mayor

Folio stated that there are no complaints with anyone's work performance; however, we have a limited amount of money. Vice Mayor Folio noted the increase in utilities that the citizens will be facing and reported that with the $9.3 million budget, each citizen of Clarksburg, based on an 18,000 population, has to pay $516.66 per year to support the City. Vice Mayor Folio commented that it is Council's job to make sure that each dollar is spent as wisely as possible. Vice Mayor Folio reported that the compost facility has earned less than $6,000 during the last four years of operation and commented that obviously this is not a service that the citizens of Clarksburg are using or supporting. Vice Mayor Folio commented that the monies could be better used for other services. Councilman Hunt commented that the compost facility is being used via the neighborhood pick-ups of grass clippings and limbs, etc. Councilman Hunt advised that the $6,000 was generated through a rate that the Public Service Commission delayed in giving to the City to charge. Councilman Hunt noted that the individuals being charged is not necessarily our citizens but possibly commercial haulers, etc. Vice Mayor Folio concluded that she believes that the compost facility leaves a huge hole in the budget that needs to be addressed. Councilwoman Bailey commented that the compost facility is needed for the benefit of the environment and stated that she is willing to wait one more time to allow the facility to succeed and requested the City Manager to do whatever he could to get the support of our delegates.

Councilwoman Lake confirmed that it is the City Manager's recommendation to maintain the compost facility for another year. Mr. Vidovich informed that this would give us a year of opportunity for transition noting that our new Governor is an environmentalist and a new DEP Director who is known to enforce the laws. Mr. Vidovich advised that he and other administration will be visiting the DEP Director to request grant monies and inquire as to the intent for all cities to comply with the law. Mr. Vidovich informed that they have started a dialogue with the Solid Waste Authority and, although there are no guarantees, he felt hopeful that the money would come through. Mr. Vidovich added that they have managed to cut the compost budget by $100,000. Mr. Vidovich commented that many things would need to happen in order for the facility to remain open after this budget year.

Councilman Greaver noted the rising costs of various services and stated that he is thankful that the administration has presented a budget where we don't have to increase the fire service fee rates but are able to offer the same quality of services.

MOTION CARRIED 6-1 with Vice Mayor Folio casting the "NO" vote.

AGENDA ITEM NO. 6: **CONSIDERATION OF SECOND READING OF AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATER WORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO**

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Lopez for approval of the above-captioned ordinance on second reading. Councilman Hunt recognized Dick Welch, General Manager of the Water Board, who was in attendance this evening. Councilman Hunt complimented

Mr. Welch and the Water Board for the improvements they are making for our citizens. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 7: CONSIDERATION OF SECOND AND FINAL READING AND PUBLIC HEARING OF AN ORDINANCE OF THE CITY OF CLARKSBURG TO AMEND ARTICLE 193 OF PART 1 OF THE CODIFIED ORDINANCES OF THE CITY OF CLARKSBURG REGARDING FEES FOR FUNDING THE ACQUISITION, MAINTENANCE AND REPAIR OF POLICE EQUIPMENT

The City Clerk advised that notices concerning the public hearing regarding Agenda Item No. 7 appeared in both *The Clarksburg Exponent* and *The Clarksburg Telegram* on March 6, 2001 and March 13, 2001 and that the Publisher's Certificates would be made filed with the permanent record.

Mayor Kates declared the Public Hearing open with no one speaking therefor. Upon closing the Public Hearing, **MOTION** by Vice Mayor Folio, **SECONDED** by Councilwoman Lake for approval of the above-captioned ordinance on second and final reading. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 8: CONSIDERATION OF SECOND AND FINAL READING AND PUBLIC HEARING AN ORINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE CODIFIED ORDINANCES

The City Clerk advised that notices concerning the public hearing regarding Agenda Item No. 8 appeared in both *The Clarksburg Exponent* and *The Clarksburg Telegram* on March 6, 2001 and March 13, 2001 and that the Publisher's Certificates would be filed with the permanent record.

Mayor Kates declared the Public Hearing open with no one speaking therefor. Upon closing the Public Hearing, **MOTION** by Vice Mayor Folio, **SECONDED** by Councilwoman Lake for approval of the above-captioned ordinance on second and final reading. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 9: CONSIDERATION OF A RESOLUTION STATING PRIORITIES OF THE CITY COUNCIL OF THE CITY OF CLARKSBURG AS IT RELATES TO THE HARRISON COUNTY TRANSPORTATION STUDY COMPLETED BY THE WVDOH

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Bailey for adoption of the above-captioned resolution. Mr. Vidovich listed the following priorities: (1) Hospital Route 50 Access Road; (2) Route 19 South; (3) Joyce Street to Meadowbrook Road; (4) Joyce Street to Nutter Fort; (5) East View to Wal-Mart; (6) Route 19 to Gore; and (7) Route 50 West. Under discussion, Vice Mayor Folio requested that this resolution, if adopted, be forwarded to all appropriate parties, i.e., the Governor, DOH officials, legislators, etc. Mr. Vidovich informed that there would be a presentation on April 19th regarding the transportation study wherein these priorities will be relevant to the study. Councilman Hunt confirmed that these priorities do not supersede other critical city streets/bridges in need of attention. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 10: CITY MANAGER'S REPORT/UPDATE

Mr. Vidovich advised that the administration is aggressively working with the DOH regarding the rails-to-trails program. Mr. Vidovich noted the economical impact this could have on our area.

UNFINISHED BUSINESS:

Councilman Lopez requested an update every month concerning the NewPointe development. Councilman Lopez requested that the paving list come before Council at the next work session. Councilman Lopez noted that the URA met today and inquired if there were any updates on the demolition program. Mr. Vidovich responded that the contractual agreement between URA, the City and the WVHDF is being worked out and we will be in a position in the very near future to advertise for demolition. Councilwoman Bailey commented that URA is also anxious to get this project underway.

Councilwoman Lake referenced the Hart Street study and noted that the study offered some alternatives to provide some relief to this area. Such recommendations included having the Traffic Commission review the possibility of changing some of the signage, the yellow markings, etc.

NEW BUSINESS:

A. CONSIDERATION OF FORWARDING A PETITION FILED BY FRANK SMITH REQUESTING THE REZONING OF PROPERTY LOCATED AT THE CORNER OF BROADDUS AVENUE AND COLLEGE STREET TO THE PLANNING AND ZONING COMMISSION

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Hunt to forward the above-captioned petition to the Planning and Zoning Commission. **MOTION APPROVED UNANIMOUSLY.**

B. AUTHORIZE RFINANCING OF CITY DEBT

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Bailey to authorize the City Manager and the Finance Director to refinance the City debt as presented. Under discussion, Councilman Hunt commended the work of the Finance Department and the City Manager on this refinancing matter and noted that our goal, as well as that of the City Manager, is to increase our reserve. Councilwoman Bailey noted that the refinancing, as proposed, will reduce the City's total debt service for fiscal year 2001-2002 by $56,631.00 and commended the Finance Director on a job well done. **MOTION APPROVED UNANIMOUSLY.**

C. CONSIDERATION OF AMENDMENT TO ENGINEERING DESIGN AGREEMENT WITH HORNOR BROTHERS FOR GLEN ELK STREETSCAPE PROJECT TO PROVIDE ADDITIONAL COMPENSATION IN THE AMOUNT OF $6,750

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Bailey to provide additional compensation in the amount of $6,750 for Hornor Brothers for the Glen Elk Streetscape project. Under discussion, Vice Mayor Folio stated that she is somewhat concerned about the cost overruns and some of the language in the request for additional funds and requested the City Manager review and keep tabs on the cost for this project to hopefully prevent such overruns. **MOTION APPROVED UNANIMOUSLY.**

Councilwoman Bailey noted that our web site continues to decay and encouraged the City Manager to look into this matter. Councilwoman Bailey informed that she was requested by a few citizens to express appreciation to the Police Department for their quick response upon a call made to 911 and also express gratitude to the Public Works Department for their quick response in cleaning up the debris from the recent storm.

Councilman Hunt apprised that he and the Mayor received several communications from the students of Norwood concerning their visit to the school. Councilman Hunt commented that our area youth is second to none.

Councilman Greaver complimented the Mayor and Chief Walker for the award they received in Georgia. Councilman Greaver thanked Carl Hardy for his newspaper article.

Councilwoman Lake thanked everyone for coming and expressed sympathy to Mayor Kates upon the passing of his father.

Vice Mayor Folio requested that the City Manager provide Council with an update on the THF Realty situation as it involves the agreement concerning the amount of tax monies that we are collecting, how much money we have paid on the infrastructure and how much we anticipate having to pay. Vice Mayor Folio further requested that this information be made available by the April work session.

Mayor Kates expressed appreciation to Council, the administration, Chief Walker and Ms. Hatfield in allowing him to represent the City (and the state) at Savannah, Georgia to receive the City's award. Mayor Kates informed that he was at the construction site at NewPointe this afternoon and observed traffic not stopping for the workers and suggested that the Police Department be notified when traffic control is needed. Mayor Kates referenced the recent thunderstorm and stated that there is a need to have the sirens working to alert citizens. Mayor Kates apprised that an elderly woman was recently robbed and remarked that it was sad that such an event would occur to an elderly citizen. Mayor Kates complimented the Police Department for their role in this matter. Mayor Kates expressed appreciation to everyone for their words of kindness for the loss of his father.

There being no further business to come before Council, **MOTION** by Vice Mayor Folio, **SECONDED** by Councilman Hunt and **UNANIMOUSLY APPROVED** to adjourn said meeting.

Pastor David D.A. Kates

Pastor David D.A. Kates, Mayor

April 5, 2001
Approved

Annette M. Wright

Annette M. Wright, City Clerk

MARCH 1, 2001

The Clarksburg City Council met in REGULAR SESSION on Thursday, March 1, 2001 at 7:30 P.M. at the Clarksburg Municipal Building – Council Chambers, 222 West Main Street, Clarksburg, West Virginia, with the Honorable Mayor Kates presiding.

COUNCIL MEMBERS PRESENT:

Margaret Bailey
Terry Greaver
James Hunt
Becky Lake
Sam Lopez
Kathryn Folio, Vice Mayor
Pastor David Kates, Mayor

ALSO PRESENT:

Tom Vidovich, City Manager
Gregory Morgan, City Attorney
Annette Wright, City Clerk

Following roll call, the Lord's Prayer was recited in unison and the City Manager led in the Pledge of Allegiance.

Mayor Kates called for petitions, communications and public hearings with no one speaking therefor.

MOTION by Councilman Greaver, **SECONDED** by Councilwoman Lake for approval of the minutes of the Regular meeting of February 15, 2001 and the Special meeting of February 22, 2001. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 5: PUBLIC HEARING ON PROPOSED BUDGET FOR FISCAL YEAR 2001-2002

Mayor Kates declared the Public Hearing open and invited anyone who desired to speak on the budget to do so at this time. With no members from the public desiring to speak, Mayor Kates closed the Public Hearing.

Councilwoman Bailey advised that she would provide the City Clerk with a copy of her comments for the record. Councilwoman Bailey offered the following remarks:

Before I give this August body my decision as to whether I will support this budget, I wish to make the following statements and observations:

I approve the increase of pay for the employees and the supplemental pay increases. I wish it could be more. I support the longevity pay plan in order to attempt to retain our highly trained and highly qualified employees.

I support the increased supplemental charge on all police fines.

I support hiring an economic and community development person as soon as possible to assist in the re-development of the City and to provide assistance to the Urban Renewal Authority in their quest to revitalize the City.

I support the proposed purchase of new police department vehicles and the proposed repairs to the exterior and basement of the fire department.

I applaud the efforts of Anthony Bellotte in his attempts to secure additional revenues and funds through his grants writing.

I applaud the employees union of the City of Clarksburg for working with administration and demonstrating their willingness to work together to find solutions to difficult questions with the budget.

I applaud the finance director for searching for new ways to find possible re-financing for Clarksburg's debt.

I applaud the fire department for their continued delivery of first class service to the citizens of Clarksburg. I applaud the Fire Chief and staff for their independent actions to secure new equipment for the department. I recognize the cooperation of the fire department administration in the budgeting process and am delighted the new fire truck will add to a sense of pride within the department and a greater degree of safety for Clarksburg's citizens.

I applaud the Police Chief and the police department for their continued delivery of first class service to the citizens of Clarksburg. I recognize the cooperation of the police administration in the budgeting process, which has resulted in many additions and changes within the department. A spirit of cooperation from administration, several new patrol cars and several new uniforms have helped improve the morale of the department. To quote an old phrase, Police Chief and police department, "you've come a long way baby!"

I applaud the public works department. Frank Scarcelli and Anthony Bellotte have their "chains pulled" in many different directions by those of us trying to take care of the problems citizens may bring to us. Always in a caring attitude, they mingle all of our requests with the day to day business of their department. Working with administration, through the budgetary needs of their departments, they continue to demonstrate the continued ability to deliver high quality service to the citizens of Clarksburg. I feel that so often they give so much more to all of us than they ever receive in return.

I applaud Annette Wright for caring to always provide us with the best.

I know I have not said all of the positive things I wish I could say to every department, but that does not lessen my concern, my caring, my sincerity and my interest in all departments and all employees of the City of Clarksburg and their involvement with the budget process.

The pie chart, which was provided to City Council and, I believe which has been provided to several people, I feel is an excellent piece demonstrating the Clarksburg budget. I like, particularly, if you pay attention to where our proposed revenues by source. Then the proposed expenditures by category and if you will notice, the personal services comprise 68% of our proposed budget and I think, if I recall, in budgeting a business, the best type of budget – 66% of that budget is a high level for personal services. We are at 68%. This is an excellent piece to demonstrate to us. On the third pie chart, showing what the 2001-2002 personal services – how these all break down and the largest part being the salaries and wages. Hope that everybody will pay attention to that.

Regarding the budget itself, I wish to make these specific comments for the record.

I respectfully request that before the next budget is due, City Council look honestly and openly at the needs of the City where services versus revenues are concerned. I think that the public and Council should be aware that although it is a politically unpopular exercise for any government and any elected official to do, there eventually reaches a point where a decision must be made by Council to either cut services or to raise revenues. I sincerely believe that we have nearly reached that point. The employees of the City and the citizens of this City deserve to know the truth and realize that it is very difficult for a city to deal with these issues that affect

the pocket book. But city expenses rise just the same as household expenses rise. Do we go without some services? If so, which ones? Do we upwardly adjust fee rates? Do employees start contributing to their own insurance premiums? What sources of alternate revenue can we find? These are all tough love questions that soon, I feel, must be addressed.

I continue to state that the budgeting and spending of travel monies for City council and for the rest of the City staff are too large. So far this year, for the Mayor and City Council, a total of $15,957 has been spent and that amount does not include fees and registration amounts or the monies recently spent at a municipal league meeting in Charleston. I have searched everywhere and have not been able to locate any policy that states city council members are entitled to this much free travel at the taxpayers' expense. I have been told that this is a "sacred cow" of City Council and it is not to be touched. I respectfully request that City Council take a look at this amount in the future and perhaps structure trips so that no more than two go to any meeting that requires travel and overnight accommodations. When those persons return from a trip, it would be required that they would conduct an in-service meeting with all council members to teach and share newly learned information. It is difficult for me to ask everyone within the scope of this budget to "bite the bullet" while City Council does not do the same. Trips could be offered to all members on a rotating basis, and those other council members wanting to attend conferences at their own expense would be welcome to do so. One more note upon this subject is that according to our budget narrative, page 20, "$61,700 has been budgeted for travel and training costs for departments for next year including $5,000 for the state police academy, $55,900 is budgeted for fiscal year 2000-2001 and $41,903 was expended for travel and training costs in fiscal year 1999-2000. Please note that this is an increase of nearly $20,000 in the past two years.

I continue to request a joint meeting of the park board and City Council in order to better understand the short and long term goals of this board. With a budgeted amount of $387,136 and a levy passed by the voters for the benefit of the youth in our community, I continue to press the importance of having open lines of communication between these two highly capable and well motivated groups in order to establish an even greater positive work effort.

I cannot support the budgeting of only one trash pick up for the budgeted year. I recommend that a program be developed and implemented by the City that would allow the citizens one special pick up each year but would also educate them as to how to dispose of special items each month with their regular trash pick up. Until this program is developed, I cannot see removing this benefit from the citizens.

I respectfully suggest that before the next budget is developed that Council look at the monies given by the City to "agency contributions." I would suggest that unless City revenues substantially increase, that all contributions to agencies be removed from the budget. I would then suggest that agencies within the city be invited to re-submit their certification of need and their request for city funds. This list of funding then could be presented and distribution of funds be kept within the city budget constraints.

Because I believe I understand the short term and long term implications of the city's operations of the compost center, I am willing to make this commitment.

I understand that the expenses of running the compost center are causing a squeeze on City monies that we can no longer afford. However, I am willing to give the Clarksburg City administration one last effort to work with the Solid Waste Authority and the new state government administration in Charleston to reach a turn around for this facility. I hope the communications within this plan will cause positive results. I feel it would be unfair to the entire project this council has helped to direct in the past, to not acknowledge our City Manager's efforts to give this one final try.

If at the end of this effort, however, administration is unable to find financial direction, then I will endorse the immediate closing of this facility. Presently, I also will not support the purchase of any further equipment for this facility, including the strainer, which I believe is at a cost of many thousands of dollars, until a definite positive direction for funding has been established.

I request immediate renewed attention be given to the neighborhoods. I do not want the people of Clarksburg to continue to wait for more talk and promises from this council to begin the removal of condemned housing. I would ask that some of the funding that is being repaid on the previous demolition be used to start another demolition immediately. I believe there are several property owners who have already agreed to this plan. I do not believe this city can continue to wait for the arrival of grant monies to initiate the process. While the needed funding is indeed scheduled to be delivered to the City later this year, I do not believe that we can continue to allow houses to remain condemned, falling down and secured by yellow safety tape to alert those all around to the possible dangers there. I would recommend that an initial demolition be started immediately and the funds secured as soon as possible from these owners to get the program initiated. Hopefully, other funding will arrive quickly in order to expedite this program.

Mayor Kates inquired of Councilwoman Bailey if she was almost finished with Councilwoman Bailey responding affirmatively.

However, I believe the people of Clarksburg have waited long enough for our action here.

I want to see a facility developed for our youth of our area to do skateboarding and in-line skating. We, again, have talked long enough and it is now time for action. I hope that someone in this area can help us come up with available space. The time for action is here and now.

In our quest for revitalization of the City, I want to see the City officials aggressively pursue the location of at least one store in the downtown area that will offer general merchandise to those who live and work in the downtown area.

There are many other areas that I would like to touch upon, but I believe that they be best addressed at a later date and time.

I have asked both the City Manager and the Finance Director if they feel comfortable working with this budget, as it is written, for the coming year. They both answered "yes" to me. I applaud their efforts for presenting a balanced budget to us under adverse conditions. I believe that this budget will indeed be a working tool for us to build upon for the next fiscal year. To me, this budget is but a stepping stone for our future.

Finally, will I support this budget as submitted to me for approval?

My answer is "yes" and that is my final answer.

Thank you.

Mayor Kates noted that we had a work session yesterday evening and that this information should have been presented at said work session. Councilwoman Bailey commented that she wanted her remarks on record.

AGENDA ITEM NO. 6: **CONSIDERATION OF FIRST READING OF AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS**

TO THE EXISTING PUBLIC WATER WORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Lake for approval of the above-captioned ordinance on first reading. Under discussion, Councilman Hunt explained for the public's benefit, that Council is approving, on first reading, the sale of water revenue bonds for the Water Board. The Water Board is the organization building the water tank and incurring the debt, but the City, by Charter, has to authorize this transaction for the Water Board. Councilman Hunt commented that he believed that the improvement of our infrastructure is truly one of the important things that we have to do to continue to provide service. Mr. Adkins advised that the Water Board provides service to approximately 80% of Harrison County. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 7: **CONSIDERATION OF FIRST READING OF AN ORDINANCE OF THE CITY OF CLARKSBURG TO AMEND ARTICLE 193 OF PART 1 OF THE CODIFIED ORDINANCES OF THE CITY OF CLARKSBURG REGARDING FEES FOR FUNDING THE ACQUISITION, MAINTENANCE AND REPAIR OF POLICE EQUIPMENT**

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Lake for approval of the above-captioned ordinance on first reading. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 8: **CONSIDERATION OF FIRST READING OF AN ORINANCE TO APPROVE CURRENT REPLACEMENT PAGES TO THE CODIFIED ORDINANCES**

MOTION by Vice Mayor Folio, **SECONDED** by Councilwoman Lake for approval of the above-captioned ordinance on first reading. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 9: **CONSIDERATION OF A RESOLUTION IN SUPPORT OF THE WVDOT-DIVISION OF HIGHWAYS' CONSTRUCTION OF THE ROUTE 50 ACCESS ROAD**

With Vice Mayor Folio serving as chair of this agenda item, **MOTION** by Mayor Kates, **SECONDED** by Councilman Hunt for adoption of the above-captioned resolution. **MOTION APPROVED UNANIMOUSLY.**

AGENDA ITEM NO. 10: **CITY MANAGER'S REPORT/UPDATE**

Mr. Vidovich stated that he did not have anything at this time.

UNFINISHED BUSINESS:

Councilwoman Lake stated that at the last Council meeting, Council had the honor of making a presentation naming The Greater Clarksburg March as the official march of the City of Clarksburg. Councilwoman Lake advised that Casey Bork, the grandson who attended this event, stopped by her office to express his appreciation for the proclamation and to also present Council with a CD of the Concert in the Park containing the march.

Councilman Hunt stated that he noticed that there is a large arrow painted on some of the streets and that he presumes that such arrow is used for the mapping of the area by the county.

NEW BUSINESS:

A. CONSIDERATION OF AWARDING BID FOR SALE OF PROPERTY ON BEN STREET

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Hunt to approve the bid of Emmett and Felicia Wilkinson of 426 Ben Street in the amount of $600 for the property located at 430-432 Ben Street. Under discussion, Mayor Kates inquired if this was two pieces of property with Mr. Ferrari informing that it is actually one piece, containing two adjacent parcels. Mayor Kates inquired of the amount owed on the property. Mr. Ferrari informed that there is a BOCA lien on the property in the amount of $1,200. Mr. Ferrari advised that if the City would accept the bid, then the lien would be released. Mr. Morgan added that a public bid was held and apparently the value of the property was less than the lien. **MOTION APPROVED UNANIMOUSLY.**

B. CONSIDERATION OF AWARDING BID TO CONTRACTOR FOR PHASE II – GLEN ELK STREETSCAPE PROJECT

MOTION by Vice Mayor Folio, **SECONDED** by Councilman Hunt to approve the bid of Schlicker Construction Company in the amount of $267,527.66 which is Phase II of the Glen Elk Streetscape project. **MOTION APPROVED UNANIMOUSLY.**

Councilman Lopez commented that he would hope that we would have a continuation of the sale of City properties, such as Ben Street, to the public.

Councilman Greaver thanked the Chief for the fire truck ride and thanked the Police Department for taking care of the park in North View by patrolling after hours when the park is to be closed.

Councilman Hunt noted that a month or so ago the City Manager was evaluated at which time the City Manager was asked to provide to Council a written report. Councilman Hunt stated that he was impressed with the extent of information provided and complimented him on his report.

Councilman Hunt informed that the City maintains two large books containing information on properties owned by the City and that the City is encouraging individuals to review the books for possible purchase of these properties which might assist citizens in some way.

Councilman Hunt complimented the Neighborhood 2000 committee (Councilman Greaver, Councilman Lopez and Councilwoman Lake) for their efforts noting that such efforts are paying its rewards. Councilman Hunt commented that unless we get out in the neighborhoods and talk to the citizens, we are not going to know what is going on.

Vice Mayor Folio congratulated Mayor Kates on the honor to be bestowed upon him and the City in Savannah, Georgia. Vice Mayor Folio congratulated the Mayor and recognized the efforts of Ms. Hatfield and the Police Chief in this program.

Mayor Kates appointed a committee to honor our employees who have given 25+ years to the City. Mayor Kates advised that Council desires to do what they can to continue this tradition. Mayor Kates appointed Councilwoman Lake (Chair), Councilman Hunt and City Clerk Annette Wright to serve as this committee and report back to Council. Councilwoman Lake remarked that it would be an honor to serve as Chair of this committee.

Mayor Kates complimented the Neighborhood 2000 committee and expressed appreciation to the Police Chief for the Department's work throughout the communities.

There being no further business to come before Council, **MOTION** by Vice Mayor Folio, **SECONDED** by Councilman Hunt and **UNANIMOUSLY APPROVED** to adjourn said meeting.

Pastor David D.A. Kates

Pastor David D.A. Kates, Mayor

March 15, 2001
Approved

Annette M. Wright

Annette M. Wright, City Clerk

NOTICE OF PUBLIC HEARING
CITY OF CLARKSBURG
BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a **regular** meeting of the Council of the City of Clarksburg (the "City") to be held on **April 5**, 2001 at **7:30** p.m. in the Council Chambers at the Clarksburg City Hall, 222 West Main Street, Clarksburg, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on March 15, 2001.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the City. The bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

Dated: March 23, 2001
Thomas Vidovich
City Manger

FICIAL SEAL
TARY PUBLIC
f WEST VIRGINIA
LLEY F. RIFFLE
urg Publishing Co.
000, 324 Hewes Ave.
rg, WV 26302-2000
es July 21, 2009

PUBLISHER'S CERTIFICATE

_____

vs.

_____

STATE OF WEST VIRGINIA,

COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of CLARKSBURG TELEGRAM, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

NOTICE OF PUBLIC HEARING

was published in said CLARKSBURG TELEGRAM once a week for 2 successive weeks,

commencing on the 23 day of March 20 01

and ending on the 30 day of March 20 01

The publisher's fee for said publication is $ 56.75

Given under my hand this 2 day of April 20 01

Sara V. Shingleton
Classified Manager of Clarksburg Telegram

SEAL

Subscribed and sworn to before me this 2 day of April, 20 01

Shelley F. Riffle
Notary Public in and for Harrison County, WV.

My commission expires on the 21 day of July 2009.

Form CA-15 T

NOTICE OF PUBLIC HEARING
CITY OF CLARKSBURG
BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a **regular** meeting of the Council of the City of Clarksburg (the "City") to be held on **April 5**, 2001 at **7:30** p.m. in the Council Chambers at the Clarksburg City Hall, 222 West Main Street, Clarksburg, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2001 A (WEST VIRGINIA DWTRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was approved by the Council on March 15, 2001.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public waterworks system of the City. The bonds are payable solely from revenues to be derived from the ownership and operation of the waterworks system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk for review by interested parties during regular office hours.

Following the public hearing, the Council intends to enact the Ordinance upon final reading.

Dated: March 23, 2001
Thomas Vidovich
City Manger

SEAL
JBLIC
VIRGINIA
RIFFLE
lishing Co.
4 Howes Ave.
26302-2000
21, 2009

My

PUBLISHER'S CERTIFICATE

vs.

STATE OF WEST VIRGINIA,

COUNTY OF HARRISON

I, SARA V. SHINGLETON

Classified Manager of THE CLARKSBURG EXPONENT, a newspaper of general circulation published in the City of Clarksburg, County and State aforesaid, do hereby certify that the annexed

NOTICE OF PUBLIC HEARING

was published in said THE CLARKSBURG EXPONENT once a week for 2 successive weeks,

commencing on the 23 day of March 20 01

and ending on the 30 day of March 20 01

The publisher's fee for said publication is $ 48.14

Given under my hand this 2 day of April 2001

Sara V. Shingleton

Classified Manager of The Clarksburg Exponent

SEAL

Subscribed and sworn to before me this 2 day of April, 20 01

Shelley D. Riffle

Notary Public in and for Harrison County, WV.

My commission expires on the 21 day of July 2009.

Form CA-15 E

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Terminal Building, Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: April 23, 2001

(See Reverse for Instructions)

ISSUE: City of Clarksburg Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

ADDRESS: 222 West Main Street, Clarksburg, West Virginia 26301 COUNTY: Harrison

PURPOSE OF ISSUE: New Money: X
Refunding: N/A

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: April 23, 2001

CLOSING DATE: April 23, 2001

ISSUE AMOUNT: $2,383,850

RATE: 2%; Administrative Fee: 1%

1ST DEBT SERVICE DUE: June 1, 2002

1ST PRINCIPAL DUE: June 1, 2002

1ST DEBT SERVICE AMOUNT: $36,227.25

PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: (304) 624-8161

UNDERWRITERS COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

CLOSING BANK: WesBanco Bank
Contact Person: Mary Margaret Spadafore
Phone: (304)623-1400

ESCROW TRUSTEE:
Contact Person:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Mr. Thomas Vidovich
Position: City Manager
Phone: (304) 624-1677

OTHER: West Virginia Bureau for Public Health
Contact Person: Walt Ivey, P.E.
Function: Manager
Phone: (304) 558-2981

DEPOSITS TO MBC AT CLOSE:
By: _____ Wire
_____ Check

____ Accrued Interest: $
____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire
_____ Check
_____ IGT

____ To Escrow Trustee: $
____ To Issuer $
____ To Cons. Invest. Fund $
____ To Other: $

NOTES:

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

CL670386.1

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WesBanco Bank, Clarksburg, West Virginia, hereby accepts appointment as Depository Bank in connection with the Bond Ordinance of the City of Clarksburg (the "Issuer") enacted April 5, 2001, and the Supplemental Resolution of the Issuer adopted April 5, 2001 (the "Bond Legislation"), authorizing issuance of the Issuer's Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23,2001, issued in the principal amount of $2,383,850 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 23rd day of April, 2001.

WESBANCO BANK

Mary M. Bachtel
Branch Manager

03/26/01
155510/00001

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Clarksburg Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), dated April 23, 2001, issued in the principal amount of $2,383,850 (the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 23rd day of April, 2001.

BRANCH BANKING AND TRUST COMPANY

Assistant Vice President

04/17/01
155510/00001

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Clarksburg (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Water Revenue Bond, Series 2001 A (West Virginia DWTRF Program), of the Issuer, dated April 23, 2001, in the principal amount of $2,383,850, numbered AR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of Branch Banking and Trust Company, as Registrar.

WITNESS my signature on this 23rd day of April, 2001.

BRANCH BANKING AND TRUST COMPANY

Assistant Vice President

04/17/01
155510/00001

CITY OF CLARKSBURG

Water Revenue Bonds, Series 2001 A
(West Virginia DWTRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 23rd day of April, 2001, by and between the CITY OF CLARKSBURG, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and BRANCH BANKING AND TRUST COMPANY, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,383,850 Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program), in fully registered form (the "Bonds"), pursuant to the Bond Ordinance of the Issuer duly enacted April 5, 2001, and the Supplemental Resolution of the Issuer duly adopted April 5, 2001 (collectively, the "Bond Legislation");

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 Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation 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 Bond Legislation, 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 Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. 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 addresses:

ISSUER: City of Clarksburg
222 West Main Street
Clarksburg, West Virginia 26301
Attention: Mayor

REGISTRAR: Branch Banking and Trust Company
Post Office Box 1793
300 Summers Street
Charleston, West Virginia 25326
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

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 day and year first above-written.

CITY OF CLARKSBURG

Pastor David D. A. Kates

Mayor

BRANCH BANKING AND TRUST COMPANY

Charlotte A. Morgan

Assistant Vice President

03/23/01
155510/00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1 and 2.

SCHEDULE OF COMPENSATION

(Please see attached)

BB&T

Branch Banking & Trust Co.

Trust Department

300 Summers Street
P.O. Box 1793
Charleston, WV 25326
(304) 348-7081
(800) 336-5450

April 11, 2001

City of Clarksburg
Attention: Mayor
222 West Main Street
Clarksburg, WV 26301

RE: Invoice

CITY OF CLARKSBURG WATER REVENUE BONDS, SERIES 2001 A
(West Virginia DWTRF Program)

One time fee for services as Registrar and Authenticating Agent..... $250.00

Please forward remittance to:

Branch Banking and Trust Co.
Attn: Charlotte S. Morgan
P. O. Box 1793
Charleston WV 25326

CITY OF CLARKSBURG
(WEST VIRGINIA)

WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992

BOND ORDINANCE

Table of Contents

RECITALS		1

ARTICLE I
DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01	Definitions	4
Section 1.02	Authority for this Ordinance	15
Section 1.03	Findings	15
Section 1.04	Ordinance Constitutes Contract	17

ARTICLE II
AUTHORIZATION OF REFUNDING OF PRIOR BONDS AND ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01	Authorization of Refunding of Prior Bonds	18
Section 2.02	Authorization of Acquisition and Construction of the Project	18

ARTICLE III
THE BONDS

Section 3.01	Form and Payment of Bonds	19
Section 3.02	Execution of Bonds	19
Section 3.03	Authentication and Registration	20
Section 3.04	Negotiability and Registration	20
Section 3.05	Bonds Mutilated, Destroyed, Stolen or Lost	21
Section 3.06	Term Bonds	22
Section 3.07	Notice of Redemption	23
Section 3.08	Persons Treated as Owners	25
Section 3.09	Temporary Bonds	25
Section 3.10	Series 1992 Bonds	26
Section 3.11	Book Entry System for Series 1992 Bonds	26
Section 3.12	Delivery of Series 1992 Bonds	28

Section 3.13	Form of Series 1992 Bonds	29
Section 3.14	Disposition of Proceeds of Series 1992 Bonds	29
Section 3.15	Disbursements From the Construction Fund	30

ARTICLE IV
SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01	Establishment of Funds and Accounts with Depository Bank	32
Section 4.02	Establishment of Funds and Accounts with Bond Commission	32
Section 4.03	System Revenues and Application Thereof	33

ARTICLE V
INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01	Investments	38
Section 5.02	Arbitrage	39
Section 5.03	Tax Certificate, Rebates and Rebate Fund	39

ARTICLE VI
ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01	Covenants Binding and Irrevocable	41
Section 6.02	Bonds not to be Indebtedness of the Issuer	41
Section 6.03	Bonds Secured by Pledge of Gross Revenues and Moneys in Sinking Fund	41
Section 6.04	Rates	41
Section 6.05	Operation and Maintenance	42
Section 6.06	Sale of the System	42
Section 6.07	Issuance of Other Obligations Payable Out of Gross Revenues and General Covenant Against Encumbrances	43
Section 6.08	Additional Parity Bonds	44
Section 6.09	Insurance and Bonds	46
Section 6.10	Report of Consulting Engineers	47
Section 6.11	Services Rendered to the Board or Issuer	47
Section 6.12	Enforcement of Collections	48
Section 6.13	No Competing Franchise	48
Section 6.14	Books and Records	49
Section 6.15	Operating Budget	50

Section 6.16	Tax Covenants	50
Section 6.17	Covenants Regarding the Municipal Bond Insurance Policy	51

ARTICLE VII
DEFAULTS AND REMEDIES

Section 7.01	Events of Default	52
Section 7.02	Enforcement	52
Section 7.03	Appointment of Receiver	53
Section 7.04	Restoration of Issuer and Bondholder	54

ARTICLE VIII
REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01	Appointment of Registrar, Paying Agent and Depository Bank	55
Section 8.02	Responsibilities of Fiduciaries	55
Section 8.03	Evidence on Which Fiduciaries May Act	55
Section 8.04	Compensation and Expenses	55
Section 8.05	Certain Permitted Acts	56
Section 8.06	Resignation of Registrar	56
Section 8.07	Removal	56
Section 8.08	Appointment of Successor	56
Section 8.09	Transfer of Rights and Property to Successor	57
Section 8.10	Merger or Consolidation	57
Section 8.11	Adoption of Authentication	57
Section 8.12	Paying Agent and Depository Bank	57

ARTICLE IX
DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01	Defeasance; Discharge of Pledge of Ordinance	59

ARTICLE X
MISCELLANEOUS

Section 10.01	Amendment of Ordinance	62
Section 10.02	Evidence of Signatures of Bondholders and Ownership of Bonds	62
Section 10.03	Preservation and Inspection of Documents	63
Section 10.04	Cancellation of Bonds	63
Section 10.05	Failure to Present Bonds	63
Section 10.06	Notices, Demands and Requests	64
Section 10.07	No Personal Liability	65

Section 10.08	Law Applicable	65
Section 10.09	Parties Interested Herein	65
Section 10.10	Severability of Invalid Provisions	66
Section 10.11	Table of Contents and Headings	66
Section 10.12	Conflicting Provisions Repealed	66
Section 10.13	Procedure on Enactment of Ordinance; Public Hearing	66
	SIGNATURES	67
	CERTIFICATION	68
	EXHIBIT A - BOND FORM	69

CITY OF CLARKSBURG

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG, THE REFUNDING OF THE CITY'S OUTSTANDING WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1985 AND WATERWORKS REVENUE BONDS, SERIES 1986; THE ISSUANCE OF WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $26,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH ADDITIONS, BETTERMENTS AND IMPROVEMENTS AND SUCH REFUNDING, TO FUND A RESERVE ACCOUNT FOR SUCH BONDS AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the City of Clarksburg (the "Issuer") presently owns and operates through the Clarksburg Water Board (the "Board") a municipal waterworks treatment and distribution system (the "System") and has heretofore financed the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding (i) the Waterworks Improvement and Refunding Revenue Bonds, Series 1985, dated February 1, 1985, originally issued in the aggregate principal amount of $17,000,000, of which $15,565,000 is presently outstanding (the "Series 1985 Bonds") and (ii) the Waterworks Revenue Bonds, Series 1986, dated September 1, 1986, originally issued in the aggregate principal amount of $725,000, of which $725,000 is presently outstanding (the "Series 1986 Bonds") (collectively, the "Prior Bonds");

WHEREAS, the Prior Bonds were issued pursuant to an ordinance of the Issuer enacted by the city council of the Issuer on March 15, 1984, as supplemented by supplemental ordinances or resolutions enacted and adopted by the city council of the Issuer on January 28, 1985, December 16, 1985, and October 9, 1986 (such

ordinance, as so supplemented and amended, herein called the "Prior Ordinance");

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of the City of Clarksburg and other users of the System to advance refund the Prior Bonds as hereinafter set forth in order to achieve interest cost savings;

WHEREAS, the Issuer has determined that it is necessary and in the best interest of the residents of the City of Clarksburg and other users of the System that there be acquired and constructed certain additions, betterments and improvements for the System, consisting of additional water lines, valves, pumps, water storage tanks, fire hydrants and all necessary appurtenances (the "Project") and to finance such acquisition and construction in part with proceeds of the issuance of bonds and in part with grant moneys and other funds of the Issuer;

WHEREAS, under the provisions of Chapter 8, Article 19 of the Code of West Virginia, 1931, as amended (the "Bond Act"), the Issuer is authorized and empowered to acquire, construct and operate additions, betterments and improvements for the System and issue revenue bonds to pay all or any portion of the costs thereof, and, under the provisions of Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (the "Refunding Act"), the Issuer is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Prior Bonds;

WHEREAS, the Issuer is advised that present value interest savings will be realized from the refunding of the Prior Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents and other users of the System, to advance refund the Prior Bonds to their first redemption date, being February 1, 1995, in the manner set forth herein and finance the acquisition and construction of the Project, with proceeds of the issuance of a series of bonds to be designated "City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1992" (the "Series 1992 Bonds"), in the maximum aggregate principal amount of $26,000,000, and other moneys of the Issuer, such Series 1992 Bonds to be secured by and payable from the

Gross Revenues (as hereinafter defined) of the System, and containing such other terms and provisions as are hereinafter provided;

WHEREAS, in addition to the Prior Bonds, the Issuer has heretofore issued two other series of waterworks refunding bonds, both of which are crossover refunding issues and are not and will not be payable from the Gross Revenues, being the Waterworks Tender Option Refunding Revenue Bonds, 1985 Series A, dated December 1, 1985 (the "Series 1985 A Crossover Refunding Bonds") and the Waterworks Crossover Refunding Bonds, Series 1986, dated September 1, 1986 (the "Series 1986 Crossover Refunding Bonds");

WHEREAS, the Series 1985 A Crossover Refunding Bonds and the Series 1986 Crossover Refunding Bonds (collectively herein called the "Crossover Refunding Bonds") shall be defeased concurrently with the issuance and delivery of the Series 1992 Bonds and the Issuer shall retain the right to redeem the Crossover Refunding Bonds, at its option, in accordance with the redemption provisions thereof;

WHEREAS, the Issuer now desires to authorize the refunding of the Prior Bonds and the acquisition and construction of the Project as aforesaid, and to provide for the financing thereof by the issuance of the Series 1992 Bonds as hereinafter provided;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLARKSBURG HEREBY ORDAINS:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Accreted Value" means, with respect to Bonds which may be issued in the form of capital appreciation bonds, the cumulative principal of and interest thereon payable at maturity or earlier redemption.

"Act" means collectively, Chapter 8, Article 19 (the "Bond Act") and Chapter 13, Article 2E (the "Refunding Act"), of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 1992 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" shall mean the separate municipal corporation known as the "Clarksburg Water Board," existing under Section 25 of the charter of the City of Clarksburg and having powers and duties as set forth in Section 27 of such charter.

"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" shall mean 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 Steptoe & Johnson, Clarksburg, West Virginia.

"Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 1992 Bonds, shall initially mean Asset Guaranty Reinsurance Company ("AGR").

"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 1992 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 1992 Bonds, in substantially the form set forth in EXHIBIT A hereto.

"City" or "Issuer" means the City of Clarksburg, a municipal corporation of the State of West Virginia, in Harrison County thereof, and, where appropriate, the Council, the Board and any successor thereto.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

"Connection Fees" means the fees, if any, paid by customers of the System in order to connect thereto.

"Construction Fund" means the Construction Fund created by Section 4.02 hereof.

"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 Prior Bonds including payment of redemption premiums and accrued interest thereon, acquisition and construction of the Project, including the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Bonds prior to and during construction or acquisition and for not more than 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Account; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the Project, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, fiscal agent fees and expenses, underwriter's discount, initial fees for the services of registrars, paying agents, depositories, trustees or escrow trustees, or other costs in connection with the sale of the Bonds and refunding of the Prior Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project.

"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.

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"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.

"Depreciation Fund" means the Depreciation Fund created by Section 4.01 hereof.

"DTC-eligible" means, with respect to the Series 1992 Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Escrow Agreement" means the agreement to be entered into between the Issuer, the Board, the Bond Commission and the Escrow Trustee, providing for the defeasance and ultimate payment of the Prior Bonds, the deposit therein of proceeds of the Series 1992 Bonds, the disposition of moneys in the various funds and accounts under the Prior Ordinance 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 Escrow Agreement.

"Escrow Trustee" means the escrow trustee under the Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"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 certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

"Independent 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 said System in the normal operations of its business and affairs.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Mayor" means the current Mayor of the Issuer.

"Municipal Bond Insurance Policy" means any municipal bond insurance policy issued by a Bond Insurer simultaneously with the delivery of the Series 1992 Bonds, insuring the payment of the principal of and interest on all or any of the Series 1992 Bonds in accordance with the terms thereof or any other bond insurance policy which may be issued on behalf of the Issuer to insure payment of the principal of and interest on all or any subsequent series of Bonds.

"Net Proceeds" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Account.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, fees for the provider of a Reserve Account Letter of Credit, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Escrow Trustee, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Prior Bonds or the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets,

amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Operation and Maintenance Fund" means the Operation and Maintenance Fund created by Section 4.01.

"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.

"Original Purchaser" means, Ferris, Baker Watts, Incorporated, Baltimore, Maryland, as the purchasers of the Series 1992 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 1992 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 1992 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 1992 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 said Series 1992 Bonds.

"Outstanding," when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bond at or prior to said date; (b) any Bond or Prior 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 Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Registrar and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" shall have the meaning set forth in the premises hereof, and shall include the coupons appertaining thereto, if any.

"Prior Ordinance" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Qualified Investments" means and includes, to the extent permitted by law, any of the following:

(i) Government Obligations.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) direct obligations or fully guaranteed certificates of beneficial interest of the Export-Import Bank of the United States, (b) debentures of the Federal Housing Administration, (c) guaranteed mortgage backed bonds of the Government National Mortgage Association, (d) certificates of beneficial interest of the Farmers Home Administration, (e) obligations of the Federal Financing Bank or (f) project notes and local authority bonds of the Department of Housing and Urban Development.

(iii) Investments in (a) senior obligations of the Federal Home Loan Bank System, (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation, (c) mortgage-backed securities and senior debt obligations (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of the Federal National Mortgage Association (excluding stripped mortgage securities that are valued greater than par on the portion of unpaid principal) of (d) senior debt obligations of the Student Loan Marketing Association.

(iv) Repurchase agreements with primary dealers and/or banks rated, at all times, AA or better by Standard & Poor's Corporation and Moody's Investors Service, collateralized with the obligations described in (i) or (ii) above, held by a third party custodian, at the levels set forth below, which repurchase agreements have been approved by the Insurer.

(v) S.E.C. registered money market mutual funds conforming to Rule 2a-7 of the Investment Company Act of 1940 that invest primarily in direct obligations issued by the U.S. Treasury and repurchase agreements backed by those obligations, including funds for which the Registrar or an affiliate of the Registrar acts as an advisor, and rated in the highest category by Standard & Poor's Corporation and Moody's Investors Service.

(vi) Certificates of deposit of any bank (including the Registrar), trust company or savings and loan association whose short term obligations are rated A-1 or better by Standard & Poor's Corporation and P-1 by Moody's Investors Service provided that such certificates of deposit are fully secured by the obligations described in (i) or (ii) above at the levels set forth below, the Registrar has a perfected first security interest in the obligations securing the certificates and the Registrar holds (or shall have the option to appoint a bank, trust company or savings and loan association as its agent to hold) the obligations securing the certificates.

(vii) Certificates of deposit of any bank (including the Registrar), trust company or savings and loan association which certificates are fully insured by the Federal Deposit Insurance Corporation.

(viii) Obligations of, or obligations fully guaranteed by, any state of the United States of America or any political subdivision thereof which obligations, at the time of purchase, are rated by Standard & Poor's Corporation and Moody's Investors Service in the highest rating categories (without regard to any refinement or

graduation of rating category by numerical modifier or otherwise and without regard to credit enhancement) assigned by such rating agencies to obligations of that nature.

(ix) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(x) Alternate or additional forms of investments approved in writing by the appropriate Bond Insurer.

Debt Service Reserve Fund Investments: Amounts contained in any Debt Service Reserve Fund shall be invested in the instruments set forth in paragraphs (i), (ii) and (v) above only, with maturities of not longer than one year.

Collateral Levels for United States Government Securities:

	Remaining Maturity				
Frequency of Valuation	1 Year or less	5 Years or less	10 Years or less	15 Years or less	30 Years or less
Daily	102	105	106	107	113
Weekly	103	110	111	113	118
Monthly	106	116	119	123	130
Quarterly	106	118	128	130	135

Further Requirements:

(1) On each valuation date the market value of the collateral will be an amount equal to the requisite collateral percentage of the obligations (including unpaid accrued interest) that is being secured.

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly valuations, and one month for monthly and quarterly valuations.

The use of different restoration periods affect the requisite collateral percentage.

(3) The Issuer or Depository Bank, as appropriate, shall terminate any repurchase agreement upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterpart in federal funds against transfer of the repo securities, liquidate the collateral.

"Rebate Fund" means the Rebate Fund established by Section 4.01 hereof.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recording Officer," "Recorder" or "Clerk" means the City Clerk of the Issuer.

"Redemption Account" means the Redemption Account created in the Sinking Fund by Section 4.02 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the 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 1954.

"Reserve Account" means the Reserve Account created in the Sinking Fund by Section 4.02 hereof.

"Reserve Account Letter of Credit" means a letter of credit, line of credit or similar credit facility approved by the Bond Insurer for the applicable series of Bonds and issued by a bank, insurance

company or other financial institution approved by such Bond Insurer for deposit in the Reserve Account in lieu of all or a portion of cash or Qualified Investments on deposit or to be deposited therein.

"Reserve Account Requirement" means, as of any date of calculation, Maximum Annual Debt Service.

"Revenue Fund" means the Revenue Fund created by Section 4.01 hereof.

"Series 1992 Bonds" means the Waterworks Improvement and Refunding Revenue Bonds, Series 1992, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Sinking Fund" means the Sinking Fund created by Section 4.02 hereof.

"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 1992 Bonds and authorizing the sale of the Series 1992 Bonds to the Original Purchaser; 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 Gross Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2), (3) and (4) have first been paid.

"System" means, collectively, the complete existing municipal waterworks system of the City, consisting of a water filtration and treatment plant, reservoirs, water tanks, distribution lines and booster stations now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a waterworks system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said waterworks system from any sources whatsoever, both within and without the Issuer.

"Tap Fees" means the fees, if any, paid by prospective customers of the System in order to connect thereto.

"Term Bonds" means 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.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation of the State of West Virginia, in Harrison County of said State.

B. The Issuer now owns and operates, through the Board, the System, the acquisition and construction of which has been financed in part by the proceeds of the Prior Bonds which are currently Outstanding in the aggregate principal amount of $17,290,000 and other bonds which have either been refunded and defeased by the Prior Bonds or otherwise, or are no longer Outstanding.

C. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner. Upon issuance of the Series 1992 Bonds and funding of the Escrow Fund, the Prior Bonds will be defeased and the Series 1992 Bonds will be secured by a first lien on the Gross Revenues.

D. It is necessary, convenient and in the public interest that the Issuer construct and acquire the Project in accordance with, and as more particularly described in, the plans and specifications therefor prepared by the Consulting Engineer and now on file with the

Board; and such acquisition and construction are hereby ordered to be commenced as promptly as feasible.

E. The period of usefulness of the System after completion of the Project is not less than 40 years.

F. The estimated construction cost of the Project is $4,600,000. The cost of the Project will be financed in part with proceeds of the Series 1992 Bonds and in part with grant moneys and funds of the Issuer.

G. The Issuer intends to issue the Series 1992 Bonds and to pledge for payment thereof, the Gross Revenues of the System.

H. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Prior Bonds, to provide for the repair, maintenance and operation of the System, the payment of interest upon all bonds issued pursuant to the Act and to create a sinking fund, as hereinafter provided, to pay the principal thereof as and when it becomes due and reasonable reserves therefor, to provide an adequate Depreciation Fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

I. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 1992 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 1992 Bonds show a net present value saving to the Issuer after deducting all expenses of the refunding and the costs of issuing the Series 1992 Bonds.

J. The Issuer shall not sell the Series 1992 Bonds without setting forth in the Supplemental Resolution the determination set forth in paragraph I, above, based upon the actual principal amount, maturity schedule and interest rates for the Series 1992 Bonds, and the Issuer shall not issue the Series 1992 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 1992 Bonds and the net interest cost in dollars of the Prior Bonds.

K. Subject to the determination and certification required by paragraph J, above, it is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue the Series 1992 Bonds and secure the Series 1992 Bonds by a pledge and assignment of the Gross Revenues derived from the operation of the System, the moneys in

the Reserve Account, unexpended proceeds of the Series 1992 Bonds and as further set forth herein.

L. The Series 1992 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM 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 1992 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 1992 Bonds, will be timely done and duly performed.

N. The enactment of this Ordinance, and the execution and issuance of the Series 1992 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, 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.

ARTICLE II

AUTHORIZATION OF REFUNDING OF PRIOR BONDS AND ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Refunding of Prior Bonds. All Prior Bonds Outstanding as of the date of issuance of the Series 1992 Bonds in the aggregate principal amount of $17,290,000 are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledge of Gross Revenues in favor of the Holders of such refunded Prior Bonds imposed by the Prior Ordinance, the moneys in the funds and accounts created by the Prior Ordinance and any other funds pledged by the Prior Ordinance thereto are hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of the Series 1992 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 Trustee charges to become due and payable in connection with the Prior 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 such Prior Bonds as the same become due, to the respective serial maturity dates thereof, but in no event beyond the first date upon which the entire aggregate amount of the Prior Bonds may be redeemed, being November 15, 1994 (Series 1986 Bonds) and February 1, 1995 (Series 1985 Bonds), all as set forth in the Escrow Agreement. Contemporaneously with the deposit of such Series 1992 Bond proceeds into the Escrow Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Prior Bonds shall be deposited in the Escrow Fund, the Reserve Account or such other fund or account as shall be set forth in the Escrow Agreement, and invested as provided in the Escrow Agreement.

Section 2.02. Authorization of Acquisition and Construction of the Project. There is hereby authorized the acquisition and construction of the Project, at an estimated construction cost of $4,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Recording Officer. A portion of the proceeds of the Series 1992 Bonds hereby authorized shall be applied to payment of the Costs of the Project, as provided in the Supplemental Resolution and Article III hereof, respectively.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 1992 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in a Supplemental Resolution). All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof at his address as it appears in the Bond Register at the close of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the Mayor and the City Manager, by their respective manual or facsimile signatures, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the 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 City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, 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 attached hereto and incorporated herein by reference with respect to the Series 1992 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 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 Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds 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 Holder 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 Holder 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 Holder 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 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 Holder'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. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. 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 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 Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 13 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 Account 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 Fund), as will exhaust as nearly as practicable such 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 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 applicable 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.

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 which are to be redeemed on that date.

Official 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. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar 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 unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond 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 such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

In addition to the foregoing notice, further notice as set out below shall be given by the Registrar, at the instruction of the Issuer, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each bond being redeemed; (iv) the maturity date of each bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to the Bond Buyer, of New York, New York, and all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions,

variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 1992 Bonds. For the purposes of refunding all of the Outstanding Prior Bonds of the Issuer, paying a portion of the Costs of the Project, funding the Reserve Account and paying costs in connection therewith, there shall be issued the Series 1992 Bonds of the Issuer, in an aggregate principal amount of not more than $26,000,000. Said Series 1992 Bonds shall be designated "Waterworks Improvement and Refunding Revenue Bonds, Series 1992" and shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof for any year of maturity (or such other denominations as may be set forth in the Supplemental Resolution), not exceeding the aggregate principal amount of Series 1992 Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 1992 Bonds shall be numbered from R-1 consecutively upward. The Series 1992 Bonds shall be dated; shall be in such aggregate principal amount; shall bear interest at such rate or rates, not exceeding the then legally permissible rate, payable semiannually on such dates; shall mature on such dates and in such amounts; shall be subject to such mandatory and optional redemption provisions; and shall have such other terms, all as the Issuer shall prescribe herein and in the Supplemental Resolution.

Section 3.11. Book Entry System for Series 1992 Bonds. A. The Series 1992 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 1992 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 1992 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 1992 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 1992 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 1992 Bond or any other evidence of ownership of the Series 1992 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 1992 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 1992 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 1992 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 1992 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 Bondholder 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 1992 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 1992 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 1992 Bonds so redeemed, but DTC may return such Series 1992 Bonds and make an appropriate notation on the Series 1992 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 1992 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 1992 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 1992 Bonds, selecting the Series 1992 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 1992 Bonds, obtaining any consent or other action to be taken by Bondholders 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 1992 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 Bondholder with respect to (i) the Series 1992 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 1992 Bonds, (iv) any notice which is permitted or required to be given to Bondholders 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 1992 Bonds or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 1992 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 1992 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 1992 Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 1992 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 1992 Bonds.

Section 3.12. Delivery of Series 1992 Bonds. The Issuer shall execute and deliver the Series 1992 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 1992 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the Series 1992 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1992 Bonds to the Original Purchaser;

(C) Copies, certified by the Clerk of this Ordinance and the Supplemental Resolution; and

(D) The unqualified approving opinion upon the Series 1992 Bonds by Bond Counsel.

Section 3.13. Form of Series 1992 Bonds. The definitive Series 1992 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 1992 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval, and the definitive Series 1992 Bonds shall have the form of the opinion of Steptoe & Johnson, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 1992 Bonds. Upon the issuance and delivery of the Series 1992 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on Series 1992 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Sinking Fund and applied to payment of interest on the Series 1992 Bonds at the first interest payment date.

B. The amount of Series 1992 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Prior Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

C. The amount of Series 1992 Bond Proceeds which, together with other moneys of the Issuer dedicated to such purpose, is equal to the Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Reserve Account, provided that, to the extent the Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinance or a Reserve Account Letter of Credit or similar credit facility acceptable to the Bond Insurer for the applicable series of Bonds, Series 1992 Bond Proceeds shall be deposited in the Reserve Account only to the extent needed to satisfy the balance of the Reserve Account Requirement.

D. The amount of Series 1992 Bond proceeds necessary to pay that portion of Costs of the Project not otherwise provided for, shall be deposited in the Construction Fund and disbursed only as provided in Section 3.15 hereof.

E. The balance of the proceeds of the Series 1992 Bonds shall be deposited with the Depository Bank in the Series 1992 Bonds

Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 1992 Bonds and miscellaneous costs of refunding the Prior Bonds at the written direction of the Issuer. 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 90 days of the Closing Date, such unapplied proceeds shall be transferred by the Issuer and deposited in the Construction Fund. 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 Holders of the Series 1992 Bonds from which such proceeds are derived.

Section 3.15. Disbursements From the Construction Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Construction Fund, except for payment of costs of issuance of the Series 1992 Bonds in excess of the moneys available in the Costs of Issuance Fund which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer, stating:

(A) That none of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made (except reimbursement to the Issuer for items previously paid by the Issuer);

(B) That each item for which the payment is proposed to be made is or was necessary in connection with the Project and constitutes a Cost of the Project;

(C) That each of such costs has been otherwise properly incurred; and

(D) That payment for each of the items proposed is then due and owing.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Construction Fund only the net amount remaining after deduction of any such portion. All payments made from the Construction Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Construction Fund.

Pending such application, moneys in the Construction Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Construction Fund to the Depreciation Fund.

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 created with, and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other, (except as set forth in this Section 4.01) and used solely for the purposes provided herein:

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Operation and Maintenance Fund;

(4) Construction Fund;

(5) Costs of Issuance Fund; and

(6) Rebate Fund.

Moneys in such Funds and Subaccounts may be commingled and aggregated by the Depository Bank if so directed by the Issuer, for purposes of investment of such funds, but separate accounting shall be maintained for each such fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special fund and accounts are hereby established with and shall be held by the Bond Commission:

(1) Sinking Fund;

(a) Within the Sinking Fund:

(i) Reserve Account; and

(ii) Redemption Account.

In addition to the foregoing funds and accounts established by in this Section 4.02 and Section 4.01, the Issuer may establish such other funds and accounts as it may deem appropriate for any particular series of Bonds by provision therefor in a Supplemental Resolution.

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 be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, from the moneys in the Revenue Fund, on the first day of each month, beginning on the first day of that month which is 7 months prior to the first interest payment date on the Series 1992 Bonds, apportion and set apart out of the Revenue Fund and remit to the Bond Commission, for deposit in the Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on the Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Sinking Fund and the next ensuing semiannual interest payment date is less than 7 months, then such monthly payments shall be increased 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 Sinking Fund shall be reduced by the amount of accrued interest on the Series 1992 Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Sinking Fund shall be reduced by the amount of any earnings credited to the Sinking Fund.

The Issuer shall also apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in the Sinking Fund, and in the Redemption Account therein in the case of Term Bonds which are to be redeemed, on the first day of each month, beginning on the first day of that month which is 13 months prior to the first principal payment or mandatory redemption date of the Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Bonds on the next ensuing principal payment or mandatory redemption date, provided, that in the event the period to elapse between the date of such initial deposit in the Sinking Fund and the

next ensuing principal payment or mandatory redemption date is less than 13 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory redemption date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Sinking Fund and not previously credited pursuant to the preceding paragraph.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds, whether by maturity or redemption prior to maturity and, with respect to the Reserve Account therein, any amounts necessary to fund the Reserve Account to maintain the Reserve Account Requirement. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Sinking Fund when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on the Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1992 Bonds are issued, provision shall be made for additional deposits into the Reserve Account sufficient to maintain the Reserve Account Requirement in accordance with the provisions hereof.

The payments into the Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding Business Day, 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.

(2) The Issuer shall next, from the moneys remaining in the Revenue Fund each month, transfer from the Revenue Fund and deposit in the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

(3) The Issuer shall next, from the moneys remaining in the Revenue Fund, each month apply such moneys to the full extent necessary, for deposit into the Reserve Account, as a result of a decrease in value of the Reserve Account below the Reserve Account Requirement or any withdrawal from the Reserve Account, beginning with the first full calendar month following the date on which (i) the valuation of investments in the Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Reserve Account is less than the Reserve Account Requirement, or (ii) any amount is withdrawn from the Reserve Account for deposit into the Sinking Fund. To the extent Gross Revenues and any other legally available funds are available therefor, the amount so deposited shall be sufficient, and shall be used to restore the amount of cash or securities on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement; provided, that no payments shall be required to be made into the Reserve Account whenever and as long as the amount deposited therein shall be equal to the Reserve Account Requirement.

In the event that moneys in the Revenue Fund are insufficient to replenish the Reserve Account to a value equal to the Reserve Account Requirement, the Issuer shall transfer moneys from the Depreciation Fund to the extent necessary for such purpose, provided that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

Amounts in the Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Bonds when due, when amounts in the Sinking Fund are insufficient therefor, and for no other purpose.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, transfer to the Depreciation Fund a sum equal to not less than 5% of the Gross Revenues each month. No further payments shall be required to be made into the Depreciation Fund when there shall have been deposited therein, and so long as there shall remain on deposit therein, the sum of $1,000,000.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Account (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a Reserve Account Letter of Credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Fund (including the Reserve Account);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board, moneys in the Depreciation Fund in excess of $1,000,000 may be transferred by the Issuer to the Redemption Account and used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(5) If on any monthly payment date the Revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuing payment dates.

(6) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Revenues ("Surplus Revenues") to payment of debt service on subordinate bonds, notes, certificates or other obligations of the System. Any Surplus Revenues then remaining in the Revenue Fund may be used for any lawful purpose of the System.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. 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. Notwithstanding the foregoing, however, the Bond Commission shall deposit all remittances in the fund or account in the priority established by this Ordinance.

C. 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 4.03 and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

D. Principal and interest payments, and any payments made for the purpose of funding the Reserve Account, shall be made on a parity basis and pro-rata, with respect to the Series 1992 Bonds and any parity Bonds hereinafter issued, in accordance with the respective principal amounts of each such Series of Bonds then Outstanding, if less than the full amount required hereby.

E. All Tap Fees shall be deposited by the Issuer, as received, in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in 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.

Except as provided below, 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 Issuer 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 Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Depreciation Fund or Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 3 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from the Reserve Account to the Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Account an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually,

except in the event of a withdrawal from the Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Gross Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in the Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds of each series in such manner and to such extent as may be necessary, so that such Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and 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 such Bonds) so that the interest on such 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, Rebates and Rebate Fund. 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 any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1992 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 or the Board 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 or the Board shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund 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, the Rebate Fund 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 or the Board shall pay, or cause to be paid, to the United States, from the Rebate Fund, 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 the Rebate Fund 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 or the Board shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in 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 the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer or the Board shall assure that such payments are made by the Issuer or the Board to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer or the Board at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Board may deem appropriate in order to assure compliance with this Section 5.03. The Issuer or the Board 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 or the Board fails to make such rebates as required, the Issuer or the Board shall pay any and all penalties and other amounts, 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 Bonds from gross income for federal income tax purposes.

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 Holder or Holders of the 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 Holders of the Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, the Note, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Gross Revenues of the System, the moneys in the Sinking Fund and all accounts therein, the unexpended proceeds of the Bonds or moneys in a Construction Fund, if any, all as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Gross Revenues and Moneys in Sinking Fund. The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System and all moneys and securities in the Sinking Fund, including the Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Gross Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the Sinking Fund, all moneys and securities in the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Prior to the issuance of the Series 1992 Bonds, 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 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 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 and the Board hereby covenant and agree that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Account in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer and the Board, as appropriate, hereby covenant to commence enactment of such rate ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination by the independent Consulting Engineers pursuant to their written report prepared in compliance with Section 6.10 hereof 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 or the Board, as appropriate, will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Gross Revenues of said System in the manner provided in this Ordinance.

Section 6.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage,

lease or other disposition of the System shall be immediately remitted to the Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such defeasance shall be remitted to the Board 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 Board 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 is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer or the Board into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Redemption Account shall 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 or the Board if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Gross 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 Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Gross Revenues with the Bonds; and all obligations hereafter issued by the Issuer payable from the Revenues of the System, except such additional 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.

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. No additional parity Bonds, as in this section defined, payable out of the Gross Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the Gross Revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Series 1992 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" 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 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 delivery of such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional 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 Gross Revenues of the System on a parity with the Series 1992 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1992 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Gross Revenues of the System, and their source of and security for payment from said Gross Revenues, without preference of any 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 additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

No additional parity Bonds shall be valid unless authenticated pursuant to Section 3.03. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 with respect to the Series 1992 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Gross Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Gross Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from Surplus Revenues. The Issuer shall not issue any obligations whatsoever payable from the Gross Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security

for payment from such Gross Revenues, with the Bonds, except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding, if any (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence

of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of Wood County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer and employee of the Board having custody of the Revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.10. Report of Consulting Engineers. The Issuer or the Board shall, at least once each year, retain recognized qualified independent Consulting Engineers to review the operation, maintenance and repair of the System and to report to the Issuer and the Board in writing their recommendations and comments pertaining to the System, including the rate coverage of the System for each Fiscal Year. Such annual report of the Consulting Engineers, or a summary thereof, shall be made available, upon request, to the Original Purchaser, any Bond Insurer and any Bondholder.

Section 6.11. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or

any department, agency, instrumentality, officer or employee thereof shall avail himself 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. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be Gross 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 6.12. 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 to all delinquent users of services and facilities of the System and will not restore such services of the 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.

Section 6.13. 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 6.14. Books and Records. The Board 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 City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds 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 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. 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. The Board 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 file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 120 days following the end of each Fiscal Year containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer or the Board shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

(A) A statement of Gross Revenues, Operating Expenses, and Net Revenues derived from the System.

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

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 Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.15. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by its charter or the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. 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 Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

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 Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the 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 Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting ^AWP 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 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 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 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 intends to obtain a Municipal Bond Insurance Policy for the Series 1992 Bonds from Asset Guaranty Reinsurance Company ("AGR"). Certain additional covenants of the Issuer, which shall be set forth in full in the Supplemental Resolution are required by AGR as a condition to insuring the Series 1992 Bonds, shall apply to the Series 1992 Bonds and any other Bonds which may be insured by AGR, 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 Bonds:

(A) If default by the Issuer occurs in the due and punctual payment of the principal of or interest on any 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 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 Bondholder or any Insurer; or

(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.

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any 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 or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the 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 Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders 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 Bondholders 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 Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer 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 said 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 Bondholder 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 Holders 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 Bondholders, 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.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder 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 Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR, PAYING AGENT AND DEPOSITORY BANK

Section 8.01. Appointment of Registrar, Paying Agent and Depository Bank. The Registrar, Paying Agent and Depository Bank (collectively, the "Fiduciaries") for the Series 1992 Bonds shall be appointed pursuant to the Supplemental Resolution. The City Manager of the Issuer is hereby authorized and directed to enter into an agreement with the Fiduciaries, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Fiduciaries. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Fiduciaries shall not be responsible for their accuracy. The Fiduciaries 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 on the Bonds. The Fiduciaries 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 Fiduciaries May Act. Except as otherwise provided by Section 10.02, the Fiduciaries shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by them to be genuine and to have been signed or presented by the proper party or parties. Whenever any Fiduciary 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 such Fiduciary may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Fiduciaries 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 their 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 Bondholders 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 Holders 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 and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each 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 bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders 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 or by such Bondholders 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.

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 Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders 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 Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy

of such notice shall also be mailed to each 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 Bondholders. 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 Bondholder 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 or Paying Agent 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.

Section 8.12. Paying Agent and Depository Bank. The Registrar shall also serve as the Paying Agent and Depository Bank. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent and Depository Bank. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor

Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all 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 Gross Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

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, as such term is limited by the provisions in Section 1.01 hereof or the following:

1. Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities.

2. Resolution Funding Corp. (REFCORP) securities. 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.

3. Pre-refunded municipal bonds rated "Aaa" by Moody's or "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.

4. 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

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. This Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the 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 Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. 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 Holder 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 Bondholders 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 Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders 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 Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgements 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 Bondholder 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 Bondholder, 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 Holder of any Bond shall bind all future Holders 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 Bondholder, 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 Holders 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 Holder, 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. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

City of Clarksburg
c/o Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26101
Attention: City Manager

REGISTRAR AND PAYING AGENT

Charleston National Bank
Capitol & Virginia Streets
Charleston, West Virginia 25324
Attention: Trust Department

DEPOSITORY BANK (Construction Fund)

Community Bank & Trust, N.A.
Box 432, 103 Adams Street
Fairmont, West Virginia 26554
Attention: Trust Officer

DEPOSITORY BANK (All Other Funds and Accounts)

The Empire National Bank of Clarksburg
Empire Building
Clarksburg, West Virginia 26301
Attention: Trust Department

ORIGINAL PURCHASERS

Ferris, Baker Watts, Incorporated
100 Light Street, Eighth Floor
Baltimore, Maryland 21202
Attention: Public Finance Department

and

Crews & Associates, Inc.
2000 Union National Plaza
124 West Capitol Avenue
Little Rock, Arkansas 72201
Attention: Public Finance Department

BOND INSURER

Asset Guaranty Reinsurance Company
335 Madison Avenue
New York, New York 10017-4605
Attention: General Counsel

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer 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, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. 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 Holders of the Bonds and

the Original Purchaser, 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 Holders of the Bonds and the Original Purchaser.

Section 10.10. 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 10.11. 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 10.12. 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.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in the Clarksburg Exponent-Telegram , a newspaper published and having a general circulation in the City of Clarksburg, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 17th day of December, 1992, at 7:30 p.m., in the meeting room of the Council in the City Hall of the City of Clarksburg and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	November 19, 1992
Second Reading:	December 3, 1992
Effective following Public Hearing held on:	December 17, 1992

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

City Attorney

APPROVED:

President, Clarksburg Water Board

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of the CITY OF CLARKSBURG at a regular meeting of the City Council held at 7:30 p.m., on December 17, 1992, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in the City of Clarksburg, the first publication having been not less than 10 days prior to such public hearing.

Dated this 30th day of December, 1992.

[SEAL]

Patricia L. D'Anselmi
City Clerk

EXHIBIT A - BOND FORM

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF CLARKSBURG, WEST VIRGINIA
WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BOND,
SERIES 1992

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF CLARKSBURG, a municipal corporation organized and existing under the laws of the State of West Virginia (the "City"), 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 City 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, 1993 (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 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 _____, _____, 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 City maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 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 principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1992" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 1992, the proceeds of which are to be used, together with other funds of the City (i) to refund in full the City of Clarksburg Waterworks Improvement and Refunding Revenue Bonds, Series 1985, of the Issuer outstanding in the aggregate principal amount of $_____ and Waterworks Revenue Bonds, Series 1986, of the Issuer outstanding in the aggregate principal amount of $725,000 (collectively, the "Prior Bonds"), which Prior Bonds were issued to finance and refinance the cost of construction of certain additions, betterments and improvements to the waterworks system of the Issuer; (ii) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements (the "Project") for the existing waterworks system of the City (the "System"); (iii) to fund a reserve account for the Series 1992 Bonds; and (iv) to pay certain costs of issuance of the Series 1992 Bonds and related costs. 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 8, Article 19 and Chapter 13, Article 2E of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and an ordinance duly enacted by the City

Council of the Issuer on _____, 1992, and supplemented by a supplemental resolution adopted by said Council on _____, 1992 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said 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 in the City of Clarksburg, West Virginia.

[The Bonds are 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 [Name of Bond Insurer].

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 or in part at any time 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:

Redemption Period	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to mandatory redemption prior to maturity 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

* Final Maturity

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 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 the Gross Revenues (as defined in the Ordinance) to be derived from the operation of the System, all moneys in the Sinking Fund established under the Ordinance, and the unexpended proceeds of the Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and moneys to such payment. Said Gross 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 an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Gross Revenues, the moneys in the Sinking Fund and said unexpended Bond proceeds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to produce revenues net of such operating expenses equal to at least 120% of the maximum annual amount required to pay the interest and principal as the same become due and accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered and to make any required payments into the Reserve Account. Such required payments on behalf of the principal of and interest on the Bonds shall constitute a first charge upon all the revenues of the System. 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 Prior 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 said Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, 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 said 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 revenues of the System has been pledged to and will be set aside into said special fund by said 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 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, as defined on the reverse hereof, 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 CLARKSBURG has caused this Bond to be signed by its Mayor and City Manager, 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

(Manual or Facsimile Signature)
City Manager

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 Steptoe & Johnson, 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

STATEMENT OF INSURANCE

[Language to be Provided by Bond Insurer]

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.

12/29/92
CWJ.A6
15551/92002

$25,500,405
CITY OF CLARKSBURG (WEST VIRGINIA)

Waterworks Improvement and
Refunding Revenue Bonds, Series 1992

SUPPLEMENTAL RESOLUTION PROVIDING AS TO AMOUNT, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER TERMS OF THE WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992, OF THE CITY; AUTHORIZING AND APPROVING A BOND PURCHASE CONTRACT, A REGISTRAR AND PAYING AGENT'S AGREEMENT, AN ESCROW AGREEMENT; AN OFFICIAL STATEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY INSURING THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, ESCROW TRUSTEE AND DEPOSITORY BANKS; PROVIDING FOR THE DEFEASANCE AND OPTIONAL REDEMPTION OF THE CITY'S WATERWORKS TENDER OPTION REFUNDING REVENUE BONDS, 1985 SERIES A AND WATERWORKS CROSSOVER REFUNDING BONDS, SERIES 1986; APPROVING A LOAN AGREEMENT WITH CLARKSBURG WATER BOARD; AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, the City of Clarksburg (the "Issuer"), in the County of Harrison, State of West Virginia, is a municipal corporation of said State, the governing body of which is its Council;

WHEREAS, this Council duly enacted on December 17, 1992, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE WATERWORKS SYSTEM OF THE CITY OF CLARKSBURG, THE REFUNDING OF THE CITY'S OUTSTANDING WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1985 AND WATERWORKS REVENUE BONDS, SERIES 1986; THE ISSUANCE OF WATERWORKS IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1992 OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $26,000,000, THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH ADDITIONS, BETTERMENTS AND IMPROVEMENTS AND SUCH

REFUNDING, TO FUND A RESERVE ACCOUNT FOR SUCH BONDS AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

providing for the issuance of its Waterworks Improvement and Refunding Revenue Bonds, Series 1992 (the "Series 1992 Bonds"), in an aggregate principal amount not to exceed $26,000,000 for the purposes of refunding the Issuer's outstanding Waterworks Improvement and Refunding Revenue Bonds, Series 1985 and Waterworks Revenue Bonds, Series 1986 (collectively, the "Prior Bonds") in order to achieve interest cost savings, and to finance the acquisition and construction of certain additions, betterments and improvements (the "Project") for the Issuer's waterworks system (the "System"), all in accordance with Chapter 8, Article 19 (the "Bond Act") and Chapter 13, Article 2E (the "Refunding Act") of the Code of West Virginia, 1931, as amended;

WHEREAS, the Ordinance provided that the exact principal amount of the Series 1992 Bonds to be sold and the maturities, interest rates, redemption provisions and the price of the Bonds should be established, that a Paying Agent, Escrow Trustee, Registrar and Depository Bank or Banks be designated, that an Escrow Agreement and Registrar and Paying Agent's Agreement be approved and that other documents, instruments and matters pertaining to the Series 1992 Bonds and any municipal bond insurance policy not set forth in the Ordinance be provided for by resolution of Council supplemental to the Ordinance, upon receipt of a Bond Purchase Contract acceptable to Council;

WHEREAS, the Series 1992 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 dated the date of adoption hereof (the "Purchase Contract");

WHEREAS, Council has been presented with a resolution of the Clarksburg Water Board (the "Board") approving and accepting the Purchase Contract and other documents, and requesting that the Issuer take all actions necessary to refund the Prior Bonds and provide funds for acquisition and construction of the Project through issuance of the Series 1992 Bonds and to defease certain crossover refunding bonds

heretofore issued by the Issuer, in accordance with the provisions of the Purchase Contract and other documents described herein;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Ordinance; and

WHEREAS, this Council deems it essential and desirable that this Supplemental Resolution be adopted and that the Purchase Contract, the Escrow Agreement, the Registrar and Paying Agent's Agreement and the Loan Agreement hereinafter provided for be entered into by the Issuer, that the Official Statement relating to the Series 1992 Bonds, hereinafter described, be approved, that the price of the Series 1992 Bonds, the maturity dates and amounts, the redemption provisions, the interest rates, the exact principal amounts, maturity amounts and other terms and provisions of the Series 1992 Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 1992 Bonds, the disposition of the Prior Bonds and the hereinafter described Crossover Refunding Bonds be herein provided for, all in accordance with said Ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CLARKSBURG HEREBY RESOLVES:

Section 1. Pursuant to the request of the Clarksburg Water Board, the Ordinance, the Bond Act and the Refunding Act, this Resolution is adopted and is supplemental to the Ordinance. There are hereby authorized and ordered to be issued the Series 1992 Bonds in the aggregate principal amount of $25,500,405. The Series 1992 Bonds designated as Current Interest Bonds shall be dated December 1, 1992, upon original issuance, and shall bear interest payable semiannually on March 1 and September 1 of each year, commencing March 1, 1993. The Series 1992 Bonds designated as Capital Appreciation Bonds shall be dated the date of delivery thereof, shall accrue interest from such date, to be compounded on March 1 and September 1 of each year, commencing March 1, 1993, and to be paid at maturity. The Series 1992 Bonds shall be sold at such yields and prices, shall have such principal amounts, if Current Interest Bonds, and such principal and maturity amounts, if Capital Appreciation Bonds, and shall mature on September 1 in years as follows:

CURRENT INTEREST BONDS

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price
1993	$ 445,000	3.25%	3.250%	100.000%
1994	605,000	4.00	4.000	100.000
1995	630,000	4.40	4.400	100.000
1996	660,000	4.70	4.700	100.000
1997	685,000	5.00	5.000	100.000
1998	725,000	5.10	5.150	99.749
1999	760,000	5.25	5.300	99.714
2000	800,000	5.40	5.500	99.372
2001	845,000	5.60	5.700	99.314
2002	890,000	5.80	5.900	99.261
2003	945,000	6.00	6.050	99.601
2004	1,000,000	6.10	6.150	99.577
2005	1,055,000	6.20	6.250	99.556
2007	2,320,000	6.25	6.350	99.043
2014	2,620,000	6.25	6.550	96.547
2019	8,125,000	6.25	6.600	95.624
2022	420,000	6.25	6.600	95.427

CAPITAL APPRECIATION BONDS

Maturity Date (September 1)	Principal Amount	Interest Rate	Maturity Amount	Yield	Price
2008	$452,196.20	6.70%	1,270,000	6.700%	100.000%
2009	419,950.90	6.75	1,270,000	6.750	100.000
2010	392,976.10	6.75	1,270,000	6.750	100.000
2011	364,426.50	6.80	1,270,000	6.800	100.000
2012	340,855.30	6.80	1,270,000	6.800	100.000

Section 2. The Series 1992 Bonds designated as Capital Appreciation Bonds shall not be subject to optional redemption. The Series 1992 Bonds designated as Current Interest Bonds maturing on or after September 1, 2003, shall be redeemable prior to their stated dates of maturity at the option of the Issuer on or after September 1, 2002, in whole or in part at any time in inverse order of maturity and by lot within a maturity, at the respective redemption prices (expressed as percentages of the principal amounts to be redeemed) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed	Redemption Price
September 1, 2002 through August 31, 2003	102%
September 1, 2003 through August 31, 2004	101
September 1, 2004 and thereafter	100

The Series 1992 Term Bonds maturing September 1, 2007, 2014, 2019 and 2022 (all of which are designated as Current Interest Bonds) shall be subject to mandatory sinking fund redemption prior to maturity, by lot, on September 1 of the years and in accordance with the following mandatory redemption schedule, at a redemption price equal to the principal amount thereof, plus interest accrued to the date fixed for redemption, without premium:

Term Bonds Maturing September 1, 2007

Year (September 1)	Principal Amount
2006	$1,125,000
2007	1,195,000*

Term Bonds Maturing September 1, 2014

Year (September 1)	Principal Amount
2013	$1,270,000
2014	1,350,000*

Term Bonds Maturing September 1, 2019

Year (September 1)	Principal Amount
2015	$1,430,000
2016	1,525,000
2017	1,620,000
2018	1,720,000
2019	1,830,000*

Term Bonds Maturing September 1, 2022

Year (September 1)	Principal Amount
2020	$130,000
2021	140,000
2022	150,000*

* Scheduled Maturity

If a Series 1992 Bond is called for redemption in part, the Series 1992 Bond shall be renumbered and exchanged for a Series 1992 Bond of the amount then outstanding, without charge to the Bondholder.

All other provisions relating to the Series 1992 Bonds shall be as provided in the Ordinance, and the Series 1992 Bonds shall be in substantially the form provided in the Ordinance.

Section 3. The Purchase Contract between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the City Manager on this day of the Purchase Contract on behalf of the Issuer with such changes, insertions and omissions as may be approved by the City Manager are hereby authorized, approved and directed. Execution of the Purchase Contract by the City Manager shall be conclusive evidence of any approval required by this Section. The price of the Series 1992 Bonds, pursuant to the Purchase Contract, shall be $25,003,147.09 (98.05% of par value), less original issue discount of $521,534.70, plus interest accrued from the date of the Series 1992 Bonds to the date of delivery of the Series 1992 Bonds, expected to be on or about December 30, 1992.

Section 4. The Escrow Agreement by and among the Issuer, the Board, the West Virginia Municipal Bond Commission and the Escrow Trustee designated herein, to be dated as of the date of delivery of the Series 1992 Bonds, substantially in the form submitted to this meeting shall be and the same is hereby approved. The City Manager shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the City Manager. Execution of the Escrow Agreement by the City Manager shall be conclusive evidence of any approval required by this Section.

Section 5. The Official Statement dated December 17, 1992, 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 or the City Manager) and the distribution of counterparts or copies thereof

by the Original Purchaser are hereby approved. The Mayor and City Manager shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor and City Manager. The execution of the Official Statement by the Mayor and City Manager shall be conclusive evidence of any approval required by this Section. The distribution by the Original Purchaser of the Preliminary Official Statement dated November 25, 1992 (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting is hereby ratified and approved.

Section 6. The Registrar and Paying Agent's Agreement to be dated as of the date of delivery of the Series 1992 Bonds, by and between the Issuer and the Registrar/Paying Agent designated herein, substantially in the form submitted to this meeting shall be and the same is hereby approved. The City Manager shall execute and deliver the Registrar and Paying Agent's Agreement with such changes, insertions and omissions as may be approved by the City Manager. The execution of the Registrar and Paying Agent's Agreement by the City Manager shall be conclusive evidence of any approval required by this Section.

Section 7. The Loan Agreement to be dated as of the date of delivery of the Series 1992 Bonds, by and between the Issuer and the Board, substantially in the form submitted to this meeting shall be and the same is hereby approved. The City Manager shall execute and deliver the Loan Agreement with such changes, insertions and omissions as may be approved by the City Manager. The execution of the Loan Agreement by the City Manager shall be conclusive evidence of any approval required by this Section.

Section 8. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by Asset Guaranty Reinsurance Company (the "Bond Insurer") will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Insurance Policy, and accordingly accepts the Commitment for Municipal Bond Insurance (the "Commitment"), dated December 16, 1992. The Mayor and/or the City Manager are hereby authorized and directed to execute the approval of the Commitment and deliver the same to the Bond Insurer. Execution of the Commitment shall be conclusive evidence of any approval required by this Section.

Section 9. Pursuant to the Commitment, and, as contemplated by the Ordinance, the following covenants and provisions which are required by the Bond Insurer, Asset Guaranty Reinsurance Company ("AGR"), 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 1992 Bonds:

A. Neither the Issuer, the Board, the Registrar, nor the Paying Agent shall make any claim for payment on the Municipal Bond Insurance Policy until any and all moneys held in any fund or account under the Ordinance have been fully drawn for payment of principal of and interest on the Series 1992 Bonds.

B. All investments of money held in any of the funds and accounts held pursuant to the Ordinance shall be made only in Qualified Investments. The Reserve Account shall be invested solely in Government Obligations and shall be "marked-to-market" monthly. Deficiencies in the Reserve Account attributable to a decline in the market value of the securities deposited therein shall be replenished within five days of the determination thereof.

C. The Issuer, the Board and the Registrar hereby covenant and agree that any amendment of the Ordinance materially adverse, in the judgment of AGR, to AGR, shall be subject to the prior written approval of AGR.

D. Upon the occurrence of an Event of Default, there shall be no acceleration of the Series 1992 Bonds without AGR's prior written consent. Redemption of the Series 1992 Bonds shall be permitted at any time without AGR's prior written consent so long as funds for such redemption are irrevocably deposited in the Sinking Fund prior to rendering notice of redemption to the Bondholders.

E. If AGR is required to pay principal and/or interest due on the Series 1992 Bonds pursuant to the Municipal Bond Insurance Policy, AGR shall be deemed to have acquired and become the holder of the Series 1992 Bonds or portions thereof and shall be fully subrogated to all rights to payment thereof.

F. The rights and obligations of the parties under the Municipal Bond Insurance Policy shall be construed, enforced, and interpreted according to the laws of the State of New York. Unless the context otherwise requires, all terms used in the Municipal Bond Insurance Policy shall have the meanings, specified in the Uniform Commercial Code as in effect in the State of New York from time to time.

G. The Series 1992 Bonds may be defeased only with non-callable direct obligations of the United States of America.

H. All notices, reports, certificates or evidences of insurance to be delivered by or to the Registrar or the Bondholders shall also be delivered to AGR.

I. For so long as the Series 1992 Bonds are outstanding, all action under the Ordinance which requires or permits the consent, notice, direction or request of Bondholders shall also require or permit the consent, notice, direction or request of AGR.

J. In any instance in which the Registrar or the Issuer is permitted to take any action with respect to the security for the Series 1992 Bonds, in determining whether to take such action, the Registrar or the Issuer shall act without regard to the presence of the Municipal Bond Insurance Policy.

K. No waivers materially adverse, in the judgment of AGR, to AGR, shall be granted by the Issuer, the Board, the Registrar, the Paying Agent or the Depository Bank without the prior written consent of AGR.

L. Any legal opinions rendered to the Issuer, the Board, the Registrar, the Paying Agent or the Depository Bank as to compliance with or interpretation of the Ordinance or the provisions thereof, shall also be provided to AGR.

M. No acceleration of subordinate debt issued pursuant to Section 6.07 hereof or otherwise, may occur without the consent of AGR, and all subordinate debt shall be payable only from Surplus Revenues. An event of default with respect to subordinated debt shall constitute an Event of Default with respect to the Series 1992 Bonds.

N. So long as the Municipal Bond Insurance Policy shall be in full force and effect, the Issuer, the Registrar and the Paying Agent agree to comply with the following provisions:

(a) At least three (3) days prior to all interest payment dates, the Paying Agent will determine whether there will be sufficient funds to pay the principal of and interest on the Series 1992 Bonds on such interest payment date. If the Paying Agent determines that there will be insufficient funds, the Paying Agent shall so notify United States Trust Company of New York, New York, New York, as Insurance Trustee (the

"Insurance Trustee"). Such notice shall specify the amount of the anticipated deficiency, the Series 1992 Bonds to which such deficiency is applicable and whether such Series 1992 Bonds will be deficient as to principal or interest, or both. The Bond Insurer will make payments of principal or interest due on the Bonds on or before the third (3rd) day next following the date on which the Insurance Trustee shall have received notice of nonpayment from the Paying Agent.

(b) The Registrar shall, after giving notice to the Insurance Trustee as provided in (a) above, make available to the Bond Insurer and the Insurance Trustee, the registration books of the Issuer maintained by the Registrar and all records relating to the funds maintained under the Registrar and Paying Agent's Agreement.

(c) The Registrar or the Paying Agent, if any, shall provide the Bond Insurer and the Insurance Trustee with a list of registered owners of Series 1992 Bonds entitled to receive principal or interest payments from the Bond Insurer under the terms of the Municipal Bond Insurance Policy, and shall make arrangements with the Insurance Trustee (i) to mail checks or drafts to the registered owners of Series 1992 Bonds entitled to receive full or partial interest payments from the Bond Insurer and (ii) to pay principal upon Series 1992 Bonds surrendered to the Insurance Trustee by the registered owners of Series 1992 Bonds entitled to receive full or partial principal payments from the Bond Insurer.

(d) The Registrar or the Paying Agent, if any, shall at the time it provides notice to the Insurance Trustee pursuant to (a) above, notify registered Bondholders of Series 1992 Bonds entitled to receive the payment of principal or interest thereon from the Insurance Trustee (i) as to the fact of such entitlement, (ii) that the Bond Insurer will remit to them all or part of the interest payments next coming due upon proof of such Bondholder's entitlement to interest payments and delivery to the Insurance Trustee, in form satisfactory to the Insurance

Trustee as determined by the Bond Insurer, of an appropriate assignment of the Bondholder's right to payment, (iii) that should they be entitled to receive full payment of principal from the Bond Insurer, they must surrender their Series 1992 Bonds (along with an appropriate instrument of assignment in form satisfactory to the Bond Insurer to permit ownership of such Series 1992 Bonds to be registered in the name of the Bond Insurer) for payment to the Insurance Trustee, and not the Paying Agent and (iv) that should they be entitled to receive partial payment of principal from the Bond Insurer, they must surrender their Series 1992 Bonds for payment thereon first to the Paying Agent who shall note on such Series 1992 Bonds the portion of the principal paid by the Paying Agent, and then, along with an appropriate instrument of assignment in form satisfactory to the Bond Insurer, to the Insurance Trustee, which will then pay the unpaid portion of principal.

(e) In the event that the Paying Agent has notice that any payment of principal of or interest on a Series 1992 Bond which has become due for payment and which is made to a registered Bondholder by or on behalf of the Issuer has been deemed a preferential transfer and theretofore recovered from its Bondholder pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, nonappealable order of a court having competent jurisdiction, the Paying Agent shall, at the time the Insurance Trustee is notified pursuant to (a) above, notify all Bondholders that in the event that any Bondholder's payment is so recovered, such Bondholder will be entitled to payment from the Bond Insurer to the extent of such recovery if sufficient funds are not otherwise available, and the Paying Agent shall furnish to the Bond Insurer and the Insurance Trustee its records evidencing the payments of principal of and interest on the Series 1992 Bonds which have been made by the Paying Agent and subsequently recovered from Bondholders and the dates on which such payments are made.

(f) In addition to those rights granted the Bond Insurer under the Ordinance, the Bond

Insurer shall, to the extent it makes payment of principal of or interest on Series 1992 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Municipal Bond Insurance Policy, and to evidence such subrogation (i) in the case of subrogation as to claims for past due interest, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar upon receipt from the Bond Insurer of proof of the payment of interest thereon to the Bondholders of the Series 1992 Bonds and (ii) in the case of subrogation as to claims for past due principal, the Registrar shall note the Bond Insurer's rights as subrogee on the registration books of the Issuer maintained by the Registrar upon surrender of the Series 1992 Bonds by the Bondholders thereof together with proof of the payment of principal thereof.

O. Control and Consent Requirements:

(a) Any provision of the Ordinance or the Escrow Agreement expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner without the prior written consent of the Bond Insurer.

(b) Unless otherwise provided herein, the Bond Insurer's consent shall be required in addition to Bondholder consent, when required, for the following purposes: (i) execution and delivery of any supplement to the Ordinance, the Escrow Agreement or any other document executed in connection with the issuance of the Series 1992 Bonds; and (ii) initiation or approval of any action not described in (i) above which requires Bondholder consent.

(c) From and after the Closing, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or any trustee or receiver appointed for the benefit of the Bondholders under the Ordinance.

(d) Notwithstanding any provision of the Ordinance to the contrary, so long as the Bond

Insurer is not in default of any of its obligations under the Municipal Bond Insurance Policy, the Bond Insurer (i) shall be deemed to be the Bondholder of all Bonds of any series of Bonds that receives the benefit of the Municipal Bond Insurance Policy at all times for the purpose of any amendment, change or modification of the Ordinance (provided, however, that no such amendment, change or modification shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereof without the consent of the actual Bondholder of such Bond, or shall reduce the percentages of Bonds, the consent of the Bondholders of which is required to effect such modification or amendment, without the consent of the actual Bondholders of such Bonds), (ii) may initiate, approve or consent to any action , or waive any provision, that may or shall be initiated, approved, consented to or waived by Bondholders under the Ordinance (provided, however, that no such action shall be initiated, approved or consented to, or provision waived, that would permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereof without the consent of the actual Bondholder of such Bond, or shall reduce the percentages of Bonds, the consent of the Bondholders of which is required to effect the initiation of such action, such approval or consent, such waiver, or any modification or amendment of the Ordinance, without the consent of the actual Bondholders of such Bonds), and (iii) must consent to the initiation of any action that may be initiated by, the approval of or consent to any action that must be approved or consented to by, or the waiver of any provision that may be waived by, Bondholders under the Ordinance prior to the effectiveness of such initiation, approval, consent or waiver by Bondholders.

P. Reporting Requirements:

While the Municipal Bond Insurance Policy is in effect, the Issuer or the Board shall furnish to the Bond Insurer:

(i) annual audited financial statements and quarterly reports to the Board within thirty (30) days of such statements being made available to the Board;

(ii) a copy of any notice or report required to be given to the Registrar, Paying Agent, Bondholders or any other party to the Ordinance, the Escrow Agreement or any other document executed in connection with the issuance of the Series 1992 Bonds, including, without limitation, notice of any redemption of or defeasance of Series 1992 Bonds, and any certificate rendered pursuant to the Ordinance relating to the security for the Series 1992 Bonds;

(iii) such additional information as the Bond Insurer may reasonably request.

The Issuer and the Board will permit the Bond Insurer to discuss the affairs, finances and accounts of the System or any information the Bond Insurer may reasonably request regarding the security for the Series 1992 Bonds with appropriate officers of the Board. The Board will permit the Bond Insurer to have access to its facilities and have access to and make copies of all books and records relating to the Series 1992 Bonds and the System at any reasonable time. The Board will send to the Bond Insurer a copy of the annual report of the Consulting Engineer each year within 30 days of receipt thereof by the Board.

Q. Subrogation:

Notwithstanding anything in the Ordinance to the contrary, in the event that the principal and/or interest due on the Series 1992 Bonds shall be paid by the Bond Insurer pursuant to the Municipal Bond Insurance Policy, the Series 1992 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Issuer or the Board, and all covenants, agreements and other obligations of the Issuer or the Board to the Registered Owners shall continue to exist and shall run to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such Registered Owners.

R. Interested Parties:

Nothing in the Ordinance, the Escrow Agreement, or any other document in connection with the issuance of the Series 1992 Bonds expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the Issuer, the Board, the Bond Insurer, the Registrar, the Paying Agent and the Bondholders, any right, remedy or claim under or by reason thereof, and all covenants, stipulations, promises and agreements contained in such documents by or on behalf of the Issuer, the Board, the Registrar and the Paying Agent shall be for the benefit of the Bond Insurer.

Section 10. The Issuer does hereby appoint and designate Charleston National Bank, Charleston, West Virginia, for the purpose of serving in the capacities of Registrar, Paying Agent and Escrow Trustee.

Section 11. The Issuer does hereby appoint and designate Community Bank & Trust, N.A., Fairmont, West Virginia, for the purpose of serving as Depository Bank in connection with the deposit to and disbursement of the Construction Fund. The Issuer does hereby appoint The Empire National Bank of Clarksburg, Clarksburg, West Virginia, for the purpose of serving as Depository Bank in connection with all other funds and accounts to be deposited with the Depository Bank as provided in the Ordinance.

Section 12. The firm of Steptoe & Johnson, Clarksburg, West Virginia, is hereby appointed bond counsel to the City in connection with the issuance of the Series 1992 Bonds, and the firm of Ritter & Eichner, Washington, D. C., is hereby appointed special tax counsel.

Section 13. The firm of Smith, Cochran & Hicks, Charleston, West Virginia, is hereby engaged for the purpose of verifying the savings achieved as a result of the refunding of the Prior Bonds, the yield on the Bonds and the Escrow Fund and sufficiency of the Escrow Fund.

Section 14. The Issuer's Waterworks Tender Option Refunding Revenue Bonds, 1985 Series A, dated December 1, 1985 (the "Series 1985 A Crossover Bonds") and Waterworks Crossover Refunding Bonds, Series 1986, dated September 1, 1986 (the "Series 1986 Crossover Bonds") are hereby authorized to be defeased. The City hereby retains the right to redeem the Series 1985 A Crossover Bonds and the Series 1986 Crossover Bonds, at its option, in accordance with the redemption provisions thereof, and to amend the escrow agreements

applicable to such bonds and execute and deliver such other documents as necessary to effect such defeasance.

Section 15. The Mayor, City Manager and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 1992 Bond issue, hereby and by the Ordinance approved and provided for, including, if needed, subscription forms for the purchase of United States Government Securities to the end that the Series 1992 Bonds may be delivered at the earliest practical date to the Original Purchaser, pursuant to the Purchase Contract.

Section 16. Under the provisions of the Bond Act, and as provided in the Ordinance and the Series 1992 Bonds, the Series 1992 Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, but shall be payable solely from the revenues derived from the operation of the waterworks system of the Issuer, the Reserve Account and the Depreciation Fund established by the Ordinance, and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 1992 Bonds and the interest thereon.

Section 17. Based upon the actual principal amount, maturity schedule and interest rates for the Series 1992 Bonds, as set forth in Paragraph (1) hereof, it is hereby determined that the Series 1992 Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 1992 Bonds, the Issuer shall have obtained from Smith, Cochran & Hicks or such another independent certified public accountant acceptable to the Mayor and City Manager a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 1992 Bonds and the net interest cost in dollars of the Prior Bonds. The Issuer is hereby authorized and directed to employ Smith, Cochran & Hicks or such other independent certified public accountant satisfactory to Bond Counsel to supply the certification required herein and to take other actions required in connection with the refunding.

Section 18. The notice addresses for the Registrar, Paying Agent, Depository Bank, Original Purchaser and Bond Insurer shall be as follows:

REGISTRAR AND PAYING AGENT

Charleston National Bank
Capitol & Virginia Streets
Charleston, West Virginia 25324
Attention: Trust Department

DEPOSITORY BANK (Construction Fund)

Community Bank & Trust, N.A.
103 Adams Street
Fairmont, West Virginia 26554
Attention: Trust Officer

DEPOSITORY BANK (All Other Funds and Accounts)

The Empire National Bank of Clarksburg
Empire Building
Clarksburg, West Virginia 26301
Attention: Trust Department

ORIGINAL PURCHASERS

Ferris, Baker Watts, Incorporated
100 Light Street, Eighth Floor
Baltimore, Maryland 21202
Attention: Public Finance Department

and

Crews & Associates, Inc.
2000 Union National Plaza
124 West Capitol Avenue
Little Rock, Arkansas 72201
Attention: Public Finance Department

BOND INSURER

Asset Guaranty Reinsurance Company
335 Madison Avenue
New York, New York 10017-4605
Attention: General Counsel

Section 19. The Mayor and City Manager and other appropriate officers and employees of the Issuer are hereby authorized and directed to take all actions necessary to cause the Series 1992 Bonds to be insured by Asset Guaranty Reinsurance Company or such other municipal bond insurance company as is acceptable to the Original Purchaser. Any rebate received by the Issuer in connection with municipal bond insurance on the Prior Bonds shall be deposited by the Issuer in accordance with the Escrow Agreement.

Section 20. This Resolution shall be effective immediately.

Adopted this 17th day December, 1992.

[SEAL]

Mayor

City Manager

ATTEST:

City Clerk

APPROVED AND CORRECT AS TO FORM:

City Attorney

APPROVED:

President, Clarksburg Water Board

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of the CITY OF CLARKSBURG at a regular meeting of the City Council held at 7:30 p.m., on December 17, 1992, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 30th day of December, 1992.

[SEAL]

Patricia L. D'Anselmi
City Clerk

12/28/92
CWJ.I9
15551/92002

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

815 QUARRIER STREET, SUITE 418 CHARLESTON, WEST VIRGINIA 25301-2616
TELEPHONE 304-558-2981

PERMIT

(Water)
PROJECT: Second Street 2.0 M.G. Water Storage Tank PERMIT NO.: 14,409

LOCATION: Clarksburg COUNTY: Harrison DATE: 3-16-2000

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Clarksburg Water Board
1001 South Chestnut Street
Clarksburg, West Virginia 26301-4254

is hereby granted approval to: replace the existing 1.0 million gallon Chestnut Street water storage tank with a new 2.0 million gallon Second Street water storage tank and all necessary piping, valves, controls and appurtenances. Also, to replace the altitude valves at the Adamston and Broad Oaks water storage tanks.

Facilities are being installed to improve service to existing customers and enhance the ability of Clarksburg Water Board to serve outlying areas.

NOTE: **This permit is contingent upon: 1) All new water mains and the new water storage tank being disinfected, flushed and bacteriologically tested, prior to use; and 2) Maintaining a minimum ten (10) feet horizontal separation between sewer and water lines and a minimum eighteen (18) inches vertical separation between crossing sewer and water lines, with the water line above the sewer line.**

The Environmental Engineering Division of the Philippi District Office (telephone 304-457-2296) is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

MAR 29 2000

William S. Herold, Jr., P.E.
Assistant Director
Environmental Engineering Division

WSH:cmh
pc: Gannett Fleming, Inc.
Amy Swann, Public Service Commission
Harrison-Clarksburg Health Department
OEHS-EED Philippi District Office

MEMORANDUM

To: **Financing Team**

From: **Vincent A. Collins, Esquire**

Date: **April 11, 2001**

Re: **Closing Memo - City of Clarksburg Water Revenue Bonds, Series 2001 A (West Virginia DWTRF Program)**

---

1. DISBURSEMENTS TO CITY OF CLARKSBURG:

Payor:	West Virginia Bureau for Public Health (West Virginia DWTRF Program)
Amount:	$186,015
Form:	Wire Transfer
Payee:	City of Clarksburg
Bank:	WesBanco Bank
Routing #:	051500562
Account #:	2763358884
Contact:	Mrs. Mary Margaret Spadafore (304) 623-1400
Account:	Clarksburg Water Board 2001 Construction Fund