CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

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CITY OF FOLLANSBEE

SEWER REVENUE BONDS, SERIES 1998 A

(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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CITY OF FOLLANSBEE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $8,616,372 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF 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 COUNCIL OF THE CITY OF FOLLANSBEE:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants

of the Issuer that there be constructed certain additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of a new 1.6 MGD dual oxidation ditch wastewater treatment plant, converting an existing 500,000 gallon/day wastewater treatment plant into a facility for sludge treatment, renovating the North and South pump stations, replacing 3,400 linear feet of 10-inch force main, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection and transportation of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions thereto or extensions thereof are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), in the total aggregate principal amount of not more than $8,616,372 (the "Series 1998 A Bonds"), initially to be represented by a single bond, to permanently finance costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. 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 1998 A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 1998 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 SRF 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 1998 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 1998 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 1998 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are no outstanding obligations of the Issuer which will rank prior to or on parity with the Series 1998 A Bonds as to liens, pledge, source of and security for payment.

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 and the principal of and interest on the Series 1998 A Bonds and all payments into all funds and accounts and other payments provided for herein, all as such terms are 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 1998 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a certificate of public convenience and necessity 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 1998 A Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1998 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1998 A Bonds are to be issued.

K. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Council to issue the Series 1998 A Bonds for the purposes set forth herein.

L. The Project has been approved by the West Virginia Infrastructure and Jobs Development Council pursuant to 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 1998 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 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 Bondholders of any and all of such Series 1998 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds and 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 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 1998 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"Board" means the Sanitary Board of the Issuer.

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 hereof.

"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.

"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 the Series 1998 A Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"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 1998 A Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1998 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.

"Completion Date" means the completion date of the Project, as defined in the SRF Regulations.

"Consulting Engineers" means Ghosh Engineers, Inc., Charleston, 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.

"Council" 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.

"DEP" means the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

"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, as it may now or hereafter be constituted.

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

"Grant" means all moneys received by the Issuer on account of any Grant.

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

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

"Independent Certified Public Accountant" 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 any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or 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, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

"Issuer" means the City of Follansbee, a municipal corporation and political subdivision of the State of West Virginia, in Brooke 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 among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1998 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 1998 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1998 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 1998 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1998 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1998 A Bonds.

"Operating Expenses" shall mean the reasonable, proper and necessary costs of repair, maintenance and operation of the System and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, 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.

"Outstanding" when used with reference to Bonds and as of any particular date, describes all Bonds being authenticated and delivered except (i) any Bond cancelled by the Bond Registrar at or prior to said date; (ii) any Bond for the payment of which moneys, equal

to its principal amount and redemption premium, if applicable, with interest to the date of maturity or redemption shall be in trust hereunder, and set aside for such payment (whether upon or prior to maturity); (iii) any Bond deemed to have been paid as provided in Article X hereof; (iv) for purposes of consents or other action by a specified percentage of Bondholders, any Bonds registered to the Issuer.

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent by the Issuer in the Supplemental Resolution with the written consent of the Authority and the DEP.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the Project as described in Section 1.02B hereof.

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 hereof.

"Revenue Fund" means the Revenue Fund established by Section 5.01 hereof.

"Series 1998 A Bonds" means the not more than $8,616,372 in aggregate principal amount of Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 1998 A Bonds Reserve Account" means the Series 1998 A Bonds Reserve Account established in the Series 1998 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1998 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 1998 A Bonds in the then current or any succeeding year.

"Series 1998 A Bonds Sinking Fund" means the Series 1998 A Bonds Sinking Fund established by Section 5.02 hereof.

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

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 1998 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1998 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 Series 1998 A Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund and the Series 1998 A Bonds Reserve Account.

"System" means the complete municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the 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.

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

ARTICLE II

AUTHORIZATION OF 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 $9,566,384, 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 1998 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of the Project is estimated not to exceed $9,566,384, of which approximately $8,616,372 will be obtained from proceeds of the Series 1998 A Bonds, approximately $447,400 from funds of the Issuer and approximately $502,612 from revenues to be collected during construction of the Project.

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 1998 A Bonds, funding a reserve account for the Series 1998 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1998 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued the negotiable Series 1998 A Bonds of the Issuer, in an aggregate principal amount of not more than $8,616,372. The Series 1998 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1998 A" (West Virginia SRF Program), and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1998 A Bonds remaining after funding of the Series 1998 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1998 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, 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 1998 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1998 A Bonds, if any, shall be paid by check or draft of the Paying Agent or its 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 1998 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 1998 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1998 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. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1998 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 1998 A Bonds shall cease to be such officer of the Issuer before the Series 1998 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 1998 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 1998 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof 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 1998 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 1998 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 1998 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 said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 1998 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 1998 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 1998 A Bonds or transferring the registered Series 1998 A Bonds are exercised, all Series 1998 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1998 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1998 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 1998 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1998 A Bonds or, in the case of any proposed redemption of Series 1998 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 1998 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 cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1998 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 1998 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1998 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues. The payment of debt service of the Series 1998 A Bonds shall be secured by a first lien on the Net Revenues derived from the operation of the System. Such Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the Series 1998 A Bonds and to make 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 1998 A Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 1998 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 1998 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 1998 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 1998 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 1998 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 FOLLANSBEE
SEWER REVENUE BOND,
SERIES 1998 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia in Brooke County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the West Virginia Water Development Authority (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached 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, 199___, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 199____, 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").

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 Division of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated _____, 199____.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public

sewerage system for the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (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 payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1998 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1998 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 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; provided however, that so long as there exists in the Series 1998 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (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 Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF FOLLANSBEE 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 _____, 1998.

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 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: _____, 1998.

ONE VALLEY BANK, NATIONAL ASSOCIATION, 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

SCHEDULE OF ANNUAL DEBT SERVICE

(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 1998 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 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.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, 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 with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

(1) Series 1998 A Bonds Sinking Fund; and

(2) Within the Series 1998 A Bonds Sinking Fund, the Series 1998 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 by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation. All moneys in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1998 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1998 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1998 A Bonds on the next ensuing quarterly principal payment date;

provided that, in the event the period to elapse between the date of such initial deposit in the Series 1998 A Bonds 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, on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1998 A Bonds, if not fully funded upon issuance of the Series 1998 A Bonds, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1998 A Bonds Reserve Account, an amount equal to 1/120th of the Series 1998 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1998 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 1998 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, commencing with the first month in which principal shall be payable from the Revenue Fund, transfer from the Revenue Fund to the Renewal and Replacement Fund, a sum equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided that, any deficiencies in the Series 1998 A Bonds Reserve Account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1998 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1998 A Bonds as the same shall become due. Moneys in the Series 1998 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1998 A Bonds as the same shall come due, when other moneys in the Series 1998 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1998 A Bonds Sinking Fund and the Series 1998 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 Bond 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 1998 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1998 A Bonds Reserve Account which result in a reduction in the balance of the Series 1998 A Bonds Reserve Account to below the Series 1998 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

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

The Issuer shall not be required to make any further payments into the Series 1998 A Bonds Sinking Fund or into the Series 1998 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1998 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1998 A Bonds Sinking Fund and the Series 1998 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 the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 1998 A Bonds Sinking Fund and the Series 1998 A Bonds Reserve Account shall be automatically deducted from the Revenue Fund and transferred to the Commission on the dates required hereunder.

Moneys in the Series 1998 A Bonds Sinking Fund and the Series 1998 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1998 A Bonds Sinking Fund, including the Series 1998 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1998 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove 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 the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the required interest, principal and reserve payments with respect to the Series 1998 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. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day), deposit with the Commission the SRF Administrative Fee as set forth in Schedule Y attached to the Loan Agreement.

D. The Issuer shall complete the "Monthly Payment Form," a form of which is attached to the Loan Agreement as Exhibit F, 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.

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 deducted from the Revenue Fund and 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 any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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 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 1998 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1998 A Bonds, there shall first be deposited with the Commission in the Series 1998 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 1998 A Bonds, there shall be deposited with the Commission in the Series 1998 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 1998 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1998 A Bonds, such moneys shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of the costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 1998 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 1998 A Bonds shall be used to fund the Series 1998 A Bonds Reserve Account, if not funded upon issuance of the Series 1998 A Bonds, in an amount not to exceed the Series 1998 A Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1998 A Bonds be deposited in the Series 1998 A Bonds Reserve Account.

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 DEP a report listing the specific purposes for which the proceeds of the Series 1998 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 Bond Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement as Exhibit C, and

(2) a certificate, signed by an Authorized Officer and the Consulting Engineers, 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;

(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.

Pending such application, moneys in the Bond 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 1998 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 1998 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 1998 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1998 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 the Series 1998 A Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1998 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1998 A Bonds shall be secured by a first lien on the Net Revenues derived from the operation of the System. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Series 1998 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. Rates and Charges. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the sewer rate ordinances of the Issuer duly enacted on May 12, 1997, and March 9, 1998.

Section 7.05. Sale of the System. So long as the Series 1998 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation 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 1998 A Bonds, immediately be remitted to the Commission for deposit in the sinking fund, and, with the written permission of the Authority, or in the event the Authority is no longer a

Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Bonds. Any balance remaining after the payment of all the Bonds and interest, if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Issuer may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Issuer 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 Issuer may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such 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 if the proceeds to be derived therefrom 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, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the 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 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 1998 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP 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 1998 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, improvements or betterments to the System or refunding the Series 1998 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 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 expected to be received in each of the 3 succeeding years after the date of issuance of such Parity Bonds, if any, shall be not less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues expected 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, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, 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. All Bonds issued on a parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any Bond over any other Bond. 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 lien of the Series 1998 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 1998 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of 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 then be in full compliance with all the covenants, agreements and terms of this Bond Legislation.

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the 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 shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 1998 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1998 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 shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant in compliance with OMB Circular 128, or any successor thereof, and the Single Audit Act and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Holder or Holders of the Series 1998 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1998 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been 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 Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1998 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1998 A Bonds; provided that, in the event that an amount equal to the Series 1998 A Bonds Reserve Requirement is on deposit in the

Series 1998 A Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1998 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 1998 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 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 as Exhibit B, and forward a copy of such report to the Authority and the DEP 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 DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of acquisition and

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

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

The Issuer shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Issuer shall notify the DEP in writing of such receipt. The Issuer shall submit a "Performance Certificate," a form of which is attached to the Loan Agreement as Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 25% complete and shall retain such a certified operator to operate the System during the entire term of the Loan Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

Section 7.12. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.13. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due

and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law or, if the waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of either shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer, and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 1998 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and

restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Loan Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $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 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 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, Section 38-2-39.

(4) FIDELITY BONDS will be provided as to every officer and employee of the Board or the Issuer 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.

(5) 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.

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

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

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

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Division of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and every such owner, tenant or occupant shall, after a 30-day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the sewerage facilities portion of the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the Issuer and a public nuisance which shall be abated to the extent permitted by law and as promptly as possible by proceedings in a court of competent jurisdiction.

Section 7.17. Completion of Project; Permits and Orders. The Issuer will 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 will obtain all permits required by state and federal laws for the acquisition and construction of the Project and all orders and approvals from the West Virginia Public Service Commission necessary for the acquisition and construction of the Project and the operation of the System.

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

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

Section 7.19. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1998 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 1998 A Bonds during the term thereof is, under the terms of the Series 1998 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1998 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 1998 A Bonds during the term thereof is, under the terms of the Series 1998 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 1998 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 1998 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1998 A Bonds are used, directly or indirectly,

to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1998 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1998 A Bonds and the interest, if any, thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest, if any, on the Series 1998 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual 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).

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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 shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own 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 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage and Tax Exemption. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 1998 A Bonds which would cause the Series 1998 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 1998 A Bonds) so that the interest, if any, on the Series 1998 A 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 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1998 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1998 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1998 A Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect and applicable to the Series 1998 A Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1998 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1998 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay from any lawful sources available therefor, to the United States such amount, plus a penalty equal to 50% of the rebate amount not paid, plus interest on that amount unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be

requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1998 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

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 1998 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on any Series 1998 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 1998 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1998 A Bonds, and such default shall have continued for a period of 30 days after the Issuer or Issuer, as appropriate shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, 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 such Bonds, any

Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the 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 Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the 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 said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1998 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1998 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 1998 A Bonds from gross income for federal income tax purposes.

Series 1998 A 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 either at maturity or at the next redemption date, the principal installments of and interest on such Series 1998 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1998 A 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 Commission or its agent, 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 other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest, if any, due and to become due on said Series 1998 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission 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 installments of and interest on said Series 1998 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, 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 installments of and interest, if any, to become due on the Series 1998 A Bonds on and prior to the next redemption date or the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the Issuer as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the 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 respective rights of Registered Owners of the Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest, if any, out of the funds herein respectively pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 1998 A Bonds from gross income of the holders thereof.

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 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 1998 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. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the 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, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

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 Brooke County Review, a newspaper of general circulation in the City of Follansbee, no qualified newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of 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.

Passed on First Reading:	March 9, 1998
Passed on Second Reading:	March 16, 1998
Passed on Final Reading Following Public Hearing:	April 13, 1998

Rudy Cipriani
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF FOLLANSBEE on the 13th day of April, 1998.

Dated: June 4, 1998.

[SEAL]

City Clerk

05/01/98
298060/96001

EXHIBIT A

Loan Agreement is included in bond transcript as Document 3.

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF FOLLANSBEE; RATIFYING AND APPROVING A 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 city council (the "Governing Body") of the City of Follansbee (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective April 13, 1998 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $8,616,372 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF 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 Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), of the Issuer, in the aggregate principal amount not to exceed $8,616,372 and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2 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, 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 ratified and approved by the Issuer, that the exact principal amount, the date, the maturity date, the interest rate, the interest and principal payment dates and the sale price 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 FOLLANSBEE:

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 Sewer

Revenue Bonds, Series 1998 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $8,616,327. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2020, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2000, and ending March 1, 2020, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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 approve and shall pay the administrative fee equal to 1% of the principal amount of the Bonds set forth in the "Schedule Y" attached to the Loan Agreement.

Section 4. The Issuer does hereby ratify, approve 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 application to the DEP 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 5. The Issuer does hereby appoint and designate One Valley Bank, National Association, 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/or the City Manager, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 6. 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 7. The Issuer does hereby appoint and designate WesBanco Bank Wheeling, Follansbee, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1998 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1998 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1998 A Bonds proceeds in the amount of $430,820 shall be deposited in the Series 1998 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Bond Construction Trust Fund as received from time to time for payment of the costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor, the City Manager and the City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about June 4, 1998, to the Authority pursuant to the Loan Agreement.

Section 12. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 13. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 14. The Issuer hereby determines 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 1998 A Bonds Sinking Fund, including the Series 1998 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 11th day of May, 1998.

Rudy Cipriani

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Follansbee on the 11th day of May, 1998.

Dated: June 4, 1998.

[SEAL]

City Clerk

05/01/98
298060/96001

SRF-LP-1
(September 1997)

LOAN AGREEMENT

THIS WATER POLLUTION CONTROL REVOLVING FUND LOAN AGREEMENT (the "Loan Agreement"), made and entered into in several counterparts, by and among the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), the WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION, a division of the West Virginia Bureau of Environment (the "DEP"), and the local government designated below (the "Local Government").

CITY OF FOLLANSBEE
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

WHEREAS, pursuant to the provisions of Chapter 20, Article 5I, of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards and DEP has been awarded capitalization grants to partially fund the Program;

WHEREAS, under the Act and under the direction of DEP, the Authority has established a permanent perpetual fund known as the "West Virginia Water Pollution Control Revolving Fund" (hereinafter the "Fund");

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of

wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

WHEREAS, the Local Government constitutes a local government as defined by the Act;

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

WHEREAS, the Local Government is authorized and empowered by the statutes of the State to construct, operate and improve a wastewater treatment project and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Local Government;

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

1.8 "Program" means the wastewater treatment facility acquisition, construction and improvement program coordinated through the capitalization grants program established under the Clean Water Act and administered by DEP.

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

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

1.11 "System" means the wastewater treatment facility owned by the Local Government, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

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

ARTICLE II

The Project and the System

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

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

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

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

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

2.6 The Local Government agrees that it will permit the Authority and DEP and their respective agents to have access to the records of the Local Government pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof or if the Project is an improvement to an existing system at any reasonable time following commencement of construction.

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

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

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Local Government agrees that qualified operating personnel properly certified by the State will be employed before the Project is 25% complete and agrees that it will retain such a certified operator(s) to operate the System during the entire term of this Loan Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 25% completion stage.

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

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

2.13 The Local Government, during construction of the Project, shall complete Payment Requisition Forms, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward the Form to DEP in compliance with the Local Government's construction schedule.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

(d) The Local Government shall either have received bids or entered into contracts for the construction of the Project, which are in an amount and otherwise compatible with the plan of financing described in the Application; provided, that, if the Loan will refund an interim financing of construction, the Local Government must either be constructing or have constructed its Project for a cost and as otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the construction of the Project and operation of the System, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project) with all requisite appeal periods having expired, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

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

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

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

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for loans to finance wastewater treatment projects and that the obligation of the Authority to make any such loan is subject to the Local Government's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the requirements of the Program. The Local Government specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Fund to purchase all the Local Bonds and that, prior to such purchase, the Authority may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The

Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the approval of DEP.

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions established by federal and state regulations as set forth in Exhibit E hereto at such times as are set forth in Exhibit E.

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as 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. The revenues generated from the operation of the System 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 an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the net revenues from the System;

(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 established for the payment of debt service on the Local Bonds is funded (whether by Local Bond proceeds, monthly deposits or otherwise) the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law or the Regulations, the System may be sold, mortgaged, leased or otherwise disposed of as a whole or substantially as a whole provided that the net proceeds to be realized from such sale, mortgage, lease or other deposition shall be sufficient to fully pay all of the local bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that the Local Government is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Local Government's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

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

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

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

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

(xvi) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the West Virginia Municipal Bond Commission (the "Commission") its required interest, principal and reserve fund payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F and incorporated herein by reference, and submit a copy of said form along with a copy of the check to the Authority by the 5th day of such calendar month;

(xvii) That the Commission shall serve as paying agent for all Local Bonds;

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

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

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will

not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider.

The Local Government hereby represents and warrants that the Local Act has been or shall be duly adopted 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, sale and delivery of the Local Bonds shall be approved without qualification by nationally recognized bond counsel acceptable to the Authority in substantially the form of legal opinion attached hereto as Exhibit G.

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

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

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

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

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

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in the Local Act and in compliance with the provisions of Subsection 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 minimum sums set forth in the Local Act, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

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

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

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by local governments in the terms and covenants of loan agreements, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have

recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the SRF Regulations or this Loan Agreement.

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

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

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

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

6.7 The Local Government hereby agrees to file with the Authority 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 Schedule Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

(i) written notice of termination to the Local Government from either the Authority or DEP;

(ii) termination by the Authority and DEP pursuant to Section 6.2 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Loan made under this Loan Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the legislature or otherwise being available to make the Loan. In the event funds are not appropriated or otherwise available to make all of the Loan, the responsibility of the Authority and DEP to make all the Loan is terminated; provided further that the obligation of the Local Government to repay the amount of the Loan made by the Authority and DEP as set forth in (iii) above is not terminated due to such non-funding on any balance on the Loan. The DEP agrees to use its best efforts to have the amount contemplated under this Loan Agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default under the 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 Follansbee
[Proper Name of Local Government]

(SEAL)

By: Rudy J. Cipriani
Its: Mayor

Attest:

Date: 4-27-98

Joan Morgan
Its City Clerk

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara S. Taylor
Its: Chief, Office of Water Resources

Date: 5/1/98

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Lyonkovsky
Its: Director

Attest:

Date: April 10, 1998

Barbara B. Meadows
Secretary-Treasurer

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of September 19 97
DARRELL V. McGRAW, JR.
ATTORNEY GENERAL
By: Dawn E. Warfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

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

	ITEM	CURRENT MONTH	YEAR TO DATE	BUDGET YEAR TO DATE	BUDGET DIFFERENCE
1.	Gross Revenues Collected				
2.	Operation and Maintenance Expense				
3.	Other Bond Debt Payments (including Reserve Fund deposits)				
4.	SRF Bond Payments (include Reserve Fund deposits)				
5.	Renewal and Replacement Fund Deposit				
6.	Funds available for capital construction				

Witnesseth my signature this __ day of ____, ___.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____, Consulting Engineers, _____, _____, hereby certify that my firm is engineer for the acquisition and construction of _____ to the _____ system (herein called the "Project") of _____ (the "Issuer") to be constructed primarily in _____County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the _____ passed by the _____ of the Issuer on _____, 19___, effective _____, 19___, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection ("DEP") dated _____, 19___.

1. The Bonds are being issued for the purpose of _____ _____ (the "Project").

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the ____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) 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 irrevocably committed therefor, are sufficient to pay the costs of construction and

acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this _____ day of _____, 19___.

_____

By _____

West Virginia License No. __

[SEAL]

EXHIBIT E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The loan recipient that receives $25,000 or more in a fiscal year must obtain audits in accordance with the Single Audit Act of 1984 and OMB Circular 128. Financial statement audits are required once all funds have been received by the loan recipient.

C. PUBLIC SERVICE COMMISSION certificate must be issued.

D. TITLE OPINION from City Attorney must be completed.

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25064

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Fund: $_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
1201 Dunbar Avenue
Dunbar, West Virginia 25064

Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated _____, 19__, including all schedules and exhibits attached thereto (the "Loan Agreement"), between the Local Government and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, 19_ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $_____, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable _____ 1, ____ 1, ____ 1, and ____ 1 of each year, beginning _____ 1, 19_, at the respective rate or rates and with principal payable in installments on ____ 1 in each of the years, all as follows:

Year	Installment	Interest Rate

The Local Bonds are issued for the purpose of _____ and 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 enacted by the Local Government on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Local Government is a duly organized and presently existing _____ _____, with full power and authority to construct and acquire the Project and to operate and maintain the System referred to in the Loan Agreement and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Government has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. 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 are valid and legally enforceable special obligations of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the net revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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 BONDS

Principal Amount of Bonds	$ 8,616,372
Purchase Price of Bonds	$ 8,616,372

Interest on the Bonds shall be zero percent from the date of delivery ~~to and including~~ _____. Principal ~~and interest~~ on the Bonds is payable quarterly, commencing June 1, 2000, at a rate of 0 % per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has [other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds] or [provide list of outstanding debt]. (See attached schedule)

The Local Government shall submit its payments monthly to the West Virginia Municipal Bond Commission with instructions that the West Virginia Municipal Bond Commission will make quarterly payments to the West Virginia Water Development Authority at such address as is given to the Bond Commission in writing by the Authority. If the Reserve Fund is not fully funded at closing, the Local Government shall commence the payment of the 1/120 of the maximum annual debt service on the first day of the month it makes its first monthly payment to the Bond Commission. The Local Government shall instruct the Bond 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 Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a first lien on the net revenues of the Local Government's system.

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

SCHEDULE Y

City of Follansbee, West Virginia
$8,616,372.00 -- 20 Year Loan
0% Interest Rate, 1% Admin Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2000	-	-	-
6/01/2000	107,705.00	-	107,705.00
9/01/2000	107,705.00	-	107,705.00
12/01/2000	107,705.00	-	107,705.00
3/01/2001	107,705.00	-	107,705.00
6/01/2001	107,705.00	-	107,705.00
9/01/2001	107,705.00	-	107,705.00
12/01/2001	107,705.00	-	107,705.00
3/01/2002	107,705.00	-	107,705.00
6/01/2002	107,705.00	-	107,705.00
9/01/2002	107,705.00	-	107,705.00
12/01/2002	107,705.00	-	107,705.00
3/01/2003	107,705.00	-	107,705.00
6/01/2003	107,705.00	-	107,705.00
9/01/2003	107,705.00	-	107,705.00
12/01/2003	107,705.00	-	107,705.00
3/01/2004	107,705.00	-	107,705.00
6/01/2004	107,705.00	-	107,705.00
9/01/2004	107,705.00	-	107,705.00
12/01/2004	107,705.00	-	107,705.00
3/01/2005	107,705.00	-	107,705.00
6/01/2005	107,705.00	-	107,705.00
9/01/2005	107,705.00	-	107,705.00
12/01/2005	107,705.00	-	107,705.00
3/01/2006	107,705.00	-	107,705.00
6/01/2006	107,705.00	-	107,705.00
9/01/2006	107,705.00	-	107,705.00
12/01/2006	107,705.00	-	107,705.00
3/01/2007	107,705.00	-	107,705.00
6/01/2007	107,705.00	-	107,705.00
9/01/2007	107,705.00	-	107,705.00
12/01/2007	107,705.00	-	107,705.00
3/01/2008	107,705.00	-	107,705.00
6/01/2008	107,705.00	-	107,705.00
9/01/2008	107,705.00	-	107,705.00
12/01/2008	107,705.00	-	107,705.00
3/01/2009	107,705.00	-	107,705.00
6/01/2009	107,705.00	-	107,705.00
9/01/2009	107,705.00	-	107,705.00
12/01/2009	107,705.00	-	107,705.00
3/01/2010	107,705.00	-	107,705.00
6/01/2010	107,705.00	-	107,705.00
9/01/2010	107,705.00	-	107,705.00
12/01/2010	107,705.00	-	107,705.00
3/01/2011	107,705.00	-	107,705.00

City of Follansbee, West Virginia
$8,616,372.00 -- 20 Year Loan
0% Interest Rate, 1% Admin Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2011	107,705.00	-	107,705.00
9/01/2011	107,705.00	-	107,705.00
12/01/2011	107,705.00	-	107,705.00
3/01/2012	107,705.00	-	107,705.00
6/01/2012	107,705.00	-	107,705.00
9/01/2012	107,705.00	-	107,705.00
12/01/2012	107,705.00	-	107,705.00
3/01/2013	107,705.00	-	107,705.00
6/01/2013	107,704.00	-	107,704.00
9/01/2013	107,704.00	-	107,704.00
12/01/2013	107,704.00	-	107,704.00
3/01/2014	107,704.00	-	107,704.00
6/01/2014	107,704.00	-	107,704.00
9/01/2014	107,704.00	-	107,704.00
12/01/2014	107,704.00	-	107,704.00
3/01/2015	107,704.00	-	107,704.00
6/01/2015	107,704.00	-	107,704.00
9/01/2015	107,704.00	-	107,704.00
12/01/2015	107,704.00	-	107,704.00
3/01/2016	107,704.00	-	107,704.00
6/01/2016	107,704.00	-	107,704.00
9/01/2016	107,704.00	-	107,704.00
12/01/2016	107,704.00	-	107,704.00
3/01/2017	107,704.00	-	107,704.00
6/01/2017	107,704.00	-	107,704.00
9/01/2017	107,704.00	-	107,704.00
12/01/2017	107,704.00	-	107,704.00
3/01/2018	107,704.00	-	107,704.00
6/01/2018	107,704.00	-	107,704.00
9/01/2018	107,704.00	-	107,704.00
12/01/2018	107,704.00	-	107,704.00
3/01/2019	107,704.00	-	107,704.00
6/01/2019	107,704.00	-	107,704.00
9/01/2019	107,704.00	-	107,704.00
12/01/2019	107,704.00	-	107,704.00
3/01/2020	107,704.00	-	107,704.00
TOTAL	8,616,372.00	-	8,616,372.00 *

*Plus one-percent quarterly administrative fee of $10,905.08. Total administrative fee over the life of the loan is $872,406.40.

Post-it® Fax Note 7671
Date 2/6/98 # of pages ▶ 7
To F. TAN From P. GHOSH
Co./Dept. Co.
Phone # Phone # 343-5200
Fax # 624-8183 Fax # 343-5912

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: January 20, 1998

CASE NO. 97-0649-S-CN

FOLLANSBEE SEWER DEPARTMENT,
a municipal corporation.
Application for a certificate of convenience and necessity to construct a 1.6 MGD dual oxidation ditch wastewater treatment plant to renovate and rehabilitate the North and South pump stations, to replace 3,400 linear feet of 10-inch force main and other miscellaneous construction.

RECOMMENDED DECISION

On May 20, 1997, the Follansbee Sewer Department (Follansbee or City), a municipal corporation, filed an application for a certificate of convenience and necessity with the Public Service Commission to construct a 1.6 MGD dual oxidation ditch wastewater treatment plant, to renovate and to rehabilitate the North and South Pump stations, to replace 3,400 linear feet of 10" force main and for other miscellaneous construction.

The Follansbee Sewer Department estimates that construction will cost approximately $9,056,459. The Follansbee Sewer Department proposes to finance the construction through a Water Development Authority Loan of $496,000, at an interest rate of 6.25% over forty (40) years, and a State Revolving Fund Loan of $8,560,459, at an interest rate of 1% over twenty (20) years.

By Notice of Filing Order entered on May 20, 1997, the Follansbee Sewer Department was directed to give notice of its application by publishing a copy of the Notice of Filing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Brooke County. If no public protests are timely filed in response to the published notice, the Commission is authorized to render a decision without a hearing, by virtue of West Virginia Code §24-2-11.

On June 24, 1997, the Public Service Commission issued a Referral Order in this matter, referring this proceeding to the Division of Administrative Law Judges for a decision to be rendered on or before December 16, 1997.

By Procedural Order entered on October 16, 1997, the undersigned noted that, as of the date of the October 16, 1997 Order, an affidavit of

publication had not been filed with the Commission. The October 16, 1997 Order stated that, if an affidavit of publication was not received on or before October 31, 1997, this case would be dismissed, since there would not be sufficient time prior to the decision due date to accomplish the required publication, allow the 30-day protest period and draft a decision. The Order also scheduled this matter for hearing on November 10, 1997, in Follansbee, West Virginia, if the required affidavit was filed.

On October 28, 1997, the City of Follansbee filed a letter with the Commission stating that the City never received the May 20, 1997 Notice of Filing Order, and, therefore, no publication had been made. The City requested that the scheduled hearing be continued and that the City be given an opportunity to publish the notice.

On November 6, 1997, Michael E. Gaudio, counsel for the City of Follansbee, filed a letter requesting a 30-day extension of the Administrative Law Judge's due date to allow sufficient time for publication and expiration of the subject protest period. On November 4, 1997, the Commission entered an Order extending the Administrative Law Judge's decision due date from December 16, 1997, to January 20, 1998.

On November 14, 1997, the City filed an affidavit of publication showing that publication was made on November 6, 1997, in The Brooke County Review. Anyone objecting to the City's application was given thirty (30) days to file a protest with the Commission. The protest period expired on December 6, 1997. As of the date of this Order, no protests have been filed.

On January 15, 1998, Cassius H. Toon, Staff Attorney, filed a Final Joint Staff Memorandum in this proceeding. Attached to that memorandum was a Further Final Internal Memorandum from Randy Lengyel, Utilities Analyst, and David W. Dove, P.E., Engineer I, both of the Water and Wastewater Division. According to Staff, the project proposes to construct a new 1.6 MGD dual oxidation ditch wastewater treatment plant and convert the existing 500,000 gallon/day wastewater treatment plant into a facility for sludge treatment. Approximately 3,400 LF of 10" force main will be installed and the North and South pump stations will be rehabilitated as part of the proposed upgrade to the system. In addition, the replacement of the Archer Heights siphon station by a new sewage pumping station is included in the project, but has already been completed and is operational.

As indicated by a letter from Ghosh Engineers, Inc., to Staff, dated January 2, 1998, the City of Follansbee received and opened bids for the project on December 11, 1997. However, for various reasons stated in the letter, the bids were rejected by the Sanitary Board and the contracts were to be advertised again. Therefore, project costs are estimated. Construction of the project is estimated to cost $9,056,459. The City of Follansbee's sewer system serves approximately 5,538 persons within the Follansbee City limits and Hooverson Heights Public Service District. Therefore, the cost per customer is $1,635. The total system is composed of over 142,000 feet of sewer (not including service laterals), which equates to 206 customers/mile. Both the cost per customer and the customers per mile ratios are feasible.

A breakdown of the estimated project costs is as follows:

SRF Financing:

Total Construction Costs	$ 6,726,500
Total Other Costs	1,041,000
Pre-funded SRF Projects	333,573
Less Plant Site	(15,000)
Pre-funded Reserve	474,386
Total:	$ 8,560,459

WDA Financing:

Interim Loan From Merger	$ 375,000
Plant Site	15,000
Brightwood Sewer Project	71,769
Pre-funded Reserve	34,231
Total:	$ 496,000

Total Long Term Debt	$ 9,056,459

According to Staff, the City of Follansbee has been in violation of its WVNPDES Permit limitations for its wastewater treatment plant discharge, as detailed in the Findings of Fact in the violation order issued to the City of Follansbee by the West Virginia Division of Environmental Protection (WVDEP), on September 15, 1997, a copy of which is in Staff's file. Under the Water Pollution Control Act, the WVDEP has ordered the City of Follansbee to have the construction completed on the proposed upgraded wastewater treatment facility within eighteen (18) months of the Order date.

In addition, the WVDEP Order describes the nature of the violations and penalties assessed upon the City. Staff contacted Mr. Mike Zeto with WVDEP concerning the violation history of the existing treatment facility. Staff was informed that the facility had been violating its WVNPDES Permit limitations for some time. WVDEP believes that the proposed upgraded treatment plant is urgently needed in order to bring the treatment facility into compliance with NPDES regulations.

Staff also noted that the existing 500,000 GPD wastewater treatment facility was built in 1965. The present sewer system service area consists of approximately 1.8 square miles, located generally within the City's corporation limits, and approximately 1.2 square miles of contributing service area from the Hooverson Heights Public Service District. The existing sewer collection system collects both wastewater and storm water runoff in certain areas of the system. Therefore, the system experiences inflow/infiltration problems that compound the treatment facility's inability to meet the NPDES effluent requirement. Additional areas have also been added to the collection system since the construction of the existing treatment facility, thereby increasing the amount of sewage to be treated by the facility.

According to Staff, the proposed upgrade of the treatment facility will increase the capacity of the plant from 500,000 GPD to 1.6 MGD. This

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is expected to reduce the frequency of "bypassing" the storm water runoff and sewage by the treatment plant, thereby aiding in compliance with the NPDES Permit effluent limitations.

Staff noted that the increased operation and maintenance expenses associated with the proposed project are estimated to be $49,003. This equates to $0.73 per customer per month, which is reasonable. The City's going-level operation and maintenance budget is approximately $425,996 per year. The proforma operation and maintenance expense is estimated to be $474,999. The increase in expenses is due primarily to power/fuel and treatment/disposal expenses. Technical Staff is of the opinion that the increase is reasonable and justifiable.

Staff's review of the plans and specifications reveals no conflicts with the rules and regulations of the Public Service Commission. The file contains an approval letter from the Division of Environmental Protection. This approval letter was accepted by Staff as evidence that the project conforms to that agency's regulations and standards.

Staff noted that the total estimated project costs are $9,056,459. The Follansbee Sewer Department plans to finance this project with a loan from the Water Development Authority in the amount of $496,000, and a loan from the State Revolving Fund in the amount of $8,560,459. The Follansbee Sewer Department is also requesting to raise rates. The Applicant has received a commitment letter from the State Revolving Fund and a letter of conditions from the Water Department Authority. The Applicant has also passed a rate ordinance.

Staff is of the opinion that the project is necessary and convenient, based upon a review of the application. Since the Follansbee Sewer Department has sufficient funding and revenues for the project, as demonstrated by the commitment letter, the letter of conditions and the passed rate ordinance, Staff had no objection to this filing. Therefore, Staff recommended that the City of Follansbee's certificate of convenience and necessity be approved. However, Staff's recommendation is contingent upon the Follansbee Sewer Department receiving a loan from the Water Development Authority in the amount of $496,000. Furthermore, Staff recommended that, if there are any changes in the scope of the project or increased financing occurs, the City of Follansbee be required to obtain approval from the Commission before proceeding with the revised project.

Upon consideration of all of the above, the Administrative Law Judge is of the opinion that the application should be approved, as recommended by Commission Staff, along with the proposed financing.

FINDINGS OF FACT

1. On May 20, 1997, the Follansbee Sewer Department, a municipal corporation, filed an application for a certificate of convenience and necessity with the Public Service Commission to construct a 1.6 MGD dual oxidation ditch wastewater treatment plant, to renovate and to rehabilitate

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the North and South Pump stations, to replace 3,400 linear feet of 10" force main and for other miscellaneous construction. (See, application).

2. By Order entered on May 20, 1997, the Follansbee Sewer Department was directed to give notice of its application. (See, Order entered May 20, 1997).

3. On November 14, 1997, the District filed an affidavit of publication in this proceeding indicating that the required notice was published on November 6, 1997. (See, affidavit of publication filed November 14, 1997).

4. The thirty-day protest period expired on December 6, 1997, with no protests having been filed. (See, affidavit of publication filed November 14, 1997; case file generally).

5. The file contains an approval letter from the Division of Environmental Protection. This approval letter is accepted as evidence that the project conforms to the agency's regulations and standards. (See, letter dated January 30, 1997).

6. The total estimated project costs are $9,056,459. The Follansbee Sewer Department plans to finance this project with a loan from the Water Development Authority in the amount of $496,000, and a loan from the State Revolving Fund in the amount of $8,560,459. The Follansbee Sewer Department is also requesting to raise rates. The Applicant has received a commitment letter from the State Revolving Fund and a letter of conditions from the Water Development Authority. The Applicant has also passed a rate ordinance. (See, Final Joint Staff Memorandum filed January 15, 1998, with attachment).

7. Staff is of the opinion that the project is in the public interest, adequately designed and funded and should be approved. (See, Final Joint Staff Memorandum filed January 15, 1998, with attachment).

CONCLUSION OF LAW

1. The public convenience and necessity require the proposed project.

2. The proposed project will provide adequate service.

3. The proposed project is adequately financed and is economically feasible.

4. Good cause has been shown to waive formal hearing on this matter, pursuant to West Virginia Code §24-2-11, since no protests have been received to the project.

5. The issuance of a certificate of convenience and necessity shall be valid for the project, as approved herein.

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6. Any changes in the scope of this project and/or funding after the granting of the certificate shall require further approval from the Public Service Commission.

ORDER

IT IS, THEREFORE, ORDERED that a certificate of convenience and necessity be, and it hereby is, granted to Follansbee Sewer Department, a municipal corporation, to construct a new 1.6 MGD dual oxidation ditch wastewater treatment plant; to convert the existing 500,000 gallons/day wastewater treatment plant into a facility for sludge treatment; to renovate and rehabilitate the North and South pump stations; to replace 3,400 linear feet of 10" force main; and for other miscellaneous construction, all as set forth in the application filed herein on May 20, 1997.

IT IS FURTHER ORDERED that the proposed funding for this project, consisting of a loan from the Water Development Authority in the amount of $496,000, at a rate of 6.02% interest over forty (40) years, and a State Revolving Fund loan of $8,560,459, at a rate of 1.00% over twenty (20) years, be, and hereby is, approved.

IT IS FURTHER ORDERED that Follansbee Sewer Department shall file a notice of the actual in-service date of the project, within ten (10) days from the date that the project becomes operational.

IT IS FURTHER ORDERED that, if there are any changes to the cost, scope, financing or design of the project as certificated herein, the Follansbee Sewer Department shall petition the Commission for approval of such changes prior to commencing construction.

IT IS FURTHER ORDERED that formal hearing in this matter be waived, pursuant to West Virginia Code §24-2-11, for the reason that no protests were received after publication and there remain no outstanding issues to be litigated.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's Order by filing an appropriate petition in

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writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Miles C. Cary
Miles C. Cary
Administrative Law Judge

MCC:pst

PUBLIC SERVICE COMMISSION
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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: May 8, 1998

CASE NO. 97-0649-S-CN (Reopened)

FOLLANSBEE SEWER DEPARTMENT,
a municipal corporation.
Request to reopen certificate proceeding for approval of revised financing for project and for approval for applicant to place rates into effect as soon as ordinance is adopted, instead of when construction was finished.

RECOMMENDED DECISION

On March 2, 1998, the Follansbee Sewer Department (Applicant), a municipal corporation, filed a request to reopen the above-styled and numbered certificate proceeding for approval of a proposed revised financing plan for the project and for approval for the Applicant to place rates into effect as soon as an ordinance is adopted, instead of when construction is completed. A final order was issued in this case on January 20, 1998.

On March 30, 1998, the Public Service Commission issued a Referral Order in this matter, referring this proceeding to the Division of Administrative Law Judges for a decision to be rendered on or before September 28, 1998.

On May 1, 1998, Cassius H. Toon, Staff Attorney, filed an Initial and Final Joint Staff Memorandum. Attached to that Memorandum was a Further Final Internal Memorandum prepared by Randy Lengyel, Utilities Analyst, and David W. Dove, P.E., Engineer I, both of the Water and Wastewater Division. According to Staff, the original estimated project cost was $9,056,459. The revised total project cost is estimated to be $9,566,384, based upon actual bids. As a result of the increase in the estimated project cost, the cost per customer increases from $1,635 to $1,727, which in Staff's opinion is still very reasonable.

Staff noted that the revised cash flow statement submitted to it indicated a discrepancy between the original pro forma operating expenses of $474,999, and the revised pro forma operating expenses of $506,477. Staff is of the opinion that the operating expenses should remain the same as originally estimated unless sufficient justification is provided. However, Staff is of the opinion that the discrepancy has a negligible effect on the project.

In addition, Staff noted that the plans and specifications remain essentially unchanged. According to Staff, the total estimated project cost is $9,566,384. The Follansbee Sewer Department plans to finance this project with a grant from the City of Follansbee in the amount of $447,400;

a grant from the Sewer Department's escrowed funds in the amount of $502,612; and a loan from the State Revolving Fund in the amount of $8,616,372. Staff also noted that the Applicant is proposing to raise its rates. The Applicant has received a commitment letter from the State Revolving Fund and the Applicant has also provided Staff with commitment letters from the City and the Sewer Department. According to Staff, the Applicant has also passed a rate ordinance. The passed rate ordinance will generate the escrowed funds in the amount of $502,612. The escrowed funds will come from excess revenue collected during the construction of this project. According to Staff, the enacted rates will provide an adequate cash flow surplus based upon the financial information submitted by the Applicant.

Since the Follansbee Sewer Department has all of its commitment letters; a final nonappealable rate ordinance, which puts rates into effect as soon as construction begins; and an adequate cash flow surplus, Staff recommends that the petition filed herein be approved. Furthermore, Staff recommended that, if there are any further changes in the scope of the project or increased financing occurs, the Follansbee Sewer Department be required to seek permission from the Commission before proceeding.

Upon consideration of all of the above, the Administrative Law Judge is of the opinion that the petition filed on March 2, 1998, should be approved. It should be noted that the Applicant does not need Commission approval of the revised effective date for the increased rates. The City's municipal ordinance has become effective by operation of law, without the filing of a municipal appeal to the Public Service Commission.

FINDINGS OF FACT

1. On March 2, 1998, the Follansbee Sewer Department, a municipal corporation, filed a request to reopen this certificate proceeding for approval of revised financing for the project and for approval for the Applicant to place rates into effect as soon as an ordinance is adopted, instead of when construction is completed. A final order in this proceeding was entered on January 20, 1998. (See, Request).

2. On May 1, 1998, Staff filed an Initial and Final Joint Staff Memorandum, with attachments, recommending approval of the petition. Staff also noted that, if there are any further changes in the scope of the project or increased financing is required, the Follansbee Sewer Department be required to seek permission from the Commission before proceeding. (See, Initial and Final Joint Staff Memorandum with attachment filed May 1, 1998).

3. The revised total estimated project cost is $9,566,384. The Follansbee Sewer Department plans to finance this project with a grant from the City of Follansbee in the amount of $447,400, a grant from the Sewer Department's escrowed funds in the amount of $502,612, and a loan from the State Revolving Fund in the amount of $8,616,372 at 0% interest for 40 years with a 1% administrative fee. The Applicant has also passed a rate ordinance. (See, Initial and Final Joint Staff Memorandum with attachment filed May 1, 1998).

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CONCLUSION OF LAW

Since Staff has reviewed the petition filed on March 2, 1998, and has recommended approval thereof, it is reasonable that the petition be approved.

ORDER

IT IS, THEREFORE, ORDERED that Follansbee Sewer Department's petition to reopen its certificate proceeding, for approval of revised financing be, and it hereby is, granted.

IT IS FURTHER ORDERED that the proposed funding for this project, consisting of a grant from the City of Follansbee in the amount of $447,400, a grant from the Sewer Department's escrowed funds in the amount of $502,612, and a loan from the State Revolving Fund in the amount of $8,616,372 at 0% interest for 40 years with a 1% administrative fee, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if there are any further changes in the scope of the project or increased financing is required, Follansbee is required to seek permission from the Commission before proceeding.

The Executive Secretary is hereby ordered to serve a copy of this order upon the Commission by hand delivery, and upon all parties of record by United States Certified Mail, return receipt requested.

Leave is hereby granted to the parties to file written exceptions supported by a brief with the Executive Secretary of the Commission within fifteen (15) days of the date this order is mailed. If exceptions are filed, the parties filing exceptions shall certify to the Executive Secretary that all parties of record have been served said exceptions.

If no exceptions are so filed this order shall become the order of the Commission, without further action or order, five (5) days following the expiration of the aforesaid fifteen (15) day time period, unless it is ordered stayed or postponed by the Commission.

Any party may request waiver of the right to file exceptions to an Administrative Law Judge's order by filing an appropriate petition in writing with the Secretary. No such waiver will be effective until approved by order of the Commission, nor shall any such waiver operate to make any Administrative Law Judge's Order or Decision the order of the Commission sooner than five (5) days after approval of such waiver by the Commission.

Miles C. Cary
Administrative Law Judge

MCC:dfs

Francesca Tan
624-8183

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the28th day of May, 1998.

CASE NO. 97-0649-S-CN (Reopened)

FOLLANSBEE SEWER DEPARTMENT,
a municipal corporation.

Request to reopen certificate proceeding for approval of revised financing for project and for approval for applicant to place rates into effect as soon as ordinance is adopted, instead of when construction was finished.

COMMISSION ORDER

On February 9, 1998, the Commission granted Follansbee Sewer Department a certificate of convenience and necessity and approved financing for the certificate project. On March 2, 1998, Follansbee petitioned to reopen the certificate case for approval of revised financing. On March 30, 1998, the Commission referred the petition to the Division of Administrative Law Judges.

On May 8, 1998, an ALJ recommended approving Follansbee's petition. The ALJ recited the following revised financing:

> The revised total estimated project cost of $9,566,384. The Follansbee Sewer Department plans to finance this project with a grant from the City of Follansbee in the amount of $447,400, a grant from the Sewer Department's escrowed funds in the amount of $502,612, <u>and a loan from the State Revolving Fund</u> in the amount of $8,616,372 at 0% interest <u>for 40 years</u> with a 1% administrative fee. The Applicant has also passed a rate ordinance. (See, Initial and Final Joint Staff Memorandum with attachment filed May 1, 1998.)

Finding of Fact 3, Rec. Dec. p. 2 (emphasis added). The ordering paragraph also recited that the State Revolving Fund loan was for a 40-year term. <u>Id.</u> p. 3. Fifteen days was allowed for Follansbee to except to the Recommended Decision.

On May 20, 1998, Ghosh Engineers, Inc. advised the ALJ that the order improperly reflected a 40-year loan term and requested a correction. Letter. "By law, the SRF program cannot issue any loan for periods exceeding 20 years," Ghosh said. Id.

The ALJ did not respond to the request to correct the order.

DISCUSSION

W. Va. Code § 24-1-9(e) provides, in pertinent part, as follows:

> When no exceptions are filed within the time specified, such recommended order shall become the order of the commission five days following the expiration of the period for filing exceptions unless the order is stayed or postponed by the commission: Provided, That the commission may, on its own motion before such order becomes the order of the commission, review any such matter and take action thereon as if exceptions thereto had been filed.

Upon our own motion, pursuant to W. Va. Code § 24-1-9(e), the Commission shall consider the request to correct the May 8, 1998, Recommended Decision.

Having reviewed the file, we find that the certificate application requested approval of a SRF loan with a term not to exceed 20 years, application p. 2, the SRF commitment letter recited a term not to exceed 20 years, Follansbee's Response to Staff's First Interrogatories, and the order approving Follansbee's certificate recited a SRF loan with a term not to exceed 20 years, Commission Order p. 6 (Feb. 9, 1998). Moreover, Ghosh correctly states that by law the term of a SRF loan cannot exceed twenty years. Thus, the ALJ's recommendation should be corrected to reflect a term not to exceed twenty years, instead of 40 years, for the SRF loan. As modified, the Recommended Decision should be adopted.

FINDING OF FACT

The Commission approved financing for the Follansbee certificate project included a loan from the State Revolving Fund for a term not to exceed twenty years.

CONCLUSION OF LAW

The Recommended Decision should be modified to reflect approval of a loan from the State Revolving Fund for a term not to exceed twenty years, instead of a term not to exceed 40 years.

ORDER

IT IS THEREFORE ORDERED that Recommended Decision, as modified to reflect approval of a loan from the State Revolving Fund with a term not to exceed twenty years, is adopted.

IT IS FURTHER ORDERED that this matter is 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 Neal

Sandra Neal
Executive Secretary

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Lloyd P. Adams, P.E.
Wheeling
Sheirl L. Fletcher
Morgantown

1320 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire
Executive Secretary

August 7, 1997

Joseph Cicchirillo, City Manager
City of Follansbee
P. O. Box 606
Follansbee, WV 26037

Re: Wastewater System Upgrade Project 97S-337

Dear Mr. Cicchirillo:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the City of Follansbee's (City) preliminary application regarding a proposed project to upgrade the City's wastewater system (Project). Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee. The City may need to address certain issues raised in said comments as it proceeds with the Project.

Pursuant to its review of the preliminary application, the Council recommends the City pursue a Water Development Authority (WDA) loan of $496,000 and a State Revolving Fund loan of $8,268,153 to finance the Project. Please contact the WDA at 558-3612 and the Division of Environmental Protection at 558-0641 for specific information on the steps the City needs to follow to apply for this funding. **Please note that this letter <u>does not</u> constitute funding approval from these agencies.**

If you have any questions regarding this matter, please contact Susan J. Riggs at (304) 558-4607.

Sincerely,

James D. Williams

JDW/bh
Enclosures
cc: Daniel B. Yonkosky
Mike Johnson, P.E.
Suzann S. Gad
Paul Ghosh, P.E.
Senator Edwin J. Bowman

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

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 Follansbee (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 4th day of June, 1998, the Authority received the entire original issue of $8,616,372 principal amount of the Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated June 4, 1998.

2. At the time of such receipt of the Bonds upon original issuance, the 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 Bonds, of $475,820, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced by the Authority and the West Virginia Division of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 4th day of June, 1998.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

CITY OF FOLLANSBEE

Rudy Cipriani

Mayor

05/14/98
298060/96001

432507.1

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

One Valley Bank, National Association,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Follansbee Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), in the principal amount of $8,616,372, dated June 4, 1998 (the "Bonds"), executed by the Mayor, the City Manager and the City Clerk of the City of Follansbee (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 13, 1998, and a Supplemental Resolution duly adopted by the Issuer on May 11, 1998 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the loan agreement dated April 10, 1998, by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP") and the Issuer (the "Loan Agreement"); and

(4) An 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 Bonds to the Authority upon payment to the Issuer of the sum of $475,820, representing a portion of the principal amount of the 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 this 4th day of June, 1998.

CITY OF FOLLANSBEE

Rudy Cipriani

Mayor

05/14/98
298060/96001

(SPECIMEN BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF FOLLANSBEE
SEWER REVENUE BOND,
SERIES 1998 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $8,616,372

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia in Brooke 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 EIGHT MILLION SIX HUNDRED SIXTEEN THOUSAND THREE HUNDRED SEVENTY-TWO DOLLARS ($8,616,372), 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, 2000, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with no interest. The SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2000, 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").

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 Division of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated April 10, 1998.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system for the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds

of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on April 13, 1998, and a Supplemental Resolution duly adopted by the Issuer on May 11, 1998 (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 payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, and from moneys in the reserve account created under the Bond Legislation for the Bonds (the "Series 1998 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest, if any, on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 1998 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 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds; provided however, that so long as there exists in the Series 1998 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank,

National Association, Charleston, West Virginia, as registrar (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 Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF FOLLANSBEE 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 June 4, 1998.

[SEAL]

_____
Mayor

_____
City Manager

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1998 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: June 4, 1998.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$475,820	6-4-98	(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

SCHEDULE OF ANNUAL DEBT SERVICE

City of Follansbee, West Virginia
$8,616,372.00 -- 20 Year Loan
0% Interest Rate, 1% Admin Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
3/01/2000	-	-	-
6/01/2000	107,705.00	-	107,705.00
9/01/2000	107,705.00	-	107,705.00
12/01/2000	107,705.00	-	107,705.00
3/01/2001	107,705.00	-	107,705.00
6/01/2001	107,705.00	-	107,705.00
9/01/2001	107,705.00	-	107,705.00
12/01/2001	107,705.00	-	107,705.00
3/01/2002	107,705.00	-	107,705.00
6/01/2002	107,705.00	-	107,705.00
9/01/2002	107,705.00	-	107,705.00
12/01/2002	107,705.00	-	107,705.00
3/01/2003	107,705.00	-	107,705.00
6/01/2003	107,705.00	-	107,705.00
9/01/2003	107,705.00	-	107,705.00
12/01/2003	107,705.00	-	107,705.00
3/01/2004	107,705.00	-	107,705.00
6/01/2004	107,705.00	-	107,705.00
9/01/2004	107,705.00	-	107,705.00
12/01/2004	107,705.00	-	107,705.00
3/01/2005	107,705.00	-	107,705.00
6/01/2005	107,705.00	-	107,705.00
9/01/2005	107,705.00	-	107,705.00
12/01/2005	107,705.00	-	107,705.00
3/01/2006	107,705.00	-	107,705.00
6/01/2006	107,705.00	-	107,705.00
9/01/2006	107,705.00	-	107,705.00
12/01/2006	107,705.00	-	107,705.00
3/01/2007	107,705.00	-	107,705.00
6/01/2007	107,705.00	-	107,705.00
9/01/2007	107,705.00	-	107,705.00
12/01/2007	107,705.00	-	107,705.00
3/01/2008	107,705.00	-	107,705.00
6/01/2008	107,705.00	-	107,705.00
9/01/2008	107,705.00	-	107,705.00
12/01/2008	107,705.00	-	107,705.00
3/01/2009	107,705.00	-	107,705.00
6/01/2009	107,705.00	-	107,705.00
9/01/2009	107,705.00	-	107,705.00
12/01/2009	107,705.00	-	107,705.00
3/01/2010	107,705.00	-	107,705.00
6/01/2010	107,705.00	-	107,705.00
9/01/2010	107,705.00	-	107,705.00
12/01/2010	107,705.00	-	107,705.00
3/01/2011	107,705.00	-	107,705.00

City of Follansbee, West Virginia
$8,616,372.00 -- 20 Year Loan
0% Interest Rate, 1% Admin Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2011	107,705.00	-	107,705.00
9/01/2011	107,705.00	-	107,705.00
12/01/2011	107,705.00	-	107,705.00
3/01/2012	107,705.00	-	107,705.00
6/01/2012	107,705.00	-	107,705.00
9/01/2012	107,705.00	-	107,705.00
12/01/2012	107,705.00	-	107,705.00
3/01/2013	107,705.00	-	107,705.00
6/01/2013	107,704.00	-	107,704.00
9/01/2013	107,704.00	-	107,704.00
12/01/2013	107,704.00	-	107,704.00
3/01/2014	107,704.00	-	107,704.00
6/01/2014	107,704.00	-	107,704.00
9/01/2014	107,704.00	-	107,704.00
12/01/2014	107,704.00	-	107,704.00
3/01/2015	107,704.00	-	107,704.00
6/01/2015	107,704.00	-	107,704.00
9/01/2015	107,704.00	-	107,704.00
12/01/2015	107,704.00	-	107,704.00
3/01/2016	107,704.00	-	107,704.00
6/01/2016	107,704.00	-	107,704.00
9/01/2016	107,704.00	-	107,704.00
12/01/2016	107,704.00	-	107,704.00
3/01/2017	107,704.00	-	107,704.00
6/01/2017	107,704.00	-	107,704.00
9/01/2017	107,704.00	-	107,704.00
12/01/2017	107,704.00	-	107,704.00
3/01/2018	107,704.00	-	107,704.00
6/01/2018	107,704.00	-	107,704.00
9/01/2018	107,704.00	-	107,704.00
12/01/2018	107,704.00	-	107,704.00
3/01/2019	107,704.00	-	107,704.00
6/01/2019	107,704.00	-	107,704.00
9/01/2019	107,704.00	-	107,704.00
12/01/2019	107,704.00	-	107,704.00
3/01/2020	107,704.00	-	107,704.00
TOTAL	8,616,372.00	-	8,616,372.00 *

*Plus one-percent quarterly administrative fee of $10,905.08. Total administrative fee over the life of the loan is $872,406.40.

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER
SIXTH FLOOR
P. O. BOX 2190
CLARKSBURG, W. VA. 26302-2190
(304) 624-8000
FACSIMILE (304) 624-8183

BANK ONE CENTER, SEVENTH FLOOR
P. O. BOX 1588
CHARLESTON, W. VA. 25326-1588
(304) 353-8000
FACSIMILE (304) 353-8180

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-8000
FACSIMILE (304) 598-8116

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25402-2629
(304) 263-6991
FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET
P. O. BOX 100
CHARLES TOWN, W. VA. 25414-0100
(304) 725-1414
FACSIMILE (304) 725-1913

RILEY BUILDING, FOURTH FLOOR
14TH AND CHAPLINE STREETS
P. O. BOX 150
WHEELING, W. VA. 26003-0020
(304) 233-0000
FACSIMILE (304) 233-0014

THE RIVERS OFFICE PARK
200 STAR AVENUE, SUITE 220
P. O. BOX 628
PARKERSBURG, W. VA. 26102-0628
(304) 422-6463
FACSIMILE (304) 422-6462

WRITER'S DIRECT DIAL NUMBER

June 4, 1998

City of Follansbee
Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

City of Follansbee
Follansbee, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Follansbee (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $8,616,372 Sewer Revenue Bonds, Series 1998 A (West Virginia SRF 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 10, 1998, including all schedules and exhibits attached thereto (the "Loan Agreement"), among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "DEP") 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 only to the Authority, with no interest and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2000, and ending March 1, 2020, all as set forth in "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 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and

improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) funding a reserve account for the Bonds; and (iii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on April 13, 1998, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 11, 1998 (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.

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 referred to in the Loan Agreement 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 DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Issuer without the written consent of the Authority and the DEP.

3. The Bond Legislation and all other necessary ordinances 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 Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, 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, 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.

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 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

05/01/98
298060/96001

CITY OF
FOLLANSBEE
WEST VIRGINIA

OFFICE OF THE CITY ATTORNEY
MICHAEL E. GAUDIO
P.O. Box 516
Follansbee, WV 26037
(304) 527-1400

June 4, 1998

City of Follansbee
Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

City of Follansbee
Follansbee, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Steptoe & Johnson
Clarksburg, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Follansbee in Brooke County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated April 10, 1998, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP"), and the Issuer, a Bond Ordinance duly enacted by the Issuer on April 13, 1998, as supplemented by a Supplemental Resolution duly adopted by the Issuer on May 11, 1998 (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 meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

10

FOLLANSBEE NEVER FAILS

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, City Manager, City Clerk and members of the council of the Issuer and the Sanitary 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 DEP and 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 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. The Issuer has received all permits, licenses, approvals and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received the Final Orders of the Public Service Commission of West Virginia entered on January 20, 1998, May 8, 1998, and May 28, 1998, in Case No. 97-0649-S-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 latter two Final Orders has not expired prior to the date hereof. However, the parties thereto have stated that they will not appeal such Final Orders. Such Final Orders are not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to the original application.

6. To the best of my knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the 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 Net Revenues therefor.

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

Very truly yours,

MICHAEL E. GAUDIO, ESQUIRE

05/14/98
298060/96001

CITY OF
FOLLANSBEE
WEST VIRGINIA

OFFICE OF THE CITY ATTORNEY
MICHAEL E. GAUDIO
P.O. Box 516
Follansbee, WV 26037
(304) 527-1400

April 2, 1998

Mr. Mike Johnson, PE
Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

RE: City of Follansbee
Brooke County, West Virginia
Proposed Sewage Treatment Facility

Dear Mr. Johnson:

Please be advised that I am the City Attorney for the City of Follansbee, West Virginia and, as such, I have reviewed the deed and maps for the property required for the proposed sewage treatment plant. I have also reviewed the agreement between the City of Follansbee and Conrail regarding rights-of-way and easements through Conrail property. It is my understanding that the City has acquired property for the proposed sewage treatment plant from Wheeling-Nisshin Steel and, as well, has also entered into a right-of-way and easement agreement with Conrail. Pursuant to my several discussions with the project engineer, Paul Ghosh, it is also my understanding that all proposed force mains, gravity sewer lines, etc. will be installed in city streets and alleys.

In regard to any potential future acquisition of land and/or rights-of-way, I am of the opinion and understanding (1) that the City of Follansbee is a duly created and existing municipal corporation possessed with all of the powers and authority granted to municipal corporations under the laws of the State of West Virginia. As such, the City of Follansbee has the full power and authority to construct, operate and maintain the sewage collection and treatment system described in the report previously submitted by Ghosh Engineers, Inc.; (2) that the City of Follansbee has obtained approval for all necessary permits and, as well, approval for the construction of the aforementioned sewage collection and treatment system, excluding a certificate of convenience and necessity from the Public Service Commission of the State of West Virginia and a discharge permit, both of which are forthcoming; and (3) that West Virginia Code Chapter 16, Article 13, provides, inter alia, "for the purpose of acquiring, constructing,

establishing or extending any waterworks system or any sewerage system, or a combined waterworks and sewerage system, or for the purpose of constructing any additions, betterments or improvements to any such waterworks and sewerage system, or for the purpose of acquiring any property necessary, appropriate, useful, convenient or incidental for or to any waterworks or sewerage system, or combined waterworks and sewerage system, under the provisions of this article, the municipality shall have the right of eminent domain as provided in Chapter Fifty-Four (§54-1-1, et seq.) of this code....". Accordingly, the City of Follansbee is duly vested with the right of eminent domain and may acquire rights-of-way, easements and lands not heretofore acquired and/or that could not be acquired by negotiation and purchase, but which are necessary for the construction of the sewage collection and treatment system described in the plans and specifications previously submitted. Pursuant to such authority, the City of Follansbee will institute appropriate proceedings against the owners of any such property if the City deems it necessary to do the same.

Subject to the foregoing, and subject to the issuance of the bonds as provided in the City's bond resolution, the bondholder will have a first statutory mortgage lien upon the City's public service properties referred to herein-above.

If there is anything further which you require in this regard, please od not hesitate to contact my office.

Sincerely,

MICHAEL E. GAUDIO, City Attorney

MEG/mss

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF 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 ORDER
16. SPECIMEN BOND
17. CONFLICT OF INTEREST
18. CLEAN WATER ACT
19. OTHER FUNDS

We, the undersigned MAYOR, CITY MANAGER AND CITY CLERK of the City of Follansbee in Brooke County, West Virginia (the "Issuer"), and the undersigned CITY ATTORNEY, hereby certify in connection with the $8,616,372 principal amount of the City of Follansbee Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated the date hereof (the "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 13, 1998, and the Supplemental Resolution duly adopted May 11, 1998 (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 Net 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 Net 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 and the issuance of the Bonds have been obtained and remain in full force and effect, and 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 entered into among the Issuer, the DEP and the Authority. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are no outstanding obligations of the Issuer which will rank prior to or on parity with the Bonds as to liens, pledge, source of and security for payment.

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

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Sewer Rate Ordinance

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

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

NPDES Permit

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Follansbee." The Issuer is a municipal corporation in Brooke 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 councilmembers, 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
Rudy J. Cipriani	-	Mayor	July 1, 1997	June 30, 1999
John L. Pizzuti	-	Councilmember	July 1, 1997	June 30, 1999
John A. De Stefano, Jr.	-	Councilmember	July 1, 1997	June 30, 1999
Dominic J. Pellicciotti	-	Councilmember	July 1, 1997	June 30, 1999
Nina B. Meca	-	Councilmember	July 1, 1997	June 30, 1999
William Kocher	-	Councilmember	July 1, 1997	June 30, 1999
Kathy L. Santoro	-	Councilmember	July 1, 1997	June 30, 1999

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman	-	Rudy J. Cipriani
Member	-	Michael Havelka
Member	-	Lloyd Adams, P.E.

The duly elected and acting City Clerk of the Issuer is James Mirasola. The duly appointed and acting City Manager of the Issuer is Joseph J. Cicchirillo. The duly elected and acting City Attorney of the Issuer is Michael E. Gaudio, in Follansbee, 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 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 sewer rate ordinances on May 12, 1997, and March 9, 1998, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinances has expired prior to the date hereof without any appeal, and such rates are currently in effect.

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 respective 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 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 $475,820 from the Authority and the DEP, being a portion of the principal amount of the Bonds and more than a de minimis amount of the proceeds of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

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 *Brooke County Review*, a newspaper of general circulation in the City of Follansbee, there being no newspaper published therein, 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 Council at the public hearing held at a public meeting of Council on the 13th day of April, 1998, at 6:45 p.m., at the Follansbee 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 ORDER: The Issuer has received the Final Orders of the Public Service Commission of West Virginia entered on January 20, 1998, May 8, 1998, and May 28, 1998, in Case No. 97-0649-S-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 latter two Final Orders has not expired prior to the date hereof. However, the parties thereto have stated that they will not appeal such Final Orders. Such Final Orders are not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to the original application.

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

17. CONFLICT OF INTEREST: No officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer 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. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

19. OTHER FUNDS: As of the date hereof, funds of the Issuer in the amount of $447,400 and revenues of the System to be collected during construction of the Project in the amount of $502,612 have been committed for the Project. The amount of such revenues have been calculated and are reasonably expected to be received.

WITNESS our signatures and the official seal of the CITY OF FOLLANSBEE on this 4th day of June, 1998.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Rudy Cipriani	Mayor
Joseph Cerkiviello	City Manager
James Mirad	City Clerk
Michael E. Gudio	City Attorney

05/14/98
298060/96001

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Pulak Ghosh, Registered Professional Engineer, West Virginia License No. 7806, of Ghosh Engineers, Inc., Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system (the "System") of the City of Follansbee (the "Issuer") to be constructed primarily in Brooke County, West Virginia, which acquisition and construction are being financed in part 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 13, 1998, as supplemented by the Supplemental Resolution adopted by the Issuer on May 11, 1998, and the Loan Agreement, by and among the Issuer, the West Virginia Division of Environmental Protection (the "DEP"), and the West Virginia Water Development Authority (the "Authority"), dated April 10, 1998.

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding a reserve account for the Bonds; and (iii) paying costs of issuance and related costs.

3. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the DEP and the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 25 years, (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 described in the Application and my firm has ascertained that all contractors 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 by my firm for accuracy, (iv) 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, (v) the rates and charges for the System as adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the Loan Agreement, (vi) 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 as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal on this 4th day of June, 1998.

GHOSH ENGINEERS, INC.

(SEAL)

PULAK GHOSH
REGISTERED
7806
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

Pulak Ghosh, P.E.
West Virginia License No. 7806

05/01/98
298060/96001

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of Follansbee

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

A. Cost of Project

1.	Construction	$ 7,410,005	
2.	Technical Services	$ 691,000	
3.	Legal and Fiscal	$ 50,000	
4.	Administrative	$ 40,000	
* 5.	Site and Other Lands	$ 72,400	
** 6.	Fac. Plan/Design or Other Loan Repayment (Specify Type: Interim Consolidation Loan)	$ 375,000	
7.	Interim Financing Costs	$ 50,000	
8.	Contingency	$ 422,159	
9.	Total of Lines 1 Through 8		$ 9,110,564

B. Sources of Funds

10.	Federal Grants:[1]		$	
	(Specify Sources)		$	
11.	State Grants:[1]		$	
	(Specify Sources)		$	
12.	Other Grants:[1]		$	
	(Specify Sources)		$	
13.	Any Other Source[2] (Specify)	Local Grant	$ 447,400	
		Revenue	$ 502,612	
14.	Total of Lines 10 Through 13			$ 950,012
15.	Net Proceeds Required from Bond Issue (Line 9 minus Line 14)			$ 8,160,552

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$	
17.	Funded Reserve Account:[3]	$ 430,820	
18.	Other Costs:[4] Bond Counsel	$ 25,000	
		$	
19.	Total Cost of Financing (lines 16 - 18)	$ 455,820	
20.	Size of Bond Issue (Line 15 plus Line 19)		$ 8,616,372

* not allowable for State Revolving Fund Assistance

** WDA loans are not allowable

Rudy Cipriani
Signature of Applicant

Date 4/9/98

Signature of Consulting Engineer

Date 4-8-98

DOBBS, ABRAHAM & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS
400 MORTON AVENUE
P.O. BOX 248
MOUNDSVILLE, WV 26041
304-845-7914
FAX 304-843-1905

June 4, 1998

City of Follansbee
Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

West Virginia Water Development
Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinances of the City of Follansbee (the "Issuer"), enacted May 12, 1997, and March 9, 1998, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Ghosh Engineers, Inc., it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Issuer (the "System"), will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program)(the "Bonds"), to be issued in the original aggregate principal amount of $8,616,372 to the West Virginia Water Development Authority on the date hereof.

Very truly yours,

E. Marc Abraham, CPA
Dobbs, Abraham & Company
Certified Public Accountants

CHAPTER 5.

(House Bill No. 101)

AN ACT providing for a charter for the city of Follansbee, in the County of Brooke, and to nullify the certificate of incorporation heretofore granted by the circuit court of said county to the city of Follansbee.

(Passed February 16, 1915. In effect from passage. Became a law without the approval of the Governor.)

1. City of Follansbee
2. Corporate limits.
3. Ward boundaries; number of wards council has power to change.
4. Municipal authorities to consist of; compensations.
5. Corporate powers; authority.
6. Eligibility of officers; qualifications.
7. Elections; terms of office.
8. Officers
9. Council; election; term of office.
10. Election precincts.
11. Who are voters; qualifications.
12. Mode of voting; corporate authorities.
12-a Nominations, how made; statement to be made by candidates; form; petitions; verification; petition accompanying nominating statement; form of ballot; judges of election; duties; general election law to apply.
12-b Officers, how removed; petitions, signers to make oath; certificate may be amended; publication; form of ballot for special election; successors, how appointed.
13. Deciding tie vote.
14. Contested elections.
15. Vacancies in office; how filled.
15-a Appointment of officers; terms of office; duties of the chief of police and city collector and treasurer.
16. Appointment; council to provide by ordinance; term; may be removed brom office; chief of police; power; rights; privileges; collector and treasurer; duties.
17. Qualifications of officers; oaths; certificate of oaths to be recorded.
18. Failure to qualify; vacancy; how filled.
19. Elective officers to qualify within limited time.
20. Duties of mayor; ex-officio justice of the peace; powers.
20-a Mayor to recommend needful measures; to pay over moneys; compensation.
21. Duties of the city clerk; conservator of the peace.
22. Solicitor; duties; compensation to be fixed by council.
23. Chief of police; duties; compensation to be fixed by council.
23-a Power of arrest; violation; how punished; to pay over all sums collected.
24. Quaorum; majority of council.
25. Records of council; proceedings; oaths, bonds; ordinances under seal deemed prima facie correct.
27. Vote for mayor.
28. Meetings of council; power to compel attendance.
29. Money of the city to be paid to city collector and treasurer; paid out upon an order signed by mayor and city clerk.
30. Ward regulations; street expenditures.
31. When money of city can be appropriated; contracts authorized by a three-fifths vote
32. Powers and duties of council.
32-b Additional powers.
33. Licenses; council may impose a tax thereon.
34. Authority of council.
35. Franchises; limitations; nature of franchise not to exceed period of thirty years; additional provisions; compensation for franchise; terms of the grant of franchise.
36. Increase of corporate limits.
37. Result of vote to be certified to the circuit count of Brooke County.
38. Mayor's record of cases tried to be signed by mayor.
39. Board of health to consist of what; power of regulating matters pertaining to public health.
40. Liens upon real estate for city taxes; shall have priority; copy of delinquent property to be certified by the council to the auditor.
41. Duties of city collector and treasurer.
41-a Shall receive other moneys.
42-b Shall furnish complete statement of all receipts and disbursements.
41-c City clerk shall furnish permit to receive taxes.

41-d Compensation for collection.
41-e Expiration of term; account for all moneys.
42. Application for license and expiration of same.
43. State law relating to license.
44. Dog licenses.
45. Condemnation of real estate.
46. Existing officers.
47. Existing rights; powers and responsibility of the city.
48. Continuation of general law; inconsistent acts replealed.

Change in Corporate Limits listed at end of Charter

1. Parkview Subdivision annexed 1959.
2. Blosser Subdivision annexed 1971.

Be it enacted by the Legislature of West Virginia:

CITY OF FOLLANSBEE,

SECTION 1. That the inhabitants of so much of the county of Brooke, as are within the bounds prescribed by section two of this act, and their successors, shall be and remain, and they are hereby made a body politic and corporate, and by the name of "The City of Follansbee," and as such shall have perpetual succession and a common seal, and by that name may sue and be sued, plead and be impleaded, purchase, lease and hold real estate and personal property, necessary to the purpose of said corporation.

CORPORATE LIMITS.

SEC. 2. The corporate limits of said city shall hereafter begin as follows: Beginning at a stake on the northeast corner of a tract of land, now, or late of the Follansbee Brothers Company, south 5 degrees 20 minutes east, 140.29 feet to a stake; thence through lands of Walker Brothers and McKim Brothers, south 6 degrees 34 minutes east, 968.47 feet to a point; thence through lands of McKim Brothers south 83 degrees 26 minutes west, 300.1 feet to a point in the line of the aforesaid Follansbee Brother Company, thence south 6 degrees 26 minutes west, 1124.6 feet to a stake; thence south 9 degrees 47 minutes west, 992.3 feet to a stake; thence south 8 degrees 54 minutes west, 794.24 feet to a stake; thence south 9 degrees 17 minutes west, 420.18 feet to a stake; thence south 22 degrees 35 minutes west, 657.08 feet to a stake; thence north 72 degrees 30 minutes west, 119.48 feet to a stake; thence north 75 degrees 39 minutes west, 67.24 feet to a stake; thence leaving Follansbee Brothers Company's line, south 23 degrees 26 minutes west, 504.5 feet to a stake; thence south 25 degrees 38 minutes west, 348.66 feet to a stake; thence south 21 degrees 45 minutes west, 173.4 feet to a stake; thence south 19 degrees 25 minutes west, 124.35 feet to a stake; thence south 44 degrees 35 minutes west, 163.00 feet to a stake; thence south 78 degrees 10 minutes west, 206.65 feet to a stake; thence north 80 degrees 20 minutes west, 1425.00 feet, more or less, to the low water line on the west short of the Ohio River, same being the Ohio and West Virginia boundary line; thence in a northwardly direction, with the said low water line, 6111 feet, more or less, to a point opposite a line through a 100 acre tract of land formerly owned by one William Mahon, now by LaBelle Iron Works Company and Cyrus Ferguson, said line being extended to its interesection with the said low water line; thence north 84 degrees 5 minutes east, 4661 feet, more or less, to a point in the line between said Cyrus Ferguson and Walker Brothers; thence by lands of said Cyrus Ferguson and Walker Brothers, south 11 degrees 40 minutes east, 850 feet to the beginning.

WARD BOUNDARIES.

SEC. 3 That the city of Follansbee shall be and it is hereby divided into three wards, designated as the first, second and third wards. The boundaries of the wards shall be as follows:

First ward shall include all that portion of the city within its limits bounded on the north by the center line of Broad street in said city; on the east by the corporate limits of said city; on the south by the corporate limits of said city; on the west by the corporate limits of said city, the same being the Ohio-West Virginia state line.

Second ward shall include all that portion of said city whithin its limits bounded on the north by the center line of Raymond street in said city; on the east by the corporate limits of said city; on the south by the center line of Broad street in said city, and on the west by the corporate limits of said city, the same being the Ohio-West Virginia state line.

Third ward shall include all that portion of said city within its limits bounded on the north by the corporate limits of said city; on the east by the corporate limits of said city; on the south by the center line of Raymond street in said city; and on the west by the corporate limits of said city, the same being the Ohio-West Virginia state line; provided, however, that the common council of said city shall have the right, by ordinance, to change, add to, diminish, increase, or make new the territory of said city.

MUNICIPAL AUTHORITIES.

SEC. 4 The municipal authorities of said city shall consist of a mayor and six councilmen, who together shall form a common council, and who shall receive such compensation as the council shall, from time to time, determine, and which shall not be in-creased or diminished during their term in office.

CORPORATE POWERS.

SEC. 5 All the corporate powers of said corporation shall be exercised by said council, or under its authority, except when otherwise provided.

ELIGIBILITY OF OFFICERS.

SEC. 6 The mayor and councilmen, city attorney, chief of the police, city clerk and city collector and treasurer, at the time of their election or appointment, shall be a legal voter of said city, and, for the preceding year, assessed with and paid taxes upon at least one hundred dollars worth of real or personal property in said city

ELECTIONS

SEC. 7 The mayor, city attorney, chief of police, city clerk and city collector and treasurer, shall be elected to hold their respective offices for a term of two years from the first Monday in April, or until their successors shall have been duly elected and qualified, and all other officers shall be appointed by the common council.

OFFICERS

SEC. 8 On the Tuesday after the third Monday in March, one thousand nine hundred and fifteen, and every two years thereafter, there shall be elected by the qualified voters of said city, a mayor, city attorney, city clerk, chief of police and city collector and treasurer, who shall hold their respective offices for two years and until their successors shall be duly elected and qualified.

COUNCIL

SEC. 9. On the same day first mentioned in the preceding section, two members of the council shall be elected in each ward in said city, who shall reside in the ward for which they are elected; and the candidate receiving the highest number of votes shall be elected for four years from the first Monday in April succeeding his election, and the candidate receiving the next highest number of votes shall be elected for two years from the first Monday in April, succeeding his election; and on the same day of each alternate year one member of the council shall be elected in each ward of the said city, whose term of office shall be four years from the first Monday in April succeedin his election, and until his successor shall have been duly elected and qualified.

ELECTION PRECINCT

SEC. 10. Each ward of said city shall constitute an election precinct, and the council shall establish a voting place in each, and the election of councilmen sh l be by wards. No voter shall be entitled to vote at any city election, except in the ward in which he resides.

WHO ARE VOTERS.

SEC. 11. Every male and female person residing in said city shall be entitled to vote for all officers to be elected under this act; but no person who is a minor, or of unsound mind, or a pauper, or who receives aid from the treasury of said city, or who is under conviction for treason, felony or bribery in an election, or who has not resided in this state for one year, and in this city for six months prior to the election, and is not a bonafide resident of the ward in which he offers to vote, shall be entitled to vote at any election.

MODE OF VOTING

SEC. 12. In all municipal elections the mode of voting shall be by ballot, but the voter shall be left free to vote by open, sealed or secret ballot, as he may elect. The corporate authorities of said city shall perform the duties in relation to such election required by general laws of county courts and officers, in force on the first day of March, eighteen hundred and ninety-one, concerning elections by the people, and such laws shall govern such elections and be applicable thereto, and the penalties therein prescribed for offenders relating to such elections shall be enforced against the offenders of such elections, and such laws shall have the same force and effect as if they were especially applicable to corporate elections.

In case this act shall not go into effect within time to permit said first electio hereunder to be held on the Tuesday after the third Monday in March, one thousand nine hundred fifteen, then said first election hereunder shall be held on the Tuesday after the first Monday in the month in which this act goes into effect.

SEC. 12-a. Candidates to be voted for at all general municipal elections at which a mayor, city attorney, city clerk, chief of police, city collector and treasurer and councilmen from each ward are to be elected under the provisions of this act, shall be nominated by a primary election, (the said mayor, city attorney, city clerk, chief o police and city collector and treasurer shall be nominated and elected at large and the said councilmen shall be nominated and elected from their respective wards) and no othe names shall be printed upon the general ballot, except those selected in the manner here-inafter prescribed.

The primary election for such nominations shall be held on the first Tuesday in March preceding the general municipal election. The judges of election shall be appointed by council for the general municipal election, who shall be the judges of t primary election, but said election officers shall have first been recommended by a majority vote of all candidates at least ten days preceding the said primary election and all primary and general elections shall be held at the same place, so far as poss and the polls shall be opened and closed at the same hours.

Any person desiring to become a candidate for mayor, city attorney, city clerk, chief of police, city collector and treasurer or councilman, shall, at least ten days prior to said primary election, file with the city clerk (now recorder) a statement o such candidacy, in substantially the following form:

State of West Virginia, Brooke County, as.:

I,_ _ _ _ _ _ _ _ being first duly sworn, say that I reside at _ _ _ _ _ _ stree city of Follansbee, county of Brooke, state of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (mayor, city att ney, city clerk, chief of police, city collector and treasurer, or councilman from fi second or third ward) to be voted upon at the primary election to be held on the____ Tuesday of _ _ _ _ _ _ _ _ _ _19 _ _, and I hereby request that my name be printed up the official primary ballot for nomination by such primary election for such office.

Signed_ _ _ _ _ _ _ _ _ _ _ _ _ _.

Subscribed and sworn to (or affirmed) before me by _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _ _. on this _ _ _ _ _ _ day of _ _ _ _ _ _ _ _ _ _ _19 _ _.

Signed_ _ _ _ _ _ _ _ _ _ _ _ _ _ _.

and shall at the same time file therewith the petition of at least ten qualified vote requesting such candidacy. Each petition shall be verified by one or more persons as to the qualifications and residence, with street number, of each person so signing th said petition, and the said petition shall be in substantially the following form:

PETITION ACCOMPANYING NOMINATING STATEMENT.

The undersigned, duly qualified electors of the city of Follansbee, and residing at the places set opposite our respective names heron, do hereby request that the nam of (name candidate) be placed on the ballot as a candidate for nomination for (name o office) at the primary election to be held in said city on the _ _ _ _ _ _ Tuesday of _ _ _ _ _ _ _ _ _19 _ _. We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment, for the duties of such office.

Names of Qualified Electors. Numbers. Street.

Immediately upon the expiration of the time of filing the statements and petitio for candidates, the said city clerk (now recorder) shall cause the primary ballots to printed, authenticated with a facsimile of his signature. Upon the said ballot the names of the candidates for mayor arranged alphabetically, shall first be placed, wit a square at the left of each name, immediately below the words "vote for one." Following these names, likewise arranged in alphabetical order, shall appear the name of the candidates for city attorney, city clerk, chief of police, city collector and treasurer, with a square at the left for each name, and below the names of such candi dates shall appear the words "votefor one." following, likewise arranged,shall appear the names of the candidates for councilmen in each ward, with a square at the left of each name, and below the names of such candidates shall appear the words "vote for on or two," according to the number of councilmen to be elected in said ward.

The ballots shall be printed upon plain, substantial white paper, and shall be headed:

"Candidates for Nomination for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer and Councilmen for the _ _ _ _ _ _ _ _ward of the City of Follansbee, at the Primary Election," but shall have no party designation or mark whaever. The ballots shall be in substantially the following form:

(Place a cross in the square preceding the names of the parties you favor as candidates for the respective offices.)

For mayor.
Name of candidates
(Vote for one)
For City attorney
Name of candidates
(Vote for one)
For city clerk
Name of candidates
(Vote for one)

For chief of police.
Name of candidates
(Vote for one)

For city collector and treasurer
Name of candidates
(Vote for one)

For councilman
Name of candidates
(Vote for one or two, as the case may be)

Official baalot, attest:

Signature_ _ _ _ _ _ _ _ _ _ _ _ _ , City Clerk.

Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each candidate, and make return thereof to the city clerk before nine o'clock, A.M., of the following day. On the day following said primary election the council shall canvass said return so received from all the polling precincts, and shall make and publish in all the news papers of said city at least once, the result thereof. Said canvass shall be publicly made.

The two candidates receiving the highest number of votes for mayor, city attorney city clerk, chief of police, city collector and treasurer, shall be the candidates and the only candidates, whose names shall be placed upon the ballot for the said offices at the next succeeding general election, and at the first election to be held under th charter, the four candidates receiving the highest number of votes for councilmen in each ward, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at said first election, and at all other general electi at whixh said officers shall be elected, the two candidates receiving the highest numb of votes for councilmen in each ward, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election, unless there should be two members of council to elect from any of said wards, then th four candidates receiving the highest number of votes shall be placed upon the ballot for councilmen at such election. In the ev ent of the death or resignation of a nomin before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as applicable, and all elections in said city, of whatsoever kind, held under this act, shall be conducted, returned and the results the of ascertained and declared in the manner prescribed by the laws of the state relating to elections, in so far as they are not in conflict or inconsistent with the provision of this act.

SEC. 12-b. The holder of any elective office many be removed at any time by the electors qualified to vote for a successor of such incumbent. The procedure to effect the removal of an incumbent of an elective office shall be as follows: A petition signed by electors entitled to vote for a successor to the incumbent sought to be remo equal in number to at least twenty per centum of the entire vote for all candidates fo the office of mayor cast at the last preceding general municipal election, demanding a election of a successor of the person sought to be removed shall be filed with the cit clerk, which petition shall contain a general statement of the grounds for which remov is sought. The signatures to the petition need not all be appended to one paper but e signer shall add to his signature his place of residence, giving the street and number One of the signers of each such paper shall make oath before an officer competent to administer oaths, that the statements therein made are true as he believes, and that e signature to the paper appended is the genuine signature of the person whose name it purports to be. Within ten days from the date of filing such petition, the city clerk shall examine and from the voter's register ascertain whether or not said petition is signed by the requisite number of qualified electors, and if necessary, the council sh allow him extra help for that purpose, and he shall attach to said petition his certif cate showing the result of said ex amination. If, by the clerk's certificate, the pet ion is shown to be insufficient, it may be amended within ten days from the date of sa certificate. The clerk shall, within ten days after such amendment, make like examina of the amended petition and if his certificate shall show the same to be insufficient shall be returned to the person filing the same; without prejudice, however, to the fi of a new petition to the same effect. If the petition shall be deemed to be sufficien the clerk shall submit the same to the council without delay. If the petition shall b found to be sufficient, the council shall order and fix a date for holding said electi not less than twenty days nor more than thirty days from the date of the clerk's certi cate to the council that a sufficient petition is filed.

The council shall make, or cause to be made, publication of notice and all arrange ments for holding such election, and the same shall be conducted, returned and the resu thereof declared in all respects as are other city elections. So far as applicable, e

cept as otherwise herein provided, nominations hereunder shall be made without the intervention of a primary election by filing with the clerk at least ten days prior to said special election, a statement of candidacy, accompanied by a petition signed by electors entitled to vote at said special election equal in number to at least ten per centum of the entire vote for all candidates for the office of mayor at the last precee ing general municipal election, which said statement of candidacy and petition shall be substantially in the form set out in section 12-a of this act, so far as the same is applicable, substituting the word "special" for the word "primary', in such statement and petition and stating therein that such person is a candidate for election instead o nomination.

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

Official Ballot.

Special election for the balance of the unexpired term of _____ as _____

For_____
(Vote for one only)
Names of candidate.

. . . . . .

Name of present incumbent.

Official ballot - attest:

Signature_____
City Clerk.

The successor of any officer so removed shall hold office during the unexpired term of his predecessor. Any person sought to be removed may be a candidate to succeed himself, and unless he requests otherwise in writing, the clerk shall place his name on the official ballot without nomination. In any such removal election. the candidate receiving the highest number of votes shall be declared elected. At such election, if some other person than the incumbent receives the highest number of votes, the incumbent shall thereupon be deemed removed from the office upon qualification of his successor. In case the party who received the highest number of votes shall fail to qualify within ten days after receiving notification of election, the office shall be deemed vacant.

If the incumbent receives the highest number of votes, he shall continue in office. The said method of removal shall be cumulative and additional to the methods provided by general law, and statues of West Virginia.

DECIDING TIE VOTE.

Sec. 13. When two or more persons shall receive an equal number votes for councilman, or any other city office. such tie shall be decided by the council then in being.

CONTESTED ELECTIONS.

Sec. 14. All contested elections shall be heard and determined by the common council for the time being; and the contest shall be made and concluded in the same manner as provided for in contests for county and district offices; and the common council shall conduct the proceedings in such cases as nearly as practicable in conformi with the proceedings of the county court in such cases.

VACANCIES IN OFFICE.

Sec. 15. Whenever a vacancy shall occur from any cause in the office of mayor, councilman, city attorney, city clerk, chief of the police, or any other elective office the council shall immediately fill such office by a majority vote of the council, and such appointment shall hold until the next election.

APPOINTMENT OF OFFICERS, TERMS OF OFFICE, DUTIES OF THE CHIEF OF THE POLICE AND CITY COLLECTOR AND TREASURER.

Sec. 16. The council shall also have authority to provide by ordinance for the appointment of such other officers as shall be necessary and proper to carry into full force and authority, power or jurisdiction which is or shall be bested in the city, or in the council or mayor, or in any office or body of officers thereof, and to grant such officers so appointed the power necessary or proper to collect all taxes levied and asse by the council of said city, and all other assessments and money due the said city; and for the purpose shall have the power to distrain and sell property for the enforcement of such payment. And the said council shall, by ordinance, define the duties of all office so elected or appointed as aforesaid, and allow them a reasonable compensation,which

compensation shall not be increased or diminished during their term in office, and shall require and take from all such officers of said city whose duty it is to receive funds, assets or property, or to have charge of the same, any such bonds, obligations and other writings as they shall deem necessary or proper to insure the faithful performance of their said duties. All officers so elected or appointed by the council sha hold their said office or appointment during the will and pleasure of said council, but no appointee shall hold said office beyond the current or fiscal year for which he sha have been appointed, unless he shall have again been appointed by said council. All officers so appointed or elected may be removed from office by a majority vote of the council, for malfeasance, nonfeasance or misfeasance in office. The chief of the polic shall have all power, rights and privileges within the corporate limits of said city in regard to the arrest of persons, and the execution and return of process, that can be legally exercised by a constable of the district within the same, and he and his sureti upon his official bond shall be liable to all fines, penalties and forfeitures that a constable is legally liable to, for any failure or dereliction in his office, to be recovered in the same manner and in the same courts that the samefines, penalties and for feitures are now recoverable against such district constable. It shall be the duty of the city collector and treasurer to collect all city taxes, licenses, levies, assessment and such other claims as are properly placed in his hands for collection by the council, and he may distrain and sell for such taxes and assessments, and have in all other respe the same power as a sheriff of a county to enforce the payment and collection thereof. All officers appointed by the council must be residents of the said city at the time of their appointment, and a removal from said city shall vacate their said office.

QUALIFICATIONS OF OFFICERS

SEC. 17. All officers elected and appointed under this act shall each, before entering upon the duties of his office, and within ten days from the time of his electi or appointment, give bond as required by council, take and subscribe an oath faithfully and impartially to discharge the duties of his office, and the oath to support the constitution of the United States, and the constitution of the state of West Virginia. The mayor having taken such an oath, may administer the same to the other councilmen and other officers, and certificates of said oaths shall be recorded in the journal kept by the council.

FAILURE TO QUALIFY

SEC. 18. If any one who shall have been duly elected mayor, councilman, or to any other office herein provided for, shall not have been eligible as herein prescribed. or shall refuse or fail to take the oath required under this act, within the time prescribed, the council for the time being shall declare his office vacant and proceed to fill said vacancy by appointment as herein provided.

SEC. 19. The elective officers shall enter upon the duties of their office within two weeks after they shall have been elected and shall continue therein until their successors are duly elected or appointed and qualified.

DUTIES OF MAYOR

SEC. 20. The mayor shall be the chief executive officer of the said city, and shall take care that the orders, by-laws, ordinances, acts and resolutions of the council thereof are faithfully executed. He shall be ex-officio, a justice and conservator of the peace within the city and shall, within the same, have, posses and exercise all the powers and perform all the duties vested by law in a justice of the peace except that he shall have no jurisdiction in civil cases. Any warrant or other process issued by him may be executed at any place in the county. He shall have control of the police of the city, and may appoint special police officers whenever he deems it necessa and may suspend any policeman for cause; and it shall be his duty to see that the peace and good order of the city are preserved; and that persons and property therein are protected; and to this end he may cause the arrest and detention of all riotous and disorderly persons in said city before issuing his warrant therefor. He shall have the pow to issue executions for all fines, penalties and costs imposed by him or he may require the immediate payment thereof, and on default of such payment thereof, may commit the offending party to the jail of Brooke county or other place of imprisonment in such corporation, if there be one, until the fine or penalty and costs shall be paid, but the term of imprisonment in such case shall not exceed thirty days. In all cases where a person is sentenced to imprisonment, or to the payment of a fine of $10.00 or more, (and in no case shall a judgment for a fine of less than $10.00 be ordered or given by the mayor, if the defendant, his agent or attorney, object thereto,) such person shall be allowed an appeal from such decision to the circuit court of Brooke County, upon the execution of an appeal bond, with surety deemed sufficient by the mayor, in a penalty double the amount of the fine and costs imposed by the mayor,with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the circuit court of said county upon such appeal. If such appeal be taken, the warrant of arrest, (if there be any) the transcript of the judgment, the appeal bond and other papers of the case, shall be forthwith delivered by the mayor to the clerk of said circuit court; and the said court shall proceed to try such case in its order, and render such judgment, including that of costs, as the law and evidence may

require, but no judgment shall be rendered against said city for costs on such appeal.

SEC. 20a The mayor from time to time recommend to the council such measures as he may deem needful for the welfare of the city. The expense of maintaining any person committed to the jail of the county, or to any place of imprisonment in said city, by him, except it be to answer an indictment, or be under provisions of section two hundred and twenty-seven and two hundred and twenty-eight of chapter fifty of the code of West Virginia, shall be paid by said city. Said mayor shall pay all moneys received by him for fines or by virtue of his office, belonging to said city collector and treasurer of the city within one week after he receives the same. He shall receive a compensation for his services, to be fixed by the council, exclusive of fees, and which shall not be increased or diminished during his term in office.

DUTIES OF THE CITY CLERK

SEC. 21. The city clerk shall keep a journal of the proceedings of the council, and have charge of an preserve, the records of the city, in the building safe or vault, if there be one. In the absence from the city of, or in the case of sickness or inability of the mayor, or during any vacancy in the office of the mayor, the city clerk shall perform the duties of the mayor which pertain to him as the chief executive of said city, and be vested with all powers necessary for the performance of such duties. He shall be conservator of the peace within the city.

SOLICITOR.

SEC. 22. It shall be the duty of the city attorney or solicitor, to prepare, when directed by council, all ordinances for the city, to represent the said city in all matters and proceedings in any court in which the said city is interested; and he shall receive a compensation for his services, to be fixed by the council.

CHIEF OF POLICE.

SEC. 23. It shall be the duty of the chief of the police to preserve order and quiet in said city and to see that all subordinate police officers faithfully perform their official duties, and he may for good cause appearing to him, for neglect of duty or insubordination, suspend any such officer from duty, and report his actions and his reasons therefor, to the next regular meeting of council for action thereon; he shall make list of all dogs within said city to tax, collect the license tax thereon and pay the same to the clerk, as may be provided by ordinance of said city; he shall be present in the police court whenever the same shall be in session, and see that all its orders and requirements are properly executed; he shall, with the consent of the council entered of record but not otherwise, appoint one or more policemen as the council may determine; he shall, before entering upon the discharge of his duties, execute a bond conditioned for the faithful performance by him of the duties of his office, and for the accounting for and paying over, as required by law, of all money which may come into his hand by virtue of his office, with sureties to be approved by council, said bond to be in the penalty of not less than one thousand dollars, nor more than three thousand five hundred dollars, as the council may prescribe; he shall receive such compensation as may be fixed by council, which cannot be increased or diminished during his term in office.

SEC. 23a. In case a violation of any ordinance of said city is committed in the pressence, or within view of the chief of police or other officer, the offencer may be forthwith aprehended and taken before the mayor, and a complaint under oath, stating such violation, there lodged and filed; and thereupon such offender may be tried and dealt with according to law, without summonds. The chief of police shall execute within the county of Brooke, when directed to him, any process properly issued by the mayor in proceedings for the enforcement of ordinances; and shall collect by levy of execution or otherwise, and duly account for all fines assessed and costs imposed in such proceedings. He shall also have the right and powers, within said city, in regard to the arrest of persons, the collection of claims and executions and the return of process, that are or may be lawfully exercised by a constable of a district within the same, and shall be entitled to the compensation therefor; and he and his sureties upon his official bond shall be liable to all fines, penalties and forfeitures for which a constable is liable, for any dereliction of duty in office, to be recovered in the same manner and in the same courts that such fines, penalties and forfeitures are recovered against constables. He shall pay over all fines or sums collected by him to the clerk forthwith.

QUORUM.

SEC. 24. The presence of a majority of the council shall be necessary to make a quorum for the transaction of business.

RECORDS OF COUNCIL.

SEC. 25. The council shall cause to be kept by the city clerk, in a well-bound book to be called the journal, an accurate record of all the proceedings, ordinances, acts, orders and resolutions, and in another book, to be called the book of ordinances, accurate copies of all general ordinances adopted by the council, both of which books shall be completely indexed and be open to the inspection of any citizen of the city of

Follansbee, or any one required to pay taxes therein, or who may otherwise be intereste All oaths of office and bonds of the officers of said city, and all papers of the counc shall be endorsed, filed and securely kept by the said city clerk. The bonds of office shall be recorded in a well bound book to be called the record of bonds. Said city cle shall perform all such duties as may be ordinance of the council be prescribed. Said council may bind and print in pamphlet form all the general ordinances of said city, an transcripts of such ordinances, acts, orders and resolutions, certified by the city cle under the seal of the city, shall be deemed prima facie correct when sought to be used before any court or before any justice.

VOTE OF MAYOR.

SEC. 27. The mayor shall have a vote on all questions and shall decide all ties.

MEETINGS OF COUNCIL.

SEC. 28. The meetings of the council shall be held at such place in said city and at such time as they shall from time to time ordain and appoint, but it shall be lawful for the council by ordinance, to vest in any officer of said city, or in any member or number of members of their own body, the authority to call special meetings; and it shall prescribe by ordinance the mode in which notice of such meetings shall be given, and no business shall be transacted at such special meeting unless a majority of all members of the council shall be present, except that a less number may compel the attendance of absent members under such reasonable penalties as they may think proper to impose.

MONEY OF THE CITY TO BE PAID TO CITY COLLECTOR AND TREASURER.

SEC. 29. All moneys belonging to the city shall be paid over to the city collector and treasurer; and no money shall be paid out by him, except as the same shall have been appropriated by the council, and upon an order signed by the mayor and city clerk, and not otherwise.

WARD REGULATIONS.

SEC. 30. TheCouncil shall adopt all needful and just ward regulations, whether general or special, for the good of the citizens therof; and shall, also, authorize street expenditures in the several wards as equity and justice shall deem proper, and may authorize the collection of a special tax for a special purpose.

WHEN MONEY OF THE CITY CAN BE APPROPRIATED..

SEC. 31. No money shall be appropriated and no debt shall be contracted for any pur pose whatever, except that the funds to meet the same shall have been first provided by levy, duly laid in accordance with the provisions of chapter nine of the one thousand nine hundred and eight acts of the legislature of West Virginia; and no contract shall be entered into involving or anticipating future levies, unless all questions connected with the same shall have been first submitted to a vote of the people and have ceived three-fifths of all the votes cast for and against the same.

POWERS AND DUTIES OF COUNCIL

SEC. 32. The council of said city shall have power to lay off, vacate, close, open, alter, grade and keep in good repair, the roads, streets, alleys, pavements, sidewalks, crossings, cross-walks, drains and gutters therin for the use of the citizens and the public, and to improve and light the same, and to keep them free from obstructions of every kind; to regulate the width of the pavements, sidewalks, foot-ways, drains and gutters to be kept in good order, free and clean, by the owners or occupants of the real property next adjacent thereto; to establish and regulate markets, prescribe the time for holding the same, provide suitable and convenient buildings therefor; and prevent the forestalling of such markets; to prevent injury and annoyance to the public or to individuals from anything dangerous, offensive or unwholesome; to regulate or prohibit slaughter houses, tan houses and factories within the corporate limits; and to prohibit or regulate the exercise of any offensive business, trade or employment; to abate all nuisance within the corporate limits, and to require or compel the abatement or removal therof at the expense of the person causing the same, or by or at the expense of the owner of the ground at the place they are found; to cause to be filled up, raised or drained by or at the expense of the owner, any city lot or tract of land covered or subject to be covered by stagnant water; to prevent horses, hogs, cattle, sheep and other animals and fowls of all kinds from going or being at large in said city, and as a means of prevention, said council may provide for the impounding and confining of said animals and fowls, and, upon the failure to reclaim, for the sale thereof; to protect places of divine worship and preserve order in and about the premises where such worship is held; to protect places of public instruction and schools, and to preserve order in and about all the school buildings; to regulate the keeping of gunpowder and other dangerous explosives and substances; to protect places of lawful assemblies; to regulate the building of houses and other structures; for the maintaining and making of division fences by the owners of adjacent premises; for the

proper draining of the city lots and other parcels of land by or at the expense of the owner or occupant thereof, when such drainage shall be deemed necessary for the protection of the public health; to provide against danger or damage by fire; to punish assault and batteries, gaming resorts and gambling devices of every kind and character; including slot machines; to prohibit the keeping of or loitering in, or visiting houses of ill fame, or loitering by persons in a state of intoxication on the streets or congregating or loitering in saloons; to prevent lewd or lascivious conduct; the sale or exhibition of indecent pictures or other representations; the desecration of the Sabbath day, and to provide for its orderly and lawful observance; to protect the persons of those residing or being within the city; to appoint when necessary, a police force, permanent or temporary; to assist the police in the discharge of their duties; to prevent swearing, the illegal sale of intoxicating liquors, mixtures and other preparations, porter, beer, ale, wine or other drinks of like nature; to buil purchase, lease, and to use a suitable place of imprisonment within the said city for t safe keeping and punishment of persons charged with or convicted of the violations of ordinances; to erect, or authorize or prohibit the erection of gas or water works with the city limits; to prevent the injury of such works, or the pollution of any gas or wa used or intended to be used by the people or by individuals; to provide for the cleanli ess and healthfulness of all rivers or streams within the city limits; to provide for a regulate the measuring and weighing of hay, coal, lumber, or any and all other articles sold or kept or offered for sale within said city, and to establish rates and charges f the use thereof; to create by ordinance such committees and boards and delegate thereto such authority as may be deemed necessary or advisable; to regulate the running speed o engines and cars, and vehicles of every kind and character within said city, and to pro hibit any such vehicle from standing on street crossings; to provide for the annual assessment of taxable property within said city, including dogs kept therein, and to re their running at large; to provide for a revenue for the city for municipal purposes ar appropriate such revenue to its expenses; and generally to make such measures as may be deemed necessary or advisable to protect the property, public and private, within said city; to preserve and maintain the peace, quiet and good order within said city; to pre serve and promote the health, safety and well-being of the inhabitants thereof.

SEC. 32a. The said council shall have authority to pass all ordinances (not repug nant to the constitution of the United States or to the constitution and laws of the St of West Virginia, or to this act, which shall be necessary or proper to carry into full force and effect the authority and jurisdiction which is or shall be granted to or vest in said city, or in the council thereof, or in any officer or body of officers of said city, and to enforce any and all ordinances by reasonable fines and penalties, and by imprisonment; and upon failure to pay any fine or penalty imposed, by compelling the defaulting party to labor without compensation at any of the public works or improvemen undertaken, or to be undertaken by said city, or to labor at any work which said city lawfully employ labor upon, at such rate per diem as the council may fix, but not at a less rate than is fixed by said council for like labor for other employees of said cit until any fine or fines imposed upon any such offender or offenders, by said city, sha have been fully paid and discharged, after deducting charges of support while in the custody of the officers of said city; Provided however, that no fines shall be imposed exceeding one hundred dollars, and that no person shall be imprisoned or compelled to labor as aforesaid moe than thirty days for any offense. The jurisdiction of said cit for police and criminal purposes shall extend one mile beyond the corporate limits of said city in all directions.

SEC. 32-b. In addition to the powers already enumerated, the said city council s have power to order elections for bonding the city as provided by chapter forty-seven the code of West Virginia of one thousand nine hundred and thirteen, purchase, build, construct and maintain plants and erect buildings, or other necessary structures, with equipments for furnishing the city or its inhabitants, for public or private consumpti at a reasonable cost to the latter, with gas or other material, for both fuel and illuminating purposes, and electric or other lights for the lighting of its streets an alleys, and public and private buildings, to construct, improve, extend and expand wat works for said city, and to construct or contract for and to own an adequate supply of pure, healthful water for said city, and its inhabitants, for public and private consumption, and do all things necessary to secure to said city, and its inhabitants, an adequate supply of pure and wholesome water, and to provide, contract for and construc an adequate sewerage system for said city.

LICENSES.

SEC. 33. Whenever anything for which a state license is required is to be done within said city, the council may require a city license therefor, and may impose a tax thereon for the use of the said city.

SEC. 34. The council of said city shall have authority within said city to require and grant licenses to owners of horses, hacks, carts, wagons, drays, bicycles, automobiles, and every description of wheeled vehicles and carriages kept for hire and levy and collect taxes thereon, and subject the same to such regulations as the interests and convenience of the inhabitants of said city, or the protection of paved streets in the opinion of the council shall require; also to license and tax hawkers, auctioneers, junk dealers and peddlers within said city, and persons who temporarily station themselves upon a street to sell or exhibit articles, and all butchers and vendors of meats, fruits or vegetables on the streets of the city may be required by the council to take out a license therefor. But nothing herein contained shall be construed to require any inhabitant of the county of Brooke to obtain a city license for the purpose of selling to the inhabitants of said city any meat, fruit or vegetables raised or produced by such inhabitant with said county. No license to permit the permanent occupancy for private use of an open street, alley or public square, or any part thereof, or a use for private purposes that obstructs the free use of the streets, shall be given or granted. And said council shall have the authority, by city ordinance, to grant or refuse to grant a license to keepers of hotels, inns, taverns and boarding-houses, but no license shall be granted for anything prohibited by a state law.

FRANCHISES.

SEC. 35. Franchises shall be granted by the council, allowing to persons or corporations, for a limited time such occupancy of portions of the street as may be necessaryfor works of public utility and service, such as steam railway tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles and subways, electric light and other electric poles, wires, and subways, and gas and steam pipe lines. But no such franchise shall hereinafter be granted except under the following restrictions:

FIRST. No ordinance granting any franchise for the use of the streets, alleys or public grounds for the city for any of the purposes of public utility above named, or for any other purpose of like nature, shall be passed unless it shall have been first proposed in the council and notice of the object, nature and extent of such franchise shall have been published at least thirty days, by the applicant, in some newspaper published in the city of Follansbee, Brooke County, before being acted upon, and shall have received a vote of the majority of the members of the council at a regular meeting after said publication. The votes thereon shall be taken by ayes and noes, and the same entered upon the journal. No such ordinance shall take effect until the expiration of twenty days after its passage, and if within the said twenty days a petition be filed with the city clerk signed by one-fifths of the qualified voters of the said city, based upon the number of votes cast at the last election, requesting it, the council shall submit such ordinance to the qualified voters of the city for ratification or ejection, at a special election to be held for that purpose within forty-five days after such petition is presented, and the votes for ratification and for rejection case at such election shall be entered upon the journal. If a majority of the votes cast at such election shall be in favor of ratification, then such ordinance shall take effect from the time the vote is entered upon the journal.

SECOND. Every grant of any such franchise shall be for a limited period of time. If no limit be expressly provided in the grant, the franchise shall be valid for one year only. In no case shall the franchise extend for a period exceeding thirty years.

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

FOURTH. No grant of any franchise shall be made without at the time of making it, providing that the city shall receive in consideration thereof a compensation, to be paid annually during the whole life of said franchise; provided, however, that the principal of competition shall be employed by the council, where it is offered, so that the franchise, with prescribed terms and conditions as to its extent, and as to the rates to be charged to the public by it for its service, will be given to the person or corporation bidding or agreeing to pay therefor to the city the highest compensation, or so that the

franchise, with prescribed conditions as to its extent, and the compensation that must be paid therefor, will be given to the person or corporation that will agree to render services to the public at the lowest rates.

FIFTH. No grant of a franchise or the extension of, or an addition to, any line such work, over any additional street or territory of the city, shall be made for a period extending beyond the time limited for the expiration of the franchise of the principal work of which it is an extension; and if the franchise of the principal company or work is one which was granted before this act goes into effect, and is not limited as to time, the franchise granted for the extension or addition shall never the less be made subject to the conditions hereof, including a time limit of not exceeding thirty years. If a franchise be secured from the city by an individual or by an independent or new company, and the work constructed thereunder afterwards becomes a part of it, or be operated as a part of a larger work of the same kind whose franchise was previously obtained and is limited to expire earlier, such later franchise shall, by reason of such annexation, merger, or single operation, expire simultaneously with such earlier franchise.

SIXTH. The council shall, in suitable, practicable terms, make it an express condition of the grant of any such franchise where it is for a work that is useful chiefly to the local public, that at the expiration of such franchise, the grantee shall, if required by council, sell to the city the physical plant, at what it is then worth, independent of any value based upon the earning power thereof, and may also provide a means by arbitration or otherwise for determining what such value of that plant may be.

INCREASE OF CORPORATE LIMITS

SEC. 36. Any twenty-five or more, free holders residing in said city, desiring to increase the corporate limits thereof, may file their petition in writing with the council thereof, setting forth the changes proposed in the metes and bounds of said city, and asking that a vote be taken upon the proposed change. The council shall thereupon order a vote of the qualified voters residing in said city to be taken upon the proposed change, at a time and place therein to be named in the order, not less than twenty nor more than thirty days from the date thereof. The said council shall at the same time order a vote of all such voters owning any part of such territory, whether they reside therein or not, to be taken upon question, on the same day and at some convenient place at or near said additional territory, which vote shall be taken, superintended and conducted, and the result thereof ascertained, certified, and returned, in the same manner and by the same persons that elections for city officers are held, superintended, conducted, ascertained, certified and returned. The ballots cast on such question shall have written or printed on them the words, "For Increase of Corporate Limits", or "Against Increase of Corporate Limits". as the voter may choose. If a majority of all votes so cast in said city, and a majority of all the votes cast by persons residing on or owning any part of the additional territory proposed to be included in said city limits, be in favor of the proposed change, the city limits shall be as proposed by such petition from the entry of the order provided for the following section.

SEC. 37. The council of said city shall enter the result of such vote upon its minutes and when the change proposed is adopted, as provided in the next preceding section, they shall certify the same to the circuit court of Brooke County, and aaid court shall enter an order in substance, as follows: "A certificate of the council of the City of Follansbee was this day filed, showing yhat the corporate limits of the said City of Follansbee have been increased in the manner required by law, and by such change the corporate limits are as follows: Beginning at (and here the said order shall recite the boundary as changed). It is therefore order that said increase in said corporate limits be, and same is hereby approved and confirmed, and the clerk of the court is directed to deliver to the said council a certified copy of this order as soon as practicable after the rising of this court,"and, from and after the date of such order, the corporate limits of said city shall be as set forth therein.

MAYOR'S RECORD OF CASES TRIED.

SEC. 38. A book, well bound and indexed, to be denominated the "docked", shall be kept in the office of the mayor, in which shall be noted each case brought before or tried by him, together with the proceedings therein, including a statement of the complaint, the summons, the return, the fact of appearance or non-appearance, the defense, the hearing, the judgment, the costs, and in case the judgment be one of conviction, the action taken to enforce the same. The record of each case shall be signed by the mayor, and the original papers thereof, if no appeal be taken, shall be kept together and and preserved in his office; and the mayor shall deliver to his successor the docket and all books and papers pertaining to his office.

BOARD OF HEALTH.

SEC. 39. The council shall have power to appoint and constitute a board of health, consisting of one reputable physician, and two of its own members, which said board of health under the supervision and with the approval of said council, shall have full power to make all needful rules and regulations for the keeping and maintaini of the said city in proper and healthful condition; and when such board of health shall have been duly elected and organized, it shall have exclusive control of all matters relating to the public health within the city limits.

LIENS UPON REAL ESTATE FOR CITY TAXES.

SEC. 40. There shall be a lien upon real estate within said city for city taxes assessed thereon and for all fines and penalties assessed to or imposed upon the owners thereof by the authorities of said city from the time the same is so assessed or imposed which shall have priority over all other liens, except the lien for taxes due the state and county, and which may be enforced by the council in the same manner provided by law for the enforcement of the lien for county taxes. If any real estate within said city be returned delinquent for the non-payment of the taxes thereon, a copy of such delinquent list may be certified by the council to the auditor, and the same may be sold for city taxes interest and commission thereon, in the same manner, at the same time, and by the same officers as real estate is sold for state taxes.

DUTIES OF CITY COLLECTOR AND TREASURER.

SEC. 41. It shall be the duty of the city collector and treasurer to receive one copy of the assesor's book, receipting the council for the same, and for the taxes therein extended, and it shall be his duty to collect from the parties the the entire amount of taxes with which they are severally charged from and after the 1st day of October, in each year, until the first day of June, of the following year, and he shall in said book write the word "Paid" opposite the name of the person so paying, and shall also receipt to said tax payer for the taxes so paid.

SEC. 41-a. He shall also receive such other moneys of the city as he is authorized by this chapter to receive, and all moneys ordered paid to him by the council, giving receipts to the parties paying, and shall keep an accurate account of the same, and his books at all times shall be open for the inspection of any taxpayer or attorney of the city and he shall produce said books to aaid council for inspection at any meeting thereof upon order of said council.

SEC. 41b. He shall, on or before the first Monday in April of each year, furnish to the council, a full, complete and detailed statement of all moneys of which he is chargeable, or may have been received by him, up to the first day of April of that year, and shall, at any time in like manner, furnish a statement of all disbursements made by him during such previous year, with vouchers evidencing the same. He shall, upon the order of the council, at any time, submit a statement of amount of which he chargeable and his disbursements.

SEC. 41-c. He shall receive all taxes upon licenses and receipt to the party paying the same, by the endorsement upon the permit granted by order of council, which permit shall be furnished him by the city clerk, and charge himself with the amount so received, and report to the council at its next regular meeting the amount so received by him.

SEC. 41-d. He shall, upon all moneys coming into his hand as such city collector and treasurer, and on all moneys duly paid or turned over to him upon orders of the council, receive as compensation therefor a sum to be fixed by the council, not exceeding five per centum of the amount so collected.

SEC. 41-e. He shall, upon the expiration of his term of office, turn over to the council all moneys, books and other property in his possession belonging to the said city; and shall, before entering upon the duties of his office, execute a bond with good security, payable to the city of Follansbee, in the penalty of not less than five thousand dollars, conditioned for the faithful performance of the duties of his office, and for the accounting for and paying as required by law of all money which may come into his hands by virtue of his office, and the said city collector and treasurer shall be chargeable with all of the city taxes, levies and assessments, and all money of the city that may come into his hands, and shall account therfor.

APPLICATION FOR LICENSE AND EXPIRATION OF SAME.

SEC. 42. The council shall presceibe by ordinance therin stating what licenses of all kinds shall be applied for and which may be granted, the term of their extension, and shall require the payment of the taxes thereon before the delivery thereof to the applicant.

STATE LAW RELATING TO LICENSE.

SEC. 43. The general provisions of the state law, as embodied in the code of West Virginia, relating to state licenses, shall be deemed applicable to licenses of a similar character therein mentioned, when granted by or under the authority of the council of the City of Follansbee.

DOG LICENSES.

SEC. 44. Licenses forthe keeping of dogs shall expire on the thirtieth day of April next after they are granted, and all other license may be for such time as the council may determine.

CONDEMNATION OF REAL ESTATE.

SEC. 45. The council shall have the right to institute proceedings in the name of the City of Follansbee for the condemnation of real estate for streets, alleys, drains, market grounds, city buildings, or other work or purpose of public utility. Such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia of one thousand nine hundred and thirteen, and the expense thereof shall be borne by the said city.

EXISTING OFFICERS.

SEC. 46. The regularly elected council, being in at the time this act shall takeeffect, shall appoint and provide a place or places for voting in the said city as herein prescribed, for the election herein provided for to be held in said city, and appoint election officers thereof, and shall pass all proper ordinances and orders to give this act full force and effect.

EXISTING RIGHTS, POWERS and RESPONSIBILITY OF THE CITY.

SEC. 47. The said city shall succeed to all rights, powers and responsibility of the City of Follansbee, and all regularly elected officers of said city acting as such at the time of this act taking effect, shall continue in office until the first Monday in hereinbefore mentioned to be elected, are elected or appointed and have qualified to exercise the powers, perform the duties, and receive the compensation heretofore conferred, prescribed and allowed by general law or by ordinance of said city. Such ordinances in force at the time referred to shall continue to have full force and effect, as ordinances of the City of Follansbee until amended, repealed or suspended by the council of said City of Follansbee.

CONTINUATION OF GENERAL LAW.

SEC. 48. All acts or parts of acts inconsistent with this act are hereby repealed, but this act shall not be construed to repeal, change or modify any previous acts not inconsistent with this act, or to take away any powers heretofore conferred upon the city of Follansbee, or upon the mayor, or council, or any officer therof, conferred by the general law, except so far as the same may be inconsistent with the powers hereby conferred.

AMENDMENT HOUSE BILL #232.

AN ACT to amend and re-act Sections 11 and 12A and by addition of Section 32C of the Acts of the Legislature of West Virginia passed February 16th, one thousand nine hundred fifteen in reference to the charter to the City of Follansbee.

Be it enacted by the Legislature of West Virginia that Sections 11 and 12A of the Charter of the City of Follansbee, and by addition of Section 32C, to be amended and re-enacted so as to read as follows:

WHO ARE VOTERS.

Sec. 11. Every male and female person residing in said city shall be entitled to vote for all officers to be elected under this act; but no person who is a minor, or of unsound mind, or a pauper, or who receives aid from the treasury of said city, or who is under conviction for treason, felony or bribery in an election, or who has not resided in this state for one year, and in this city for six months prior to the election, and is not a bonafide resident of the ward in which he offers to vote, shall be entitled to vote at any election.

12-A. Candidates to be voted for at all general municipal elections at which a mayor, city attorney, city clerk, Chief of Police, City Collector and Treasurer, and Councilmen from each ward are to be elected under the provisions of this act, shall be nominated by a primary election, (the said Mayor, City Attorney, City Clerk, Chief of Police and City Collector and Treasurer shall be nominated and elected at large and the said Councilmen shall be nominated from their respective wards) and no other names shall be printed upon the general ballot, except those selected in the manner hereinafter prescribed.

The primary election for such nominations shall be held on the first Tuesday in March preceding the general municipal election. The judges of election shall be appointed by council for the general municipal election, who shall be the judges of the primary election, but said election officers shall have first been recommended by a majority vote of all candidates at least ten days preceding the said primary election and all primary and general elections shall be held at the same place, so far as possible, and the polls shall be opened and closed at the same hours.

Any person desiring to become a candidate for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer or Councilman, shall at least ten days prior to said primary election, file with the City Clerk (now Recorder) a statement of such candidacy, in substantially the following form:

State of West Virginia, Brooke County, ss:

I, _____, being first duly sworn, say that I reside at _____ Street, City of Follansbee, County of Brooke, State of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer or Councilman from first, second or third ward) to be voted upon at the primary election to be held on the _____ Tuesday of _____ 197___. and I hereby request that my name be printed upon the official primary ballot for nomination by such primary election for such office.

Signed _____

Subscribed and sworn to (or affirmed) before me by _____ on this _____ day of _____ 19____.

Signed _____

and shall at the same time file therewith the petition of at least ten qualified voters requesting such candidacy. Each petition shall be verified by one or more persons as to the qualifications and residence, with street number, of each person so signing the said peition, and the said petition shall be in substantially the following form:

PETITION ACCOMPANYING NOMINATING STATEMENT.

The undersigned, duly qualified electors of the City of Follansbee, and

that the name of (name Candidate) be placed on the ballot as a candidate for nomination for (name of office) at the primary election to be held in said city on the _____Tuesday of _____19____. We further state that we know him to be a qualified elector of said city and a man of good moral character, and qualified, in our judgment for the duties of such office.

Name of qualified Electors. Number. Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates, the said City Clerk (now Recorder) shall cause the primary ballots to be printed, authenticated with a fac-simile of his signature. Upon the said ballot the names of the candidates for Mayor, arranged alphabetically, s shall first be placed, with a square at the left of each name, immediately below the words "vote for one". Following these names, likewise arranged in alphabetical order, shall appear the names of the candidates for City Attorney, City Clerk, Chief of Police, City Collector and Treasurer, with a square at the left of each name, and below the names of such candidates shall appear the words "Vote for one"; following likewise arranged, shall appear the names of the candidates for councilmen in each ward with a square at the left of each name, and below the names of such candidates shall appear the words "Vote for one or two", according to the number of councilmen to be elected in said ward.

The ballots shall be printed upon plain, substantial white paper and shall be headed:

"Candidates for Nomination for Mayor, City Attorney, City Clerk, Chief of Police, City Collector, and Treasurer and Councilmen for the _____Wards of the City of Follansbee, at the Primary Election, "but shall have no party designation or mark whatever. The ballots shall be in substantially the following form:

(Place a cross in the square preceding the names of the parties you favor as candidates for the respective offices.)

OFFICIAL BALLOT

Candidates for nomination for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer and Councilmen for the _____Ward of the City of Follansbee, at the primary election.

For Mayor
Name of candidates
(vote for one)

For City Attorney
Name of candidates
(vote for one)

For City Clerk
Name of candidates
(vote for one)

For Chief of Police
Name of candidates
(vote for one)

For City Collector and Treasurer
Name of candidates
(vote for One)

For Councilman
Name of candidates
(Vote for one or two as the case may be)
Official ballot, attest.

Signature _____City Clerk.

Judges of election shall, immediately upon the closing of the polls, count the ballots and ascertain the number of votes cast in such precinct for each candidate, and make return thereof to the City Clerk before nine o'clock A.M. of the following

day,. On the day following said primary election the council shall canvass said returns so received-from all the polling precincts, and shall make and publish in all the newspapers of said city at least once the result thereof. Said canvass shall be publicly made.

The two candidates receiving the highest number of votes for Mayor, City Attorney, City Clerk, Chief of Police, City Collector and Treasurer, shall be the candidates and the only candidates whose names shall be placed upon the ballot for the said offices at the next succeeding general election, and at the first election to be held underthis charter, the four candidates receiving the highest number of votes for councilmen in each ward shall be the candidates and the only candidates at said first election, and at all other general elections at which said officers shall be elected, and the two candidates receiving the highest number of votes for councilmen in each ward, shall be the candidates and the only candidates whose names shall be placed upon the ballot for councilmen at such municipal election, unless there should be two members of council to elect from any of said wards, then the four candidates receiving the highest number of votes shall be placed upon the ballot for councilmen at suc h election. In the event of the death or resignation of a nominee before the election, the candidate receiving the next highest number of votes at the primary shall be placed on the ticket in his stead.

The ballot at such general municipal election shall be in the same general form as for such primary election, so far as applicable, and all elections in said city, of whatsoever kind, held under this act, shall be conducted, returned and the result thereof ascertained and declared in the manner prescribed by the laws of the state relating to elections, in so far as they are not in conflict or inconsistent with the provisions of this act.

Section 32C. And the members of said Council shall receive as compensation, the sum of Two ($2.00) Dollars, for each and every meeting of said Common Council.

ENROLLED BILL

(H. B. No. 305)

[Passed March 24, 1925; effective from passage.]

AN ACT to amend and re-enact the acts of the legislature of West Virginia, known as chapter five of the acts of one thousand nine hundred and fifteen entitled "The City of Follansbee" and to re-enact and amend the amendment to said chapter five of the acts of the legislature of one thousand nine hundred and fifteen as amended and re-enacted by the acts of the legislature of one thousand nine hundred and twenty-one, chapter nine; and to amend and re-enact sections eight and twelve-*a* of the charter of the City of Follansbee.

Be it enacted by the Legislature of West Virginia:

That sections eight, twelve-*a*, twenty-three-*b*, forty-eight-*a* and forty-eight-*b* of the charter of the City of Follansbee be amended and re-enacted to read as follows:

Originated in the ..... Passage.

Takes effect .....

..... *Clerk of the House of Delegates.*

..... *Clerk.*

CORRECTLY ENROLLED

..... *Chairman Senate Committee.*

..... *Chairman House Committee.*

Officers

Section 8. The officers of the said city shall be a mayor, six
2 councilmen, city attorney, city clerk, chief of police, city col-
3 lector and treasurer and a city manager. The mayor and three
4 of said councilmen (the three other councilmen of said city
5 holding over until the next election as provided by the charter
6 of the City of Follansbee) city attorney, city clerk and chief of
7 police shall be elected on the Tuesday after the third Monday in
8 March, one thousand nine hundred and twenty-seven, and every
9 two years thereafter, by the qualified voters of the said city, who
10 shall hold their respective offices for two years, and until their
11 successors shall be duly elected and qualified.

12 The city manager, collector and treasurer shall be appointed
13 by the council, and the said offices of city manager and city
14 collector and treasurer may be at the option of said city council
15 held by the same person or may be held by separate appoint-
16 ments as the said city council may deem best; and no person
17 shall be elected to any office or retain and hold the same who
18 shall be or become an officer or employee of any person, firm
19 or corporation holding any franchise or contract under or with
20 said city, and the said council of said city shall fix the compen-

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Chairman Senate Committee.

Chairman House Committee.

22

21 sation of all elective and appointive officials and employees of
22 said city.

Mode of Voting

Sec. 12-*a*. Candidates to be voted for at all general municipal
2 elections at which a mayor, city attorney, city clerk, chief of
3 police and councilmen from each ward are to be elected under the
4 provisions of this act, shall be nominated by a primary election
5 (the said mayor, city attorney, city clerk, chief of police shall
6 be nominated and elected at large and the said councilmen
7 shall be nominated and elected from their respective wards),
8 and no other names shall be printed upon the general ballot,
9 except those selected in the manner hereinafter prescribed.

10 The primary election for such nomination shall be held on
11 the first Tuesday in March preceding the general municipal
12 election. The judges of election shall be appointed by council
13 for the general municipal election, who shall be the judges of the
14 primary election, but said election officers shall have first been
15 recommended by a majority vote of all candidates at least ten
16 days preceding the said primary election and all primary and
17 general elections shall be held at the same place, so far as pos-
18 sible, and the polls shall be opened and closed at the same hours.

CORRECTLY ENROLLED

Chairman House Committee.

Chairman Senate Committee.

2-3

Chairman Senate Committee.

Chairman House Committee.

CORRECTLY ENROLLED

Any person desiring to become a candidate for mayor, city attorney, city clerk, chief of police or councilman, shall, at least ten days prior to said primary election, file with the city clerk (now recorder) a statement of such candidacy, in substantially the following form:

STATE OF WEST VIRGINIA, BROOKE COUNTY, SS:

I, ... being first duly sworn say that I reside at ..... street, City of Follansbee, county of Brooke, state of West Virginia; that I am a qualified voter therein; that I am a candidate for nomination to the office of (mayor, city attorney, city clerk, chief of police or councilman from first, second or third ward) to be voted upon at the primary election to be held on the..... Tuesday of....., 19....., and I hereby request that my name be printed upon the official primary ballot for nomination by such primary election for such office.

Signed .....

Subscribed and sworn to (or affirmed) before me by..... ..... on this ..... day of....., 19.....

Signed .....

CORRECTLY ENROLLED

Chairman House Committee.

Chairman Senate Committee.

and shall at the same time file therewith the petition of at least ten qualified voters requesting such candidacy. Each petition shall be verified by one or more persons as to the qualifications and residence, with street number, of each person so signing the said petition, and the said petition shall be in substantially the following form:

PETITION ACCOMPANYING NOMINATING STATEMENT

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

Names of Qualified Electors. Number. Street.

Immediately upon the expiration of the time of filing the statements and petitions for candidates, the said city clerk (now recorder) shall cause the primary ballot to be printed, authenticated with a *fac simile* of his signature. Upon the said ballot

61 the names of the candidates for mayor, arranged alphabetically,
62 shall first be placed, with a square at the left of each name,
63 immediately below the words "vote for one." Following these
64 names, likewise arranged in alphabetical order, shall appear the
65 names of the candidates for city attorney, city clerk and chief
66 of police, with a square at the left for each name, and below the
67 names of such candidates shall appear the words "vote for one;"
68 following, likewise arranged, shall appear the names of the
69 candidates for councilmen in each ward, with a square at the
70 left of each name, and below the name of such candidates shall
71 appear the words "vote for one or two," according to the num-
72 ber of councilmen to be elected in said ward.

73 The ballots shall be printed upon plain, substantial white
74 paper, and shall be headed:

75 "Candidates for Nomination for Mayor, City Attorney, City
76 Clerk, Chief of Police and Councilmen for the .....
77 Ward of the City of Follansbee, at the Primary Election," but
78 shall have no party designation or mark whatever. The ballots
79 shall be in substantially the following form:

80 (Place a cross in the square preceding the names of the
81 parties you favor as candidates for the respective offices.)

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Chairman Senate Committee.

Chairman House Committee.

CORRECTLY ENROLLED

Chairman Senate Committee.

Chairman House Committee.

82 OFFICIAL PRIMARY BALLOT.

83 Candidates for nomination for mayor, city attorney, city
84 clerk, chief of police and councilman for the .....
85 ward of the City of Follansbee, at the primary election.

86 For Mayor

87 Name of candidates

88 (Vote for one)

89 For City Attorney

90 Name of candidates

91 (Vote for one)

92 For Chief of Police

93 Name of candidates

94 (Vote for one)

95 For Councilman

96 Name of candidates

97 (Vote for one or two as the case may be)

98 Official ballot attest:

99 Signed.....City Clerk.

100 Judges of election shall, immediately upon the closing of the
101 polls, count the ballots, and ascertain the number of votes cast
102 in such precinct for each candidate, and make return thereof

27

103 to the city clerk before nine o'clock A. M. of the following day.
104 On the day following said primary election the council shall
105 canvass said returns so received from all the polling precincts,
106 and shall make and publish in all the newspapers of said city
107 at least once, the result thereof. Said canvass shall be pub-
108 licly made.

109 The two candidates receiving the highest number of votes
110 for mayor, city attorney, city clerk, chief of police, shall be the
111 candidates and the only candidates whose names shall be
112 placed upon the ballot for the said offices at the next
113 succeeding general election, and at the first election
114 to be held under this charter, the four candidates
115 receiving the highest number of votes for councilmen in each
116 ward, shall be the candidates and the only candidates whose
117 names shall be placed upon the ballot for councilmen at said
118 first election, and at all other general elections at which said
119 officers shall be elected, the two candidates receiving the highest
120 number of votes for councilmen in each ward, shall be the
121 candidates and the only candidates whose names shall be placed
122 upon the ballot for councilmen at such municipal election,
123 unless there should be two members of council to elect from

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Chairman House Committee.

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124 any of said wards, then the four candidates receiving the highest
125 number of votes shall be placed upon the ballot for councilmen
126 at such election. In the event of the death or resignation of a
127 nominee before the election, the candidate receiving the next
128 highest number of votes at the primary shall be placed on the
129 ticket in his stead.

130 The ballot at such general municipal election shall be in the
131 same general form as for such primary election, so far as
132 applicable, and all elections in said city, of whatsoever kind,
133 held under this act, shall be conducted, returned and the result
134 thereof ascertained and declared in the manner prescribed by
135 the laws of the state relating to elections, in so far as they are
136 not in conflict or inconsistent with the provisions of this act.

City Manager

Sec. 23-*b*. The city manager shall have general supervision
2 over the streets, alleys, sidewalks, drains and sewers of said city
3 and of the construction of any streets, alleys, sidewalks, drains
4 and sewers, and of making changes in the ones existing; and
5 shall see that the streets are properly lighted, pursuant to con-
6 tract. It shall be his duty to investigate all applications for
7 new streets, alleys, sidewalks, drains and sewers, and report the

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8 same to the council with his recommendation in regard thereto.
9 He shall have general supervision of the construction of all
10 streets, alleys, sidewalks, drains and sewers and the planting of
11 trees and other improvements which may from time to time
12 be made in any public street or alley, and to this end, may by
13 and with the consent of the council, appoint such assistants as
14 are necessary in the faithful performance of his duties herein
15 conferred.

16 It shall likewise be his duty to report to the council every
17 obstruction found in any of the streets, alleys, sidewalks, drains
18 or sewers, in said city, and on such report the mayor shall
19 instruct the chief of police to summons the offender to show
20 cause why the same should not be removed at the expense of the
21 offender, and why a fine should not be imposed upon such an
22 offender for violation of such ordinance of said city in regard
23 thereto.

24 It shall likewise be the duty of said city manager to supervise
25 and protect all the buildings and other properties belonging to
26 said city and provide for the public heating, cleaning and light-
27 ing of said city building and look after the same, and he shall
28 have supervision of all the tangible property of said city and all

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Chairman House Committee.

29 the appliances used by the fire department of said city, and he
30 shall see to it that the same are properly taken care of and kept
31 in proper condition for use.

32 He shall also supervise the granting of building permits, and
33 see that all buildings erected in said City of Follansbee are
34 erected and constructed in accordance with the ordinances of
35 said city.

36 He shall also employ such unskilled labor as may be necessary;
37 fix their wages, with the consent of the common council of said
38 city, and have authority to terminate their employment at any
39 time.

40 He shall also perform such other duties as may properly
41 devolve upon him under this charter or be required of him by
42 ordinances or resolutions of the common council of said city.

Sec. 48-*a*. This act shall not become effective unless the same
2 is adopted by a majority of the voters in said city as hereinafter
3 provided for within six months after the passage of this act.
4 Upon the passage of this act it shall be the duty of the council
5 of the City of Follansbee as the same exists at that time, to set
6 a time for an election. The question of the adoption of this
7 amendment to the charter shall be referred to the legal voters

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Chairman Senate Committee.

Chairman House Committee.

8 of Follansbee, and thereupon the mayor of said city shall issue
9 a proclamation setting the date of such election and the object
10 of such election, and further stating that a copy of said amend-
11 ment to the charter is on file in the office of the city clerk and
12 open to the inspection of all persons interested, but it shall not
13 be necessary for said proclamation to be therein contained a
14 copy of this act. Such proclamation shall be published in some
15 newspaper of general circulation in said city, at least once a
16 week for two successive weeks before the election.

17 It shall be the duty of the council of said city to appoint the
18 election commissioners and clerks to conduct said election, to
19 provide ballots, poll books and other things for the proper
20 conduct of said election; and said election shall be conducted
21 at such place as shall be provided by the mayor in his proclama-
22 tion and according to the rules and regulations for elections
23 now in force in said City of Follansbee.

24 The ballots used in said election shall be printed in substan-
25 tially the following form:

26 "Election by the voters of the City of Follansbee in the
27 county of Brooke and state of West Virginia, on the.....
28 .....day of ....., 1925, on

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Chairman Senate Committee.

Chairman House Committee.

the question of adopting or rejecting the amendment to the charter of Follansbee, as enacted by the Legislature of West Virginia at the regular session, one thousand nine hundred and twenty-five thereof.

For the adoption of said amendment to the charter [ ]

Against the adoption of said amendment to the charter [ ]

On the day after the said election it shall be the duty of said council of said city, to canvass the returns of said election and ascertain and declare the result thereof. If a majority of the votes so cast at said election are for the adoption of the amendment to the charter, a certificate thereof shall be published and entered in the minute book of said council and publication thereof be made in the next succeeding issue of such newspaper in which the said proclamation of the mayor calling said election was published.

Sec. 48-*b*. All ordinances of the City of Follansbee, as they exist at the time of the passage of this act, which are inconsistent therewith, are hereby abrogated, and all acts and parts of acts inconsistent with any of the provisions of this act are hereby repealed.

Chairman Senate Committee.

Chairman House Committee.

CORRECTLY ENROLLED

AMENDMENT HOUSE BILL NO. 144
(Passed February 13th, 1929; in effect ninety days from passage)

AN ACT to amend and re-enact chapter five of the acts of one thousand nine hundre and fifteen, (municipal charters,) relating to the City of Follansbee by adding theret section thirty-two-c.

Be it enacted by the Legislature of West Virginia: That chapter five of the acts o the legislature of one thousand nine hundred and fifteeen, (municipal charters,) relat to the charter of the City of Follansbee be amended by adding thereto section thirty-t relating to public improvements, and authorizing the common council of said city to ma special assessments for improvements and the issuing of certificates of indebtedness a creating a lien upon property adjoining and abutting such improvements apportioning th cost of such improvements and fixing no time limit on the lien created by the issuing c such certificates, be amended and re-enacted, and that section thirty-two-c,relating tc public improvements, be added to said act to read as follows:

ASSEESMENTS AND CERTIFICATES

Sec. 32-c. Whenever it is deemed expedient by the common council of said city, or other body or bodies having such matters in charge under the charter, to provide for the grading, paving, curbing, sewering, macadamizing or otherwise improving any street alley therein, to be paid for in whole or in part by special assessments, said council, other body or bodies having such matters in charge under the charter, shall declare by resolution, three-fifths of the whole number elected thereto concurring, by an aye and nay vote, the necessity of such improvement. At the time of the passage of such resolution, the council, or other body or bodies having such matters in charge under the charter, shall have on file in the office of the city clerk, plans, specifications, estimates and profiles of the proposed improvements, after completion, with reference t the property abutting thereon, which plans, specifications, estimates and profiles shal be open to the inspection of all persons interested. Said resolution shall determine the general nature of the improvement, what shall be the grade of the street, alley or other public place to be improved, as well as the grade or elevation of the curbs. and said council shall approve the plans, specifications, estimates and profiles for the pr posed improvement.

The council, or other body or bodies having such matters in charge under the charter, shall also determine in said resolution the method of paying for the work contemplated in said plans and specifications, whether by an appropriation from funds in the treasury unappropriated, or whether or not by the issuance of certificates as hereinafter provided, or whether or not bonds shall be issued in anticipation of the collection of special assessments to be made against the abutting property owners as provided for in section forty-nine-c (2), chapter forty-seven of the code. But before any such resolution shall be passed, providing that improvements shall be made, the same to be paid for by assessments against abutting property, at least thirty days written notice of the intention to pass such resolution shall be served on each of the abutting property owners by personal service, or, if not found and their residence is unknown, then by publication, and such owners shall have the right to be heard for or against the passage thereof.

Assessments shall be payable in ten installments as provided for in said section forty nine-c of the code of West Virginia, and shall be recorded and constitute a lien as there-in provided. The resolution herein provided for declaring the necessity of sai improvement shall be published at least once a week for two successive weeks after its adoption in two newspapers of general circulation, and of opposite politics, in sai it in which said improvements are to be made, and an affidavit of the publisher showing pub lication for such time, together with a copy of said notice attached shall be filed wit the clerk of the council, or other body or bodies having such matters in charge under the charter, and spread upon the record of the minutes of the nextmeeting of the counci or other body or bodies having such matters in charge under the charter. Where there are not two newspapers of general circulation and of opposite politics in the city. publication in one newspaper of general circulation therein for the required time sha be all that is required for this or any other notice, provided for by this chapter. Sai resolution shall be in effect from and after the first publication thereof as herein provided for. If there be no newspapers in such corporation. the notice may be given by posting on the front door of the building where the council or other body or bodies having such matters in charge under the charter of said corporation holds its meeting.

In all cases where an assessment is made upon the property abutting on the stre or alley improved in accordance with the provisions contained in this and the two pre ceeding sections, the council, or other body or bodies having such matters in charge under the charter of said city, may, by resolution entered of record by it, or them, sell, assign, and transfer to any person or persons, for a cash consideration, all or an of the assessments perfected as provided in said section, and apply the amount received thereby to the payment of the cost of such improvements; but no such sale and assignment shall be made until either bonds or certificates of indebtedness shall have been issued

for such assessment, which shall be described in detail in the notice of the lien thereof to be recorded in the trust deed record in the office of the clerk of the county clurt. But no sale or transfer of such assessment shall be greater discount than five per centum of the aggregate sum represented by said sale. When authorized to do so by the council or other body or bodies having such matters in charge, the mayor or other chief officer of said city, may make an assignment and transfer of said assessments, so evidenced by such bonds or certificates of indebtedness as aforesaid; and when so made, and recorded in the trust deed book in the office where said assessments are recorded, the purchaser of such assessments shall be and remain until payment thereof subrogated to all of the rights and remedies without recourse on said city as were obtained by recording said assessments in the first instance, and such council, or other body or bodies having such matters in charge, may issue against each of the several properties upon which said assessments have been made, bonds or certificates of indebtedness in denomination and corresponding to the annual sum to be paid on each of properties so assessed, and the assessments on said properties shall, when so made and recorded, remain and be a,lien thereon until such bonds or certificates of indebtedness are discharged. The lien created by such assessment and by the issuance of any bonds o certificates issued therefore may be released as provided by law in the case of other l and in addition thereto, upon presentation to the clerk of the county court of the coun wherein the real estate subject to said lien is situated all the bonds or certificates issued there under, as to any specific real estate therein described or located, showin that the same have all been paid, such clerk is hereby empowered to release the lien of such assessment as to any such real estate by noting a release thereof on the record of lien as to such real estate on the margin of the deed of trust book, where the same is recorded, and such annotation by such clerk shall have the effect to release such real estate from such lien as effectively as a regularly executed and recorded release there The proceeds of the sale of such bonds or certificates of indebtedness shall be applied to the payment of the indebtedness incurred in making the improvement on account of whi such bonds or certificates of indebtedness were issued. Should said governing body or bodies of said city, decide to issue bonds or certificates of indebtedness, as herein provided, it or they may call upon the attorney general of the state for, and it shall his duty to furnish, a form for all such bonds or certificates of indebtedness.

In addition to the methods hereinbefore and hereinafter prescribed for the payment the cost of construction and improvements of streets, sewers and sewer systems, the cou or other governing body may order any street, alley, or portion thereof, to be graded a paved, re-paved or otherwise permanently improved, and the council may order to be issu a certificate for each installment of the amount of the assessment to be paid by the ow of any lot or fractional part thereof abutting on the street or alley so improved. The amount specified in said assessment shall be a lien as aforesaid in the hands of the ho of such certificate upon such abutting lot or part of lot, and such certificate shall d interest from the date of said assessment and the payment may be enforced in the name o the holder of said certificate by proper suit in equity in any court having jurisdicati enforce such line; the council shall fix the amount of such assessment, advertise for b and do all other things in connection therewith as is herein before and hereinafter pro ed in this chapter, except that the amount of such certificate shall include the whole of such improvement, including the cost of grading, paving and curbing squares at inter sections of streets, the costs of which intersections shall be apportioned against the several properties abutting upon the street or portion thereof so improved. Paving cer ficates shall be issued in the same number of installments and payable at the same time as other paving assessments provided for in this chapter. Northing contained in this act shall be construed as imposing a time limit upon the enforcement by appropriate sui of any lien for public improvments, heretofore or hereafter created.

Certificates authorized by this section may be issued,sold or negotiated to the co tractor doing the work, or to any other person if the council deem expedient; provided, said city, in issuing such certificates, shall not be held as guarantor or in any way liable for payment thereof, except upon the direct action of the council expressed by r solution of record before sale.

Certificates so issued shall contain a provision to the effect that, in the event default in the payment of any one of said certificates when due, and said default conti ing for a period of sixty days, then all unpaid certificates shall become due and payab and the holder of said certificates may proceed to collect all of such unpaid certificates in the manner hereinbefore provided. Certificates issued in pursuance of this se ion shall be negotiable at any bank in the city by which they are issued.

In the City of Follansbee the corporation shall not pay the cost of improving, permanently, the intersections at cross streets; and, whenever special assessments shal have been levied and paid under chapter eight of the acts of the legislature of one tho nine hundred and eight for the improvement of any street or other public place the prop so assessed shall again be assessed for the whole cost and expense of re-paving or agai permanently improving such street or other public place.

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

All acts or parts of acts inconsistent herewith are hereby repealed.

(TRUE COPY) **********(TRUE COPY)**********(TRUE COPY)********

IN THE COUTY COURT OF BROOKE COUNTY, WEST VIRGINIA

IN THE MATTER OF THE CHANGE OF THE CORPORATE LIMITS OF THE CITY OF FOLLANSBEE, BROOKE COUNTY, WEST VIRGINIA.

CERTIFICATE OF THE COUNTY COURT

A Certificate of Council of the City of Follansbee was on the 24th day of April, 1959, filed with the County Court showing that a change had been made in the manner required by law in the corporate limits thereof, and that by such change the said corporate limits are as follows:

"Commencing at the northeastern boundary line of the City of Follansbee where the same is the common corner of the lands of the Wheeling Steel Corporation and the "Walker Farm"; thence from said beginning point N. 13 degrees 21 ' W. 262.5 feet to Honey Locust; thence N. 19 degrees 39'E. to a point; thence N. 73 degrees 52'E. 1364.9 feet to a stake; thence 574 degrees 38' E. 893.4 feet to a Locust Tree; thence S. 61 degrees 47' E. 686.6 feet to a large Sycamore Tree; thence S. 32 degrees 26' E. 291.5 feet to a stake; thence S. 35 degrees 26' E. 261.5 feet to a stake in Latimers Run at the mouth of the drain leading to Walkers Coal Bank; thence N. 49 degrees 26' E. 532.1 feet to a Water Elm; thence N. 40 degrees 36' W. 126.2 feet to a point; thence S. 49 degrees 24' E. 447.11 feet to a point; thence along the line of lands of H. C. Carter S. 13 degrees 24' W. 632.46 feet to the common corner of land herein described, the Alex Finley and A. L. Carter farms; thence s. 87 degrees 33' W. 803.2 feet to a point; thence S. 61 degrees 33' W. 245.9 feet to a point; thence S. 54 degrees 32' W. 1114.7 feet to a Red Oak Snag; thence S. 12 degrees 21' W. to a point on the southwestern corner of the Alex Finley Farm; thence N. 74 degrees 09' W. 411.0 feet to a sand stone; thence S. 85 degrees 06' W. 1271.0 feet to a point on the northeastern boundary line of the City of Follansbee."

It is, therefore, Ordered that such change in said corporate limits be, and the same is hereby approved and confirmed, and the Clerk of this Court is directed to deliver to the said Council a certified copy of this Order as soon as practicable after the rising of said Court. And after the date of such Order, the corporate limits of such town shall be as set forth herein.

THE COUNTY COURT OF BROOKE COUNTY

BY James Inman
ITS: President

Dated: April 29, 1959

**********(TRUE COPY)********* **********(TRUE COPY)**********

IN THE COUNTY COURT OF BROOKE COUNTY, WEST VIRGINIA

IN RE: Annexation to City of Follansbee of Certain Property located East of said City

ORDER

A Certificate of the governing body of the municipality of Follansbee, West Virginia, was this day filed showing that an annexation has been made, in the manner required by law, to the corporate limits thereof, and that by such annexation, the said corporate limits now include the following described property:

> All that certain parcel of land located in Cross Creek District, Brooke County, West Virginia, being more particularly described as follows:
>
> Beginning at a point on the Northeastern boundary line of the City of Follansbee where the Northeastern edge of the Follansbee Eldersville Road right of way crosses said line; thence S. 6°-34'E. approximately 497.00 ft. to a point; thence S. 83°-26'W-300.01 ft. to a point; thence S. 6°-26"W. approximately 325.00 ft. to a point; thence N. 89° 21'E. 391.6 ft. along the southern boundary of lands of Phillip Greathouse, to a point; thence N. 72° 55'E. approximately 825 ft. along the southern boundary of lands of Kermit Fish, Cora Virginia Vanderbush, and William J. & Frances Kowalik, Jr. to a point, thence N. 14° 25'W-420.9 ft. to apoint, thence N. 72° W.-94 ft. to a point; thence N. 28° W-308 ft. to a point along the Northern edge of the Follansbee Eldersville Road right of way; thence 914 ft. S. 85° 06' W. along the Northern boundary of the Follansbee Eldersville Road right of way to the point of beginning.

It is, therefore, ORDERED that such annexation to said corporate limits be, and the same is hereby approved and confirmed, and the Clerk of this Court is directed to deliver to the said governing body a certified copy of this ORDER as soon as practicable after the rising of this Court.

Dated: February 11, 1971

Rolland S. Crabtree
President-Commissioner

Elmer H. Vincent
Commissioner

E. D. Rees
Commissioner

-0-

Adjounment was thereupon ordered until Monday, February 15, 1971, at 9:30 a.m. at the courthouse.

(Signed) Rolland S. Crabtree
President

Teste:

(Signed) Anthony J. Filberto Clerk

IN THE COUNTY COMMISSION OF BROOKE COUNTY, WEST VIRGINIA

IN RE: Annexation of Territory to the City of Follansbee, - West Virginia, a municipal corporation

ORDER OF ANNEXATION

A certificate of the governing body of the municipality of Follansbee, West Virginia, was this day, December 10, 1975, filed showing annexation has been made, in the manner required by law, to the corporate limits thereof, and that by such annexation the said corporate limits are increased as follows:

Situated in the District of Cross Creek, County of Brooke and State of West Virginia and more particularly described as follows:

Beginning at the low water mark on the east shore of the Ohio River with the intersection of the north corporation line of the City of Follansbee, as taken from the U.S. Geological Survey Map, and thence easterly with the north corporation line 2200 ft., more or less, to the east line of W.Va. State Rt. 2; thence with the east line of W. Va. Rt. 2 and in a northly direction with a curve in a northwesterly direction, 2300 ft., more or less, to the intersection of W. Va. State Rt. 2 and Mahan Lane; thence leaving the east line of W. Va. State Rt. 2., and with Mahans Lane in an easterly direction, 600 ft., more or less, to a point in the south line of Mahans Lane.

Thence leaving Mahans Lane and in a northwesterly direction 6,000 ft., more or less, in a straight line to the southeast corner of Lot No, 9 of Highland Hills Plan 4, situate in Cross Creek District, Brooke County, West Virginia; thence continuing along the east line of said Lot No. 6, N. 42° 08' 47" E. 188 ft. to a point on the south line of Lot No. 8 of said Plan 4. Thence No. 49°, 29' 06" W. 15 ft., more or less, to the southeast corner of said Lot No. 8; thence No. 42", 58', 12" W. 140.37 ft. to a point on the south line of Lot No. 120 of Highland Hills Plan 3.

Thence N. 46" 48' E. 51 ft., more or less, to a point 27.5° East of the southeast corner of Lot No. 120 of Plan 3; thence No. 45° 20' 00" W., 341.065 ft. to a point at the northeast corner of Lot No. 111 of Plan 3.

Thence S. 58°, 00' 00" W., 199.96 ft.;
Thence S. 82°, 54' 00" W., 536.195 ft.;
Thence S. 82°, 17' 00" E., 116.14 ft.;
Thence S. 70°, 03' 00' E., 116.14 ft.;
Thence S. 57°, 49' E., 116.14 ft. to the northwest corner of Lot No. 101 of Highland Hills Plan 1;

Thence continuing S. 57°, 49' E., 590 ft., more or less to a point on the west side of Archer Hill Road (State of West Virginia Secondary Road #8); thence along the west line of said Archer Hill Road following said west line of said road a distance of approximately 4,250 ft., more or less, to a point on the north side of Archer Hill Road, as the same intersects with West Virginia Route 2,

Thence continuing across West Virginia Route 2, in a westerly direction 600 ft., more or less, to the low water mark on the east shore of the Ohio River; thence with the low mark and continuing with the east shore of the Ohio River and in a southerly direction 5,400 ft., more or less, to the place of beginning containing 0.814 square miles, more or less.

It is therefore, ORDERED that such annexation to said corporate limits be, and the same is hereby approved and confirmed, and the clerk of this commission is directed to deliver to the said governing body a certified copy of this order as soon as practicable after the rising of this Court.

DATED: December 10, 1975

The County Commission of
Brooke County, West Virginia

BY: Henry A. Wilson
President - Commissioner

Attest:
Anthony J. Filberto
Clerk

(SEAL)

John P. Teeters
Commissioner

Alfred DeAngelis
Commissioner

State of West Virginia, County of Brooke,

City of Follansbee

I, Rudy J Cipriani do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of MAYOR, in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.

Rudy Cipriani

Sworn to and subscribed before the undersigned authority this 1st of July, 1997.

Nina B. Meca
Notary Public

My Commission expires 9-28-99

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

State of West Virginia, County of Brooke,

City of Follansbee

I, Nina B. Meca do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of First Ward Council, in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.

Nina B. Meca

Sworn to and subscribed before the undersigned authority this 1st day of July, 1997.

Christina Elnora Bilar
Notary Public

My Commission expires January 5, 2005

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
Christina Elnora Bilar
174 Highland Hills Drive
Follansbee, West Virginia 26037
My Commission Expires Jan. 5, 2005

State of West Virginia, County of Brooke,

City of Follansbee

I, Joseph J. Cicchirillo *do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of* City Manager, *in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.*

Joseph J. Cicchirillo

Sworn to and subscribed before the undersigned authority this 1st *of* July, *19*97.

Nina B. Meca
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

My Commission expires 9-28-99

State of West Virginia, County of Brooke,

City of Follansbee

I, James Mirasola *do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of* City Clerk, *in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.*

James Mirasola

Sworn to and subscribed before the undersigned authority this 1st *of* July, *19*97.

Nina B. Meca
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

My Commission expires 9-28-99

State of West Virginia, County of Brooke,

City of Follansbee

I, John L. Pizzuti *do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of* Council-at-Large*, in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.*

John L. Pizzuti

Sworn to and subscribed before the undersigned authority this 1st *of* July*, 19*97

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

Nina B. Meca
Notary Public

My Commission expires 9-28-99

State of West Virginia, County of Brooke,

City of Follansbee

I, Michael E. Gaudio *do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of* City Attorney*, in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.*

Michael E. Gaudio

Sworn to and subscribed before the undersigned authority this 1st *of* July*, 19*97

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

Nina B. Meca
Notary Public

My Commission expires 9-28-99

State of West Virginia, County of Brooke,

City of Follansbee

I, Kathy L. Santoro ..... do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of 3RD Ward Council Representative, in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.

Kathy L. Santoro

Sworn to and subscribed before the undersigned authority this 1st of July, 1997.

Nina B. Meca
Notary Public

My Commission expires 9-28-99

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

State of West Virginia, County of Brooke,

City of Follansbee

I, William Kocher ..... do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of Second Ward, in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.

William Kocher

Sworn to and subscribed before the undersigned authority this 1st of July, 1997.

Nina B. Meca
Notary Public

My Commission expires 9-28-99

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

State of West Virginia, County of Brooke,
City of Follansbee

I, JOHN A. DE STEFANO, JR *do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of* FIFTH WARD COUNCILMAN, *in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.*

John A. De Stefano Jr.

Sworn to and subscribed before the undersigned authority this 1st *of* July, *19*97.

Nina B. Meca
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

My Commission expires 9-28-99

State of West Virginia, County of Brooke,
City of Follansbee

I, Dominic Joseph Pellicciotti *do solemnly swear that I will support the constitution of the United States, the constitution of the State of West Virginia, and that I will faithfully discharge the duties of the office of* Fourth Ward Councilman, *in the City of Follansbee, to which I have been elected, to the best of my skill and judgment. So help me God.*

Dominic Joseph Pellicciotti

Sworn to and subscribed before the undersigned authority this 1st *of* July, *19*97.

Nina B. Meca
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
NINA B. MECA
831 Virginia Avenue
Follansbee, West Virginia 26037
My Commission Expires Sept. 28, 1999

My Commission expires 9-28-99

CITY OF FOLLANSBEE

AN ORDINANCE SEVERING THE COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE, WEST VIRGINIA, INTO A SEPARATE WATERWORKS SYSTEM AND A SEPARATE SEWERAGE SYSTEM, DISSOLVING THE FOLLANSBEE COMBINED WATERWORKS AND SEWERAGE SYSTEM BOARD, CREATING THE FOLLANSBEE WATER BOARD AND THE FOLLANSBEE SANITARY BOARD, AND PROVIDING FOR THE TRANSFER OF MANAGEMENT, CONTROL AND OPERATION OF THE MUNICIPAL WATERWORKS SYSTEM FROM THE FOLLANSBEE COMBINED WATERWORKS AND SEWERAGE SYSTEM BOARD TO THE FOLLANSBEE WATER BOARD AND THE TRANSFER OF MANAGEMENT, CONTROL AND OPERATION OF THE MUNICIPAL SEWERAGE SYSTEM FROM THE FOLLANSBEE COMBINED WATERWORKS AND SEWERAGE SYSTEM BOARD TO THE FOLLANSBEE SANITARY BOARD.

WHEREAS, on August 8, 1988, the Council of the City of Follansbee (the "City") enacted an ordinance combining the City's previously separate municipal waterworks system and sewerage system;

WHEREAS, the City presently owns and operates this combined municipal waterworks and sewerage system (the "Combined System");

WHEREAS, the Combined System has heretofore been managed by the Follansbee Combined Waterworks and Sewerage System Board (the "Follansbee Combined Board"), created pursuant to the aforesaid ordinance;

WHEREAS, pursuant to Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), the Issuer is permitted to sever the Combined System into a separate waterworks system and a separate sewerage system and to operate the respective systems under a water board and a sanitary board; and

WHEREAS, the City now desires to sever the Combined System into a separate waterworks system and a separate sewerage system, dissolve the Follansbee Combined Board, create the Follansbee Water Board and the Follansbee Sanitary Board and

provide for the manner of and procedure for transferring supervision and control of its waterworks system from the Follansbee Combined Board to the Follansbee Water Board and its sewerage system from the Follansbee Combined Board to the Follansbee Sanitary Board;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF FOLLANSBEE AS FOLLOWS:

ARTICLE I

SEVERANCE OF COMBINED SYSTEM AND DISSOLUTION OF COMBINED BOARD

Section 1.1. Severance of Combined System. The Combined System of the City is hereby severed into a separate waterworks system and a separate sewerage system.

Section 1.2. Dissolution of Combined Board. The Follansbee Combined Board is hereby dissolved.

ARTICLE II

CREATION OF WATER BOARD

Section 2.1. Creation of Water Board. The Follansbee Water Board is hereby created pursuant to Chapter 8, Article 19 of the Act. All management, control and operation of the City's waterworks system shall be transferred from the Follansbee Combined Board to the Follansbee Water Board.

Section 2.2. Composition of Water Board; Appointment of Members. The Water Board shall be composed of the Mayor of the City of Follansbee as chairman and 6 persons appointed by the Council. Three of such appointees shall originally be appointed for a term of 1 year and three of such appointees shall originally be appointed for a term of 2 years, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 2 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment.

Section 2.3. Organizational Meetings; Official Bonds. As soon as may be practicable following the appointment of a new member, the Water Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Water Board member, and such officers shall hold office at the will of the Water Board. No bond shall be required of the Water Board members as such, but the treasurer, whether a member of the

Water Board or not, shall give bond in an amount equal to the sum of money which may at any one time be in his hands as treasurer of the Water Board, and otherwise conditioned according to law.

Section 2.4. Compensation and Expenses of Board Members. All members of the Water Board may be compensated as determined by the Council and shall be reimbursed from waterworks funds for all necessary expenses incurred in the discharge of their duties, but there shall be no liability upon the City for any salary or expenses so incurred.

Section 2.5. Powers, Duties and Limitations. A. The Water Board shall have the supervision and control of the custody, administration, operation and maintenance of the waterworks system, which is now owned or may hereafter be acquired or constructed by the City.

B. The Water Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of the powers granted to the Water Board by this ordinance and under and by virtue of Chapter 8, Article 19 of the Act, as the same now exists and may hereafter be amended; but the powers of the Water Board shall be subject to all restrictions and limitations contained in said Article 19 as the same now exists or may hereafter be amended. Any contract relating to the financing of the acquisition and construction of any such waterworks shall be approved by the Council before the same shall be effective.

C. The Water Board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Water Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of said Article 19 shall be paid solely and only from funds provided under the authority of said Article 19, and the Water Board shall not exercise or carry out any authority or power given it so as to bind the Water Board or the City beyond the extent to which money shall have been or may be provided under the authority of said Article 19. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of $5,000, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Water Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of the waterworks system and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Water Board.

E. The Water Board shall operate, manage and control the waterworks system and may order and complete any extensions, betterments and improvements of and to the waterworks system that the Water Board may deem expedient if funds therefor be available or made available as provided by law, and shall establish rules and regulations for the use and operation of the waterworks system, and to do all things necessary or expedient for the successful operation thereof, and the Water Board shall have in addition hereto any and all powers granted to it by said Article 19, or which may be granted to it by amendments to said Article 19, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 2.6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Water Board in carrying out its authority under this ordinance shall be restored or repaired by the Water Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided pursuant to the provisions of Chapter 8, Article 19 of the Act.

Section 2.7. Publication of Financial Statement. The Water Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3 of the Act, and the publication area for such publication shall be the City. Such statement shall contain an itemized account of the receipts and expenditures of the Water Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of the Water Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Water Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Water Board.

Section 2.8. Procedure for Disbursement of Funds. All funds under the supervision of the Water Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Water Board. All such disbursements shall be approved by the Water Board.

Section 2.9. Bonding of Employees Who Handle Money. The Water Board may from time to time, in its discretion, require any of its employees to furnish a good and suitable indemnity bond, with a recognized and reputable surety, conditioned upon the faithful discharge of their duties as such, and to deliver up and pay over all money as provided by law. The Water Board shall require all persons who collect or otherwise handle funds of the Water Board to furnish a good and proper bond, with a recognized and

reputable corporate surety conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which may at any one time be in the hands of such person or persons, as may be determined by the Water Board.

ARTICLE III

CREATION OF SANITARY BOARD

Section 3.1. Creation of Sanitary Board. The Follansbee Sanitary Board is hereby created pursuant to Chapter 16, Article 13 of the Act. All management, control and operation of the City's sewerage system shall be transferred from the Follansbee Combined Board to the Follansbee Sanitary Board.

Section 3.2. Composition of Sanitary Board; Appointment of Members. The Sanitary Board shall be composed of the Mayor of the City of Follansbee as the chairman, and 2 persons appointed by the Council, one of whom, during the period of construction of any sewer facilities or additions to the existing sewerage system, must be a registered professional engineer. The engineer member of the Sanitary Board need not be a resident of the City. After the construction of such sewer facilities or any additions thereto have been completed, the engineer member may be succeeded by a person not an engineer. Said appointees shall originally be appointed for terms of 2 and 3 years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of 3 years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the City, whether holding a paid or unpaid office, shall be eligible to appointment on the Sanitary Board until at least one year after the expiration of the term of his public office.

Section 3.3. Organizational Meetings; Official Bonds. As soon as may be practicable following the appointment of a new member, the Sanitary Board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one person and need not be a Sanitary Board member, and such officers shall hold office at the will of the Sanitary Board. No bond shall be required of the Sanitary Board members as such, but the treasurer, whether a member of the Sanitary Board or not, shall give bond in an amount equal to the sum of money which may at any one time be in his hands as treasurer of the Sanitary Board, and otherwise conditioned according to law.

Section 3.4. Compensation and Expenses of Board Members. All members of the Sanitary Board may be compensated as determined by the Council and shall be reimbursed from sewer works funds for all necessary expenses incurred in the discharge of their duties, but there shall be no liability upon the City for any salary or expenses so incurred.

Section 3.5. Powers, Duties and Limitations. A. The Sanitary Board shall have the supervision and control of the custody, administration, operation and maintenance of the sewerage system, which is now owned or may hereafter be acquired or constructed by the City.

B. The Sanitary Board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of the powers granted to the Sanitary Board by this ordinance and under and by virtue of Chapter 16, Article 13 of the Act, as the same now exists and may hereafter be amended; but the powers of the Sanitary Board shall be subject to all restrictions and limitations contained in said Article 13 as the same now exists or may hereafter be amended. Any contract relating to the financing of the acquisition and construction of any such sewer works shall be approved by the Council before the same shall be effective.

C. The Sanitary Board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys and such other personnel as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do such work as the Sanitary Board shall direct. All such compensation and all expenses incurred in carrying out the provisions of said Article 13 shall be paid solely and only from funds provided under the authority of said Article 13, and the Sanitary Board shall not exercise or carry out any authority or power given it so as to bind the Sanitary Board or the City beyond the extent to which money shall have been or may be provided under the authority of said Article 13. No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of $5,000, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the Sanitary Board to reject any and all bids.

D. The construction, acquisition, improvement, equipment, custody, operation and maintenance of the sewerage system and the collection of revenues therefrom for the service rendered thereby shall be under the supervision and control of the Sanitary Board.

E. The Sanitary Board shall operate, manage and control the sewerage system and may order and complete any extensions, betterments and improvements of and to the sewerage system that the Sanitary Board may deem expedient if funds therefor be available or made available as provided by law, and shall establish rules and regulations for the use and operation of the sewerage system and of other sewers and drains connected therewith so far as they may affect the operation of the sewerage system, and to do all things necessary or expedient for the successful operation thereof, and the Sanitary Board shall have in addition hereto any and all powers granted to it by said Article 13, or which may be granted to it by amendments to said Article 13, hereafter made, subject to any and all restrictions and limitations therein contained.

Section 3.6. Duty of Board to Restore Property Damaged by its Activities. All public ways or public works damaged or destroyed by the Sanitary Board in carrying out its authority under this ordinance shall be restored or repaired by the Sanitary Board and placed in their original condition, as nearly as practicable, if requested so to do by the proper authorities, out of the funds provided pursuant to the provisions of Chapter 16, Article 13 of the Act.

Section 3.7. Publication of Financial Statement. The Sanitary Board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of Chapter 59, Article 3 of the Act, and the publication area for such publication shall be the sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the Sanitary Board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of the Sanitary Board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the Sanitary Board as soon as practicable after the close of the fiscal year. The statement shall be sworn to by the chairman and secretary and treasurer of the Sanitary Board.

Section 3.8. Procedure for Disbursement of Funds. All funds under the supervision of the Sanitary Board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be properly signed by the authorized officer or agent of the Sanitary Board. All such disbursements shall be approved by the Sanitary Board.

Section 3.9. Bonding of Employees Who Handle Money. The Sanitary Board may from time to time, in its discretion, require any of its employees to furnish a good and suitable indemnity bond, with a recognized and reputable surety, conditioned upon the faithful discharge of their duties as such, and to deliver up and pay over all money as provided by law. The Sanitary Board shall require all persons who collect or otherwise handle funds of the Sanitary Board to furnish a good and proper bond, with a recognized and reputable corporate surety conditioned upon the faithful performance of their duties and for the proper handling and care of said funds in their hands. Such bond shall be in an amount equal to the sum of money which may at any one time be in the hands of such person or persons, as may be determined by the Sanitary Board.

ARTICLE IV

AMENDMENT; PUBLICATION

Section 4.1. Amendment or Repeal of Ordinance. The City Council enacts this Ordinance for the assurance and protection of the citizens of the City and for the purpose of assuring the holders of bonds of the City payable from the income and revenues of the waterworks system and the sewerage system of an efficient operation and maintenance thereof. No amendment or repeal of this Ordinance shall be enacted unless due notice thereof shall be published in a newspaper of general circulation within the City once each week for 2 successive weeks and a public hearing held thereon at a time and place to be fixed in said notice. Any such Ordinance shall comply with the relevant provisions of the Act and be adopted in accordance with the rules and regulations of the Council.

Section 4.2. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for two successive weeks within a period of fourteen consecutive days, with at least six full days intervening between each publication, in The Brooke County Review, The Wheeling Intelligencer and The Steubenville Herald Star, three newspapers of general circulation in the City of Follansbee, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the City Clerk of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Section 4.3. Effective Date. This Ordinance shall be effective following the final reading hereof.

Passed on First Reading:	July 8, 1996.
Passed on Second Reading following Public Hearing:	August 5, 1996.
Passed on Final Reading:	August 12, 1996.

Rudy J. Cipriani
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF FOLLANSBEE on the 12th day of August, 1996, which Ordinance has not been repealed, rescinded, modified, amended or revoked.

Dated this 15th day of October, 1996.

[SEAL]

City Clerk

10/01/96
FOLLJM.G6
298060/94001

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Follansbee (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $8,616,372 for the purpose of financing the costs of acquisition and construction of additions, betterments and improvements to the existing public sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 9th day of March, 1998.

SANITARY BOARD OF THE CITY OF
FOLLANSBEE

Rudy Cipriani
Chairman

03/05/98
298060/96001

CITY OF FOLLANSBEE

AN ORDINANCE SETTING FORTH SEWER RATES, CONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE

THE COUNCIL OF THE CITY OF FOLLANSBEE HEREBY ORDAINS: The following schedule of sewer rates, connection charge and delayed payment penalty are hereby fixed and determined as the sewer rates, connection charge and delayed payment penalty to be charged to customers of the sewerage system of the City of Follansbee throughout the territory served:

SECTION 1. SCHEDULE OF RATES

APPLICABILITY

Applicable to entire area served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial and industrial service.

RATES

Each 1,000 gallons at $6.25 per month.

MINIMUM BILL

The minimum bill shall be $6.25 per month.

UNMETERED RATE

The unmetered bill shall be $6.25 per month.

CONNECTION CHARGE

The connection charge for each new connection to the system shall be $250.00.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within 20 days of the date of bill, 10% will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges, subject to applicable rules of the Public Service Commission of West Virginia.

SECTION 2. EFFECTIVE DATE

The sewer rates, connection charge and delayed payment penalty provided herein shall be effective commencing on the first billing cycle following completion of the City's new wastewater treatment facility, but in any event not less than 45 days after the date of the enactment hereof.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such

holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the Brooke County Review, a qualified newspaper of general circulation in the City of Follansbee, no newspaper being published therein, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Follansbee, West Virginia, on the 12th day of May, 1997, at 6:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it deems proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk in the City Hall, in Follansbee, West Virginia.

CITY OF FOLLANSBEE

BY: Rudy J. Cipriani
RUDY J. CIPRIANI, MAYOR

ATTESTED:

ORDINANCE NO. : 97-8
PASSED : 5/12/97

James Mirasola
JAMES MIRASOLA, CITY CLERK

APPROVED:

APRIL 14 1997
FIRST READING

MAY 12 1997
SECOND READING
FOLLOWING PUBLIC HEARING

APPROVED BY CITY ATTORNEY AND CORRECT TO FORM:

Michael E. Gaudio
MICHAEL E. GAUDIO

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF FOLLANSBEE on the 12th day of May, 1997.

Dated: May 12 1997, 1997.

[SEAL]

James Musser
City Clerk

CITY OF FOLLANSBEE

AN ORDINANCE SETTING FORTH SEWER RATES, CONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE

THE COUNCIL OF THE CITY OF FOLLANSBEE HEREBY ORDAINS: The following schedule of sewer rates, connection charge and delayed payment penalty are hereby fixed and determined as the sewer rates, connection charge and delayed payment penalty to be charged to customers of the sewerage system of the City of Follansbee throughout the territory served:

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MINIMUM BILL

The minimum bill shall be $6.25 per month.

UNMETERED RATE

The unmetered bill shall be $6.25 per month.

CONNECTION CHARGE

The connection charge for each new connection to the system shall be $500.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within 20 days of the date of bill, 10% will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges, subject to applicable rules of the Public Service Commission of West Virginia.

SECTION 2. EFFECTIVE DATE

The sewer rates, connection charge and delayed payment penalty provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Brooke County Review, a qualified newspaper of general circulation in the City of Follansbee, no newspaper being published therein, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Follansbee, West Virginia, on the 9th day of March, 1998, at 6:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk in the City Hall, Follansbee, West Virginia.

Passed on First Reading: February 23, 1998.

Passed on Second Reading
Following Public Hearing: March 9, 1998.

Rudy Cipriani
Mayor

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced and adopted on first reading at a meeting of the Council held on February 23, 1998. Any person interested may appear before the Council of the City of Follansbee at the City Hall, Follansbee, West Virginia, on the 9th day of March, 1998, at 6:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the City Clerk in the City Hall, Follansbee, West Virginia.

City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF FOLLANSBEE on the 9th day of March, 1998.

Dated: June 4, 1998.

[SEAL]

City Clerk

05/01/98
298060/96001

CERTIFICATE OF PUBLICATION

The Brooke County Review

BROOKE COUNTY
WELLSBURG, W. VA.

The following is an Ordinance which is being enacted by the City Council of the City of Follansbee pertaining to increasing sewer rates and establishing connection charges and delayed payment penalties for service to customers of the sewerage system of the City of Follansbee:

CITY OF FOLLANSBEE

AN ORDINANCE SETTING FORTH SEWER RATES, CONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE

THE COUNCIL OF THE CITY OF FOLLANSBEE HEREBY ORDAINS:

The following schedule of sewer rates, connection charge and delayed penalty are hereby fixed and determined as the sewer rates, connection charge and delayed payment penalty to be charged to customers of the sewerage system of the City of Follansbee throughout the territory served:

SECTION 1. SCHEDULE OF RATES

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MINIMUM BILL

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UNMETERED RATE

The unmetered bill shall be $6.25 per month.

CONNECTION CHARGE

The connection charge for each new connection to the system shall be $250.00.

DELAYED PAYMENT PENALTY

The above tariff is net. On all accounts not paid in full within 20 days of the date of bill 10% will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

DISCONNECT FOR NON-PAYMENT

If any bill is not paid within 60 days from the date of the bill, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty charges. subject to applicable rules of the Public Service Commission of West Virginia.

SECTION 2. EFFECTIVE DATE

The sewer rates, connection charge and delayed payment penalty provided herein shall be effective commencing on the first billing cycle following completion of the City's new wastewater treatment facility, but in any event not less than 45 days after the date of the enactment hereof.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof shall be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date hereof, all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflicts, hereby repealed; and to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, orders or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the Brooke County Review, a qualified newspaper of general circulation in the City of Follansbee, no newspaper being published therein, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Follansbee, West Virginia, on the 12th day of May, 1997, at 6:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it deems proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk in the City Hall, in Follansbee, West Virginia.

CITY OF FOLLANSBEE
BY: RUDY J. CIPRIANI, MAYOR

ATTESTED:

ORDINANCE NO.: 97-
PASSED_____

JAMES MIRASOLA, CITY CLERK

APPROVED:

_____
FIRST READING

_____
SECOND READING
FOLLOWING PUBLIC HEARING

APPROVED BY CITY ATTORNEY AND CORRECT TO FORM:

_____
MICHAEL E. GAUDIO

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced and adopted on first reading at a meeting of the Council held on April 14, 1997. Any person interested may appear before the Council of the City of Follansbee at the City Hall, Follansbee, West Virginia, on the 12th day of May, 1997, at 6:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the City Clerk in the City Hall, Follansbee, West Virginia, Monday through Friday, from 9:00 a.m. to 5:00 p.m., except holidays.

Dated:_____, 1997.

_____
City Clerk

I, J.W. George Wallace, publisher of **The Brooke County Review**, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby certifies that the attached advertisement was duly published in said newspaper two successive weeks in the issues of

April 24, 1997

May 1, 1997

Given under my hand this 1 day of May, 19 97

Publisher of The Brooke County Review

rinter's Fee $ 309.42

ubscribed and sworn to this 1 day of May 19 97

Sandra L. Loar

ly Commission Expires May 04, 2004

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA L. LOAR
Brooke Publishing, Inc.
319 Charles Street, P. O. Box 591
Wellsburg, West Virginia 26070
My Commission Expires May 4, 2004

20A

CERTIFICATE OF PUBLICATION

The Brooke County Review

BROOKE COUNTY
WELLSBURG, W. VA.

I, J.W. George Wallace, publisher of **The Brooke County Review**, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby certifies that the attached advertisement was duly published in said newspaper two successive weeks in the issues of

February 26, 1998

March 5, 1998

NOTICE OF PUBLIC HEARING ON
CITY OF FOLLANSBEE RATE ORDINANCE

AN ORDINANCE SETTING FORTH SEWER RATES, CONNECTION CHARGE AND DELAYED PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE

THE COUNCIL OF THE CITY OF FOLLANSBEE HEREBY ORDAINS: The following schedule of sewer rates, connection charge and delayed payment penalty are hereby fixed and determined as the sewer rates, connection charge and delayed payment penalty to be charged to customers of the sewerage system of the City of Follansbee throughout the territory served:

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SECTION 2. EFFECTIVE DATE

The sewer rates, connection charge and delayed payment penalty provided herein shall be effective 45 days after the enactment hereof.

SECTION 3. SEPARABILITY: REPEAL OF CONFLICTING ORDINANCES

Upon introduction hereof, the City Clerk shall publish a copy of this Ordinance once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in The Brooke County Review, a qualified newspaper of general circulation in the City of Follansbee, no newspaper being published therein, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Follansbee, West Virginia, on the 9th day of March, 1998, at 6:00 p.m., which date is not less than 10 days subsequent to the date of the first publication of the Ordinance and notice, and present protests. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises. Copies of this Ordinance shall be available to the public for inspection at the office of the City Clerk in the City Hall, Follansbee, West Virginia.

CERTIFICATION AND NOTICE

The foregoing Ordinance has been introduced and adopted on first reading at a meeting of the Council held on **February 23, 1998**. any person interested may appear before the Council of the City of Follansbee at the City Hall, Follansbee, West Virginia, on the 9th day of March, 1998, at 6:00 p.m., being the date, time and place of the proposed final adoption of this Ordinance, and be heard. The Council will then take such action as it shall deem proper in the premises. The proposed ordinance may be inspected by the public at the Office of the City Clerk in the City Hall, Follansbee, West Virginia.

Dated: February 26, 1998.

...n under my hand this 5 day of March, 19 98

Publisher of The Brooke County Review

Fee $ 217.36

...d and sworn to this 5 day of ... 19 ...

...mission expires ...

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BRIAN L. LEAR
319 Charles Street, P.O. Box 591
Wellsburg, West Virginia 26070

20B

REGULAR CITY COUNCIL MEETING
APRIL 14, 1997

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, DeStefano, Casinelli, Kocher, Meca, Santoro
Also: Police Chief Croce

Public Requests:

Martin McDonald, 838 Virginia Avenue, asked Council to consider the residents on Virginia Avenue and Oak Alley before closing down streets for Community Days. It is very difficult, especially on older citizens, when they can't park by their homes. Council will discuss later in meeting.

Jason VanBeveren Eagle Scout Project. His project has been okayed by Boy Scouts of America. His project is to beautify the area on Highland Hills playground, the south side.

Motion by Pizzuti 2nd by DeStefano to authorize the City Manager to spend up to $1,500.00 to complete landscape, shrubbery and Highland Hills playground, need some help from Steve Meca and removing one tree. Carried

Paul DiGiacinto asked Council when are they going to hire park supervisors. He wants to be considered as unemployed steelworker. He put his application in.

Motion by Meca 2nd by Santoro to approve min. of March 10, 1997, Reg. Mtg. Carried
Motion by Kocher 2nd by DeStefano to approve min. of March 20, 1997, Special Mtg. Carried
Motion by Kocher 2nd by DeStefano to approve min. of March 24, 1997, Special Mtg. Carried
Motion by Pizzuti 2nd by Meca to approve min. of April 7, 1997, Com. as Whole Mtg. Carried
Motion by Casinelli 2nd by Santoro to approve Police & Fire Dept. Reports. Carried
Motion by Kocher 2nd by Meca to approve Financial Data Report. Carried

Old Business

John DeStefano asked if something could be done with old trees left on west side Archer Heights Road. City Manager to follow through. Also, cable reception is bad through out City. City Manager to follow through.

21A

New Business

Nina Meca brought up the old Beraducci property on Rose Alley. The State owns it and City City can purchase it thru the State for $5.00. City Attorney Gaudio said the City shouldn't be buying any property unless it is a necessity. You can set a precedent and everyone will want to sell their lots so they won't have to take care of them. He said we should be very careful when we buy abandoned property. The liability must be considered. Other Council members said the owner/State should be made to clean it up and not the City.

Health Department $5,000.00 Contribution to Brooke County Health Dept.

John Bertram, Director Brooke County Health Department, spoke to Council. Also, Jim Hood was present. Mr. Bertram explained everything that the Health Department does in Follansbee as a satelite station that, otherwise, would have to be done in Wellsburg; also, very few duplications between Follansbee and Senior Citizens Center. He asked us to consider the health of the people of Follansbee and asked the City Council to get involved with the services they offer to Follansbee residents. After much discussion, a motion by DeStefano 2nd by Santoro to table the $5,000.00 request until the May 5 Committee as Whole Meeting. DeStefano wanted to know how many Follansbee residents use this service in Follansbee.

For motion - DeStefano, Santoro, Kocher
Against motion - Pizzuti, Casinelli, Meca
3-3 Tie - Mayor voted against motion. Motion defeated 3-4

Motion by Pizzuti 2nd by Meca to allocate $5,000.00 to Brooke Health Department for the health and welfare of Follansbee citizens. Meca said we should get more involved and advertise our services. Carried 5-1

For motion - Casinelli, Meca, Kocher, Santoro, Pizzuti
Against motion - DeStefano

Note DeStefano said if you can't vote for a raise for City employees then you can't vote for a $5,000.00 donation.

Motion by Pizzuti 2nd by Kocher to approve Bills of Account. Carried

Under questioning DeStefano said the Front End Loader, being rented from South Eastern Equipment, for $2,000.00 per month, was for only 3 months, December, January, February, and

asked why we are paying for another month. City Manager said he needed it for another month.

Motion by Casinelli 2nd by DeStefano to set up meeting with Paul Ghosh and Sewer Board and look over the new sewer plans and see what we can cut out and save money. Meeting set for April 17. Carried

Motion by Kocher 2nd by Meca to give B.E.A. secreary a raise from $75.00 per month to $90.00 per month, effective July 1, 1997. Carried 5-1. DeStefano against.

Motion by Casinelli 2nd by Santoro to hire Bill Ewusiak as Park/Pool Manager and Dave Cucarese as Playground Supervisor, same salary as last year and to hire 4 supervisors to work from 9:00 A.M. to 9:00 P.M., not to exceed 84 hours total for a week. That comes out to 21 hours maximum per supervisor per week. Supervisors will be working supervisors and they must be able to do CPR even if they have to take classes. Same salary as last year. Motion Carried

Motion by Pizzuti 2nd by Casinelli to hire Mrs. Abercrombie to give swimming lessons at the pool. The fee charged will cover her wages. Carried

Note City Manager/Mr. Ewusiak will interview 7 applicants for supervisor positions (Follansbee residents only). He will hire 4 supervisors.

Motion by Meca 2nd by Kocher to start paying City Clerk Jim Mirasola for extra work that he has been performing for the past 3 years such as making up Council packets, Committee-As-A-Whole packets, and others. $40.00 per month effective July 1, 1997. The City Clerk must perform the work in order to get paid. When City gets another clerk, he will have to do the packets in order to get paid. (Take out of City Manager duties) Carried

Motion by Casinelli 2nd by Kocher City Manager to perform employee evaluations in January of each year and all wage requests should be in by budget time. For this year (1997) City Manager will do evaluations in April and if there is a sufficient carry over of funds on June 30, 1997, to cover pay raises, the City Manager may make recommendations to Council for pay raises for city employees at that time. If raises are granted, they will not be retro-active. Carried

Motion by Meca 2nd by Kocher to close off Oak Alley and Rose Street -- No Parking during Community Days in the 800 and 900 blocks. City to block off area and notify Police to enforce it and residents will have access to their garages and emergency vehicles will have access also.

Motion by Meca 2nd by Kocher to grant EMT's and Fire Department free use of pool one night during the summer after pool opens. (No alcohol) Carried

Motion by Kocher 2nd by Meca to have a basketball game between elected officials/Police Department and WTOV TV personnel May 21 at Follansbee Field House proceeds to go to REACH Program. Carried

Motion by Pizzuti 2nd by Meca to approve City Manager paving list for summer. Put list in newspaper for citizens to see carried.

Truck parking on Rt. 2 west side from across Park entrance to City limits north. Chief Croce said that the City is only allowed to regulate parking on Rt. 2 six feet beyond where paving ends and that is where Whg/Pitt Steel property begins and that is private property so the Police Dept. can't do any thing about trucks parking there. Chief Croce talked to Mr. Chuck Henry from Brooke County.

Grass Clippings

Motion by DeStefano 2nd by Meca to accept City Manager's recommendation to make a contract with Wright Sanitation of Hooverson Heights. The City will pick up grass clippings only in garbage cans (no plastic bags or boxes) every Wednesday and take them to Wright Sanitation. It will not be mixed with garbage. We will pay Wright $17.00 per ton. Carried

John DeStefano reported that the State will pave 1.3 miles of Archer Heights Road from Rt. 2 to the bend beyond Highland Hills. They will also put a turning lane on Rt. 2. Approximate cost $85,000.00

Ordinances

1. Handicap Parking Chapman and Banfield Avenue

Motion by Casinelli 2nd by Santoro to adopt the second reading of an ordinance to put handicap parking at corner of Chapman and Banfield Avenues (east side of Chapman). Carried 5-1. Kocher against.

2. Rent Out Parking Spaces at City Owned Lots

Motion by Casinelli 2nd by Kocher to adopt the second reading of an ordinance to rent out

parking spaces at all City owned lots for $15.00 per month. Carried

3. State Retirement Plan

Motion by Kocher 2nd by Pizzuti to adopt the first reading of an ordinance to grant any elected official permission to join the State Retirement, but they will have to pay the entire cost. The City will pay none. Carried 6-0

4. Reserve 10% of UDAG Interest Money and Put Into UDAG Trust Fund

Motion by DeStefano 2nd by Meca to adopt the first reading of an ordinance to reserve 10% of UDAG interest money each year into the UDAG Trust Account Non Touchable effective April 14, 1997. Carried 6-0

5. New Sewage Rates

✓ Motion by DeStefano 2nd by Pizzuti to adopt the first reading of an ordinance establishing new sewage rates and hold a public hearing May 12, 6 PM. Carried

6. Motion by Meca 2nd by Santoro to adopt first reading of an ordinance to put handicap parking in 700 block Virginia Avenue (Fulciniti). Carried 5-1. Kocher against.

Motion by Pizzuti 2nd by Casinelli to adjourn the meeting. Carried.

APPROVE _____
RUDY J. CIPRIANI, MAYOR

ATTEST _____
JAMES MIRASOLA, CITY CLERK

PUBLIC HEARING FOR ORDINANCE SETTING NEW SEWER RATES
May 12, 1997, 6:00 P.M.

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, Casinelli, DeStefano, Kocher, Meca, Santoro,
Others Attending
Paul DiGiacinto, Vince Fadse, Paul Ghosh & Herald Star Reporter Amy Novak

✓ Mayor read an ordinance on new sewer rates. Rates will be increased $4.62 or 260%. New rates will be $6.25 per thousand gallons, for residential, commercial and industry, effective commencing on the 1st billing cycle following completion of the City's new Wastewater Treatment Facility, but, in any event, not less than 45 days after date of the enactment hereof.

Mayor asked for any objections or comments. None were forthcoming. The Mayor then asked for a motion to adjourn meeting.

Motion by DeStefano 2nd by Pizzuti to adjourn meeting. Motion carried 5-0.

APPROVE _____
RUDY J. CIPRIANI, MAYOR

ATTEST _____
JAMES MIRASOLA, CITY CLERK

SPECIAL CITY COUNCIL MEETING
February 23, 1998

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, Meca, Santoro, Pellicciotti, Kocher
Absent: DeStefano, working

Subject: Sewer Rate Increase First Reading of Ordinance

Motion by Pellicciotti 2nd by Meca to adopt the first reading of an ordinance setting forth sewer rates, connection charge and delayed payment penalty for service to customers of the sewerage system of the City of Follansbee ($6.25 per thousand gallons) option "D". Motion carried 4 to 1. Pizzuti against. Rates to become effective 45 days after passage of the second reading.

Option D as described below is that the City of Follansbee would forgive current expenditures of approximately $720,000.00 and would use DAG money to pay three (3) bills rather than borrow from Water Development Authority for 40 years at 6.75%.

1.	Current loan with WesBanco	$ 374,804.79
2.	Wheeling/Nisshin property	23,593.28
3.	Consolidated Rail "right of way"	50,585.00
	Total	$ 448,983.07

Note Public hearing March 9, 6:00 PM.
2nd reading March 9, 7:00 PM.

Motion by Kocher 2nd by Meca to adjourn. Carried

APPROVE Rudy J. Cipriani
RUDY J. CIPRIANI, MAYOR

ATTEST James Mirasola
JAMES MIRASOLA, CITY CLERK

2/C

PUBLIC HEARING SEWER RATE INCREASE
March 9, 1998

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, DeStefano, Santoro, Kocher
Absent: Meca on vacation, Pellicciotti working
Also in Attendance: Paul Ghosh, Lloyd Adams, Mike Havelka, Rich Paesani
Others in Attendance:

Frank Casale, Parkview
Gabriel Arlia, West Street
Esther Snyder, 448 Rockdale Road
Bette Ott, 104 Jaime Lane
Ronald Wellman, 811 Terika Drive
R. G. Taylor, Mahan Avenue
Darlene Gerrard, 125 Mahan Lane
Karen Gilder, 888 Wood Street
Ducky Mossor, Banfield Avenue
Mrs. Hultberg, 448 Rockdale Road
Amy Gareis, Wheeling Intelligencer
John Leary, Sr., 347 Main St.
Dominic Pellicciotti, Parkview

Speakers:

Mrs. Hultberg, 448 Rockdale Road questioned sewerage increase, but she doesn't have sewage.

Esther Snyder, 448 Rockdale Road, Hooverson Heights, would like to have sewage.

Mayor Cipriani explained the rate increase and why.

Bette Ott, 104 Jaime Lane. Big burden on senior citizens. Can the City help them in any

way.

Mike Havelka explained the Clean Water Act and stated that we now are out of compliance and paying fines and we are ordered to build a new sewer plant.

Darlene Gerrard, 125 Mahan Lane Raise is too high and why don't we use UDAG money. Mayor explained that she can file a complaint with the PSC.

R. G. Taylor, Mahan Avenue, read a newspaper article and why are we building a new plant and what's wrong with the present plant. Mr. Havelka said we can't keep in compliance. Mr. Taylor compared the City with Wellsburg rates. Have you explored a flat rate system? Mr. Adams explained why we didn't consider a flat rate. Mr. Paesani explained our out of compliance problem.

Mr. Pizzuti spoke on the rate increase and said we have no choice.

Motion by DeStefano 2nd by Santoro to close the public hearing. Carried

APPROVE _____
RUDY J. CIPRIANI, MAYOR

ATTEST James Mirasola
JAMES MIRASOLA, CITY CLERK

REGULAR CITY COUNCIL MEETING
March 9, 1998

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, DeStefano, Kocher, Santoro
Absent: Meca on vacation, Pellicciotti working

Mayor presented a humanitarian award to Kerry Kramer Perry.

Mayor presented an All State plaque to Tiffany Rowing, Andrienne Stucin, Amanda Bartz and Dana Walker for winning the State Triple AAA 4/400 Relay Championship in 1997.

Mayor read a letter from REACH Program certificate of appreciation to the City.

Public Requests

R. G. Taylor asked if the City was going to give City residents Free Garbage. Mayor said the City is considering it.

Motion by DeStefano 2nd by Santoro to suspend the rules for the meeting process with ordinance reading. Carried

Motion by DeStefano 2nd by Santoro to adopt the first reading of Sewer Use Ordinance. Carried 4-0

Motion by Santoro 2nd by Kocher to adopt first reading of Sewer Revenue Bonds Series 1998-A Ordinance. Carried

✓ Motion by DeStefano 2nd by Kocher to adopt the second and final reading of an ordinance setting forth Sewer Rates, Connection Charge and Delayed Payment Penalty for service to customers of the sewerage system of the City of Follansbee. Motion carried 5-0. Mayor voted in favor of motion. Rates to become effective 45 days after passage of the second reading.

Motion by Santoro 2nd by DeStefano to approve mins. Feb. 9 mtg. Carried
Motion by Kocher 2nd by Santoro to approve mins. of Feb. 23 mtg. Carried

Motion by DeStefano 2nd by Santoro to approve mins. Mar. 2 mtg. Carried
Motion by DeStefano 2nd by Santoro to accept Police and Fire Dept. Report. Carried
Motion by Santoro 2nd by Kocher to accept Financial Data Report. Carried
Motion by DeStefano 2nd by Santoro to pay Bills of Account. Carried

Motion by Pizzuti 2nd by Kocher to pay UDAG bills, Cregan $150.00, C. S. McKee $10,175.00, Paul Ghosh $6,000.00. Carried

Motion by Pizzuti 2nd by DeStefano to accept City Manager Report.

No Old Business

Motion by Pizzuti 2nd by Kocher to permit Steve Meca to attend Construction Expo in Charlston March 25, 26 with expenses paid. Carried

Motion by DeStefano 2nd by Santoro to permit Library to hold Children's Fair at Community House August 28 and pay janitor fee $40.00. Carried

Madona High School request to use Highland Hills tennis courts not approved.

Motion by DeStefano 2nd by Santoro to approve new rates for swimming pool.

Adults - daily	$2.50			
Student - daily	1.50			
Adult Pass - resident	$40.00	-	non resident	$ 55.00
Student Pass - resident	30.00	-	non resident	35.00
Family Pass - resident	65.00	-	non resident	100.00

Motion by DeStefano 2nd by Kocher to give L. Millsop Council permission to use upper shelter free for day camp June 15 - 19. Carried

Summer employment for students City Manager to advertise and report back to Council.

Mayor announced that our permit to build a new sewer plant has been held up. We sent our letter September 16, 1997 and have not received the permit as of this date. This will hold up construction of the plant. City Manager to send letters to State Legislature for assistance.

Motion by Pizzuti 2nd by Kocher to adjourn.

APPROVE_____
RUDY J. CIPRIANI, MAYOR

ATTEST_____
JAMES MIRASOLA, CITY CLERK

ERTIFICATE OF PUBLICATION

The Brooke County Review

BROOKE COUNTY
WELLSBURG, W. VA.

I, J.W. George Wallace, publisher of **The Brooke County Review**, a newspaper of general circulation in Brooke County, West Virginia, published in Wellsburg, hereby certifies that the attached advertisement was duly published in said newspaper two successive weeks in the issues of

March 26, 1998

April 2, 1998

NOTICE OF PUBLIC HEARING ON
CITY OF FOLLANSBEE BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Follansbee (the "City") to be held on April 13, 1998, at 6:45 p.m. at the Follansbee City Hall, Follansbee, 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 SEWERAGE SYSTEM OF THE CITY OF FOLLANSBEE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $8,616,372 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1998 A (WEST VIRGINIA SRF 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; 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 16, 1998.

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 additions, betterments and improvements to the existing public sewerage system of the City. The Bonds are payable solely from revenues to be derived from the ownership and operation of the sewerage 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 26, 1998.

James Mirasola
City Clerk

(Mar.26, Apr.2)

Given under my hand this 2 day of April, 19 98

Publisher of The Brooke County Review

Printer's Fee $ 114.40

Subscribed and sworn to this 2 day of April, 19 98

Sandra L Loar

My Commission expires May 04, 2004

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA L. LOAR
Brooke Publishing, Inc.
319 Charles Street, P. O. Box 531
Wellsburg, West Virginia 26070
My Commission Expires May 4, 2004

22

REGULAR CITY COUNCIL MEETING
March 9, 1998

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, DeStefano, Kocher, Santoro
Absent: Meca on vacation, Pellicciotti working

Mayor presented a humanitarian award to Kerry Kramer Perry.

Mayor presented an All State plaque to Tiffany Rowing, Andrienne Stucin, Amanda Bartz and Dana Walker for winning the State Triple AAA 4/400 Relay Championship in 1997.

Mayor read a letter from REACH Program certificate of appreciation to the City.

Public Requests

R. G. Taylor asked if the City was going to give City residents Free Garbage. Mayor said the City is considering it.

Motion by DeStefano 2nd by Santoro to suspend the rules for the meeting process with ordinance reading. Carried

Motion by DeStefano 2nd by Santoro to adopt the first reading of Sewer Use Ordinance. Carried 4-0

✓ Motion by Santoro 2nd by Kocher to adopt first reading of Sewer Revenue Bonds Series 1998-A Ordinance. Carried

Motion by DeStefano 2nd by Kocher to adopt the second and final reading of an ordinance setting forth Sewer Rates, Connection Charge and Delayed Payment Penalty for service to customers of the sewerage system of the City of Follansbee. Motion carried 5-0. Mayor voted in favor of motion. Rates to become effective 45 days after passage of the second reading.

Motion by Santoro 2nd by DeStefano to approve mins. Feb. 9 mtg. Carried
Motion by Kocher 2nd by Santoro to approve mins. of Feb. 23 mtg. Carried

23A

Motion by DeStefano 2nd by Santoro to approve mins. Mar. 2 mtg. Carried
Motion by DeStefano 2nd by Santoro to accept Police and Fire Dept. Report. Carried
Motion by Santoro 2nd by Kocher to accept Financial Data Report. Carried
Motion by DeStefano 2nd by Santoro to pay Bills of Account. Carried

Motion by Pizzuti 2nd by Kocher to pay UDAG bills, Cregan $150.00, C. S. McKee $10,175.00, Paul Ghosh $6,000.00. Carried

Motion by Pizzuti 2nd by DeStefano to accept City Manager Report.

No Old Business

Motion by Pizzuti 2nd by Kocher to permit Steve Meca to attend Construction Expo in Charlston March 25, 26 with expenses paid. Carried

Motion by DeStefano 2nd by Santoro to permit Library to hold Children's Fair at Community House August 28 and pay janitor fee $40.00. Carried

Madona High School request to use Highland Hills tennis courts not approved.

Motion by DeStefano 2nd by Santoro to approve new rates for swimming pool.

Adults - daily	$2.50			
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Motion by DeStefano 2nd by Kocher to give L. Millsop Council permission to use upper shelter free for day camp June 15 - 19. Carried

Summer employment for students City Manager to advertise and report back to Council.

Mayor announced that our permit to build a new sewer plant has been held up. We sent our letter September 16, 1997 and have not received the permit as of this date. This will hold up construction of the plant. City Manager to send letters to State Legislature for assistance.

Motion by Pizzuti 2nd by Kocher to adjourn.

APPROVE _____
RUDY J. CIPRIANI, MAYOR

ATTEST _____
JAMES MIRASOLA, CITY CLERK

SPECIAL CITY COUNCIL MEETING
March 16, 1998

Present: City Clerk Mirasola, City Manager Cicchirillo
Council: Pizzuti, Kocher, Meca, Pellicciotti, Santoro
Absent: Mayor Cipriani, City Attorney Gaudio, DeStefano

Subject: To adopt the second reading of two ordinances
1. Sewer Revenue Bonds Series 1998-A Ordinance
2. Sewer Use Ordinance

✓ Motion by Meca 2nd by Santoro to adopt the second reading of an ordinance "Sewer Revenue Bond, Series 1998-A". Motion carried 5-0.

7

Motion by Meca 2nd by Meca to adopt the second reading of an ordinance "Sewer Use Ordinance". Motion carried 5-0.

Public Hearing April 13 at 6:45 PM for Bond Ordinance.

Motion by Pellicciotti 2nd by Kocher to adjourn. Carried

APPROVE _____
RUDY J. CIPRIANI, MAYOR

ATTEST _____
JAMES MIRASOLA, CITY CLERK

23 B

REGULAR CITY COUNCIL MEETING
April 13, 1998

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: Pizzuti, Meca, DeStefano, Santoro, Kocher, Pellicciotti

Public Requests:

Ducky Mosser, Gilbert Avenue, would like for the City to clean up Rose Ally 900 and 1000 Blocks, paper, oil, old tires, rubbish, etc. Looks very bad. City Manager to follow through.

Motion by Meca 2nd by Santoro to approve corrected copy mins. Feb. 23 mtg. Carried
Motion by DeStefano 2nd by Santoro to approve mins. March 9 meeting. Carried
Motion by Kocher 2nd by DeStefano to approve mins. March 9 meeting. Carried
Motion by Meca 2nd by Pellicciotti to approve mins. March 16 meeting. Carried
Motion by Santoro 2nd by Kocher to approve mins. March 23 meeting. Carried
Motion by Kocher 2nd by Pellicciotti to approve mins. April 6 mtg. Carried
Motion by Meca 2nd by Pellicciotti to approve Police and Fire Reports. Carried
Motion by Pellicciotti 2nd by Kocher to approve Financial Data. Carried
Motion by Meca 2nd by Santoro to approve Bills of Account with the following amendments. Carried

1. $2,110.30 Fire Dept. bill, Radio Power Supply is not a City bill. Fire Dept. to take care their own money.

2. Red Bud $896.91 Cherry Truck cleaner bill to be paid by Garbage Dept.

3. Weeder Killer Red Bud - $1,625.86 bill to be divided between Street Dept. and Park.

4. Police Dept. Billy Weirton Bandag. Tires, mounting, bal. - $308.34, $130.48, $133.56. Why so many? City Mgr. to check out.

UDAG Bill Motion by Meca 2nd by Pellicciotti to pay UDAG bill for Paul Ghosh, Engineer, $11,342.80, water project. Council would like to see the bill and all bills in the future. Motion carried.

230

Motion by Pellicciotti 2nd by Meca to accept City Manager's report.

City Manager reported that we now will have to pay an additional $29,234.00 toward the construction of the new Sewer Plant because of the delay starting construction due to the D.E.P. delaying the permit which was submitted on September 17, 1997. With the delay, construction will have to be halted in winter months causing a delay. As the City asked K.E.C. Construction for an extension of time of 60 days K.E.C. said this would cost an additional $29,234.00. City Manager and City Attorney to go to Charleston and talk to the D.E.P. about the additional cost due to the delay by the D.E.P., being that this is their fault.

City Manager also reported that the paint on the pool has peeled and he is having a problem with the company even though there is a 15 year warranty. As of now we will spend approximately $1,000.00 to use a high pressure gun to remove the old paint and paint again.

Old Business

Bill Kocher wants City Council to look into handicap parking. Turned over to Committee as Whole.

New Business

Council questioned Library bill of $1,227.76 for computer phone line, 10 month bill. City Manager to talk to Library Board.

Council discussed the rental of the Community House to Brooke High Cheerleaders. No discount in rate. Regular rates to apply.

Motion by Pizzuti 2nd by Kocher for City to purchase flags and brackets, cost $8.00 and $2.00 total $10.00 per each flag. 77 flags to be made and put uip on Main Street. 20th Century Club will make flags. No cost to City. Motion carried 5-1. DeStefano against.

Motion by Meca 2nd by Pizzuti to have a Spring clean up first week of May - May 4-8. To follow same schedule as normal garbage pick up. Carried

Motion by Pizzuti 2nd by Santoro to let Change Inc. students use the shelter and ppl free of charge June 17, 1998.

Motion by Meca 2nd by Pizzuti to purchase mowing deck for John Deere tractor for $1,857.00 from Kuester Implement, Wintersville. Cost to be divided between Park and Street Departments. Carried

Reference to fallen wall on Rose Street. Mr. Jack McCoy doesn't own the property. Vince Croce owns property. City Manager to talk to Vince about getting it taken care of.

Motion by Meca 2nd by Kocher for the City to enforce the street sweeper schedule which has been posted. Police Dept. to give warning tickets during April and start putting tickets on May 1st. Violators will pay a $5.00 fine. ouncil wants the Police Chief and his department to enforce the street sweeper schedule. Motion Carried

Mayor appointed John Pizzuti to the B.H.J. as the City representative. He will attend meetings.

Ordinances

1. Motion by Santoro 2nd by Meca to adopt the third and final reading of the Sewer Use Ordinance. Carried

2. Motion by Pellicciotti 2nd by Kocher to adopt the third and final reading of the Bond Ordinance (Sewer). Carried

3. Motion by DeStefano 2nd by Meca to adopt the first reading of an ordinance a Codified Ordinance of the City of Follansbee pertaining to the penalties imposed for the violation of the traffic code City of Follansbee. Carried

4. Motion by DeStefano 2nd by Kocher to adopt the first reading of an ordinance pertaining to the penalties imposed for the violation of the general offencws code of the City of Follansbee.

5. Motion by DeStefano 2nd by Meca to adopt the first reading of an ordinance pertaining to City Follansbee Municipal Court Cost.

Motion by Meca 2nd by Kocher to adjourn. Carried

APPROVE_____
RUDY J. CIPRIANI, MAYOR

ATTEST_____
JAMES MIRASOLA, CITY CLERK

SPECIAL CITY COUNCIL MEETING
May 11, 1998

Present: Mayor Cipriani, City Clerk Mirasola, City Mgr. Cicchirillo, City Attorney Gaudio
Council: DeStefano, Meca, Santora, Kocher, Pellicciotti
Absent: Pizzuti

Subject: Sewer Revenue Bonds, Series 1998 A Supplemental Resolution

✓ Motion by Pellicciotti 2nd by Santora to adopt a Supplemental Resolution providing as to principal amount, date, maturity date, interest rate, interest and principal payment dates, sale price and other terms of the Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), of the City of Follansbee; ratifying and approving a 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 carried unanimously.

Motion by DeStefano 2nd by Santora to adjourn. Carried

APPROVE Rudy J. Cipriani
RUDY J. CIPRIANI, MAYOR

ATTEST James Mirasola
JAMES MIRASOLA, CITY CLERK

230

WV MUNICIPAL BOND COMMISSION
812 Quarrier Street
Suite 300
Charleston, WV 25301
(304)558-3971

NEW ISSUE REPORT FORM

Date of Report: June 4, 1998

(See Reverse for Instructions)

ISSUE: CITY OF FOLLANSBEE SEWER REVENUE BONDS, SERIES 1998 A (WV SRF Program)

ADDRESS: P. O. Box 606, Follansbee, WV 26037 COUNTY: Brooke

PURPOSE OF ISSUE: New Money X Refunding ___ Refunds issue(s) dated: .

ISSUE DATE: 6/4/98 CLOSING DATE: 6/4/98

ISSUE AMOUNT: $8,616,372 [1st DRAW 475,820] RATE: 0% Administrative Fee: 1%

1st DEBT SERVICE DUE: 6/1/2000 LDS:3/20 1st PRINCIPAL DUE: 6/1/2000

1st DEBT SERVICE AMOUNT: $107,705 + AF PAYING AGENT: Municipal Bond Commission - DEP

ISSUERS

BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: 624-8161

CLOSING BANK: WesBanco Bank Wheeling
Contact Person: Kevin Diserio
Phone: 527-1200

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Joseph Cicchirillo
Position: City Manager
Phone: 527-1330 FAX:

UNDERWRITERS

BOND COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esq.
Phone: 340-1318

ESCROW TRUSTEE:
Contact Person:
Phone:

OTHER: Division of Environmental Protection
Contact Person: Rosalie Brodersen
Function: Branch chief
Phone: 558-0637

DEPOSITS TO MBC AT CLOSE:

By ___ Wire
X Check

___ Accrued Interest: $
___ Capitalized Interest: $
X Reserve Account: $ 430,820
___ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ___ Wire
___ Check
___ IGT

___ To Escrow Trustee: $
___ To Issuer: $
___ To Cons. Invest. Fund: $
___ To Other: $

NOTES: RR 430,820 12/13 FFAC
R/D 39,536.70

FOR MUNICIPAL BOND COMMISSION USE ONLY:

DOCUMENTS REQUIRED:

TRANSFERS REQUIRED:

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CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

WesBanco Bank Wheeling, Follansbee, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Follansbee (the "Issuer") enacted by the Issuer on April 13, 1998, and a Supplemental Resolution adopted by the Issuer on May 11, 1998 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated June 4, 1998, in the aggregate principal amount of $8,616,372 (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 4th day of June, 1998.

WesBanco Bank Wheeling

Vice President

05/01/98
298060/96001

432481.1

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Follansbee Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), dated June 4, 1998, in the aggregate principal amount of $8,616,372 (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 4th day of June, 1998.

ONE VALLEY BANK, NATIONAL
ASSOCIATION

Charlotte L Morgan
Assistant Vice President

05/01/98
298060/96001

432485.1

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Follansbee (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 1998 A (West Virginia SRF Program), of the Issuer, dated June 4, 1998, in the principal amount of $8,616,372, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 4th day of June, 1998.

ONE VALLEY BANK, NATIONAL
ASSOCIATION

Charlotte L Morgan

Assistant Vice President

05/01/98
298060/96001

432498.1

CITY OF FOLLANSBEE

Sewer Revenue Bonds, Series 1998 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 4th day of June, by and between the CITY OF FOLLANSBEE, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $8,616,327 principal amount of Sewer Revenue Bonds, Series 1998 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted April 13, 1998, and a Supplemental Resolution of the Issuer duly adopted May 11, 1998 (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 exemption of interest on the Bonds from federal income taxation, 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 Follansbee
872 Main Street
Follansbee, West Virginia 26037
Attention: City Manager

REGISTRAR: One Valley Bank, National Association
Post Office Box 1793
One Valley Square
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 FOLLANSBEE

Rudy Cipriani
Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

Charlotte S. Morgan
Assistant Vice President

05/01/98
298060/96001

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

Invoice

ONEVALLEY BANK

CITY OF FOLLANSBEE, WEST VIRGINIA
ATTN: MR. JOE CICCHIRLLO, CITY MANAGER
872 MAIN STREET
FOLLANSBEE WV 26037

DATE JUNE 4, 1998

UNITS	ITEM DESCRIPTION	TOTAL
	CITY OF FOLLANSBEE, WEST VIRGINIA SEWER REVENUE BONDS, SERIES 1998 A (WVA SRF PROGRAM)	
	ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENTICATING AGENT.....	$250.00

SEND REMITTANCE TO: One Valley Bank
One Financial Place - 6th Floor
One Valley Square
P.O. Box 1793
Charleston, WV 25326
ATTN: CHARLOTTE S MORGAN

DIVISION OF ENVIRONMENTAL PROTECTION
1201 Greenbrier Street
Charleston, WV 25311-1088

CECIL H. UNDERWOOD
GOVERNOR

JOHN E. CAFFREY
DIRECTOR

May 1, 1998

Joseph Cicchirillo, City Manager
City of Follansbee
Main Street
P. O. Box 606
Follansbee, WV 26037

CERTIFIED RETURN RECEIPT REQUESTED
Re: WV/NPDES Permit No. WV0020273
Modification No. 1

Dear Mr. Cicchirillo:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0020273 issued the 4th day of October 1996.

After reviewing your permit and your application for Modification No. WV0020273-A dated the 11th day of September 1997, the above referenced permit is hereby modified to include the installation, acquisition, construction, operation and maintenance of: a 1.6 MGD sewage collection and treatment system consisting of a mechanical bar screen, a grit removal unit, two (2) 0.8 MGD oxidation ditches both containing interchannel "BOAT" clarifiers, chlorine disinfection with two (2) 44,900 gallon contact tanks, a dechlorination unit, a flow meter, a conversion of the existing 500,000 gallon aeration tanks to aerobic digestors, a 1.5 meter filter belt press, a renovation of two (2) existing lift stations, 3,400 linear feet of force main, and all other necessary appurtenances.

The new system is designed to serve 16,000 persons or equivalents in the City of Follansbee and the Hooverson Heights PSD and discharge treated wastewater to the Ohio River through the new Outlet No. 001. The coordinates of the new treatment plant effluent discharge are as follows:
Latitude: 40° 19' 35" N Longitude: 80° 35' 50" W

Upon the completion of the new wastewater treatment system, the new system shall replace the previous treatment facility.

The information submitted on and with Permit Modification Application No. WV0020273-A dated the 11th day of September 1997 along with the plans and specifications approved by the Construction Assistance Branch on the 16th day of October 1997 is all hereby made terms and conditions of this Permit with like effect as if all such permit modification application information was set forth herein.

SEWAGE TREATMENT FACILITIES TO BE CONSTRUCTED IN ACCORDANCE WITH:

Specifications:

Date Approved: October 16, 1997
Prepared by: Ghosh Engineers, Inc.
723 Kanawha Boulevard, East
Charleston, WV 25301

Title: City of Follansbee; Wastewater System Improvements/ Sanitary Sewer Repairs; Brooke County, WV; Contract I and II

Plans:

Date Approved: October 16, 1997
Prepared by: Ghosh Engineers, Inc.
723 Kanawha Boulevard, East
Charleston, WV 25301

Title: City of Follansbee; Wastewater System Improvements/ Sanitary Sewer Repairs; Brooke County, WV; Contract I and II

The City shall complete this plant upgrade project and begin to meet final permit discharge limitations on or before 18 months.

Find enclosed additional pages 3A of 17 and 3B of 17; revised page 8 of 17; and additional Discharge Monitoring Reports. The additional pages and DMRs shall be incorporated into this permit. Also, the revised page shall replace the page currently found in your existing permit.

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Very truly yours,

OFFICE OF WATER RESOURCES

Barbara S. Taylor
Chief

BST/rb

B. SCHEDULE OF COMPLIANCE

1. **The permittee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in this permit in accordance with the following schedule:**

November 1, 1999	-	Complete construction of new plant upgrade and begin to meet final permit effluent limitations.

2. **Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, shall be postmarked no later than 14 days following each schedule date.**

A.1 Discharge Limitations and Monitoring Requirements

During the period beginning November 1, 1999 **and lasting through midnight** October 3, 2001 **the permittee is authorized to discharge from outlet number(s)** **001 - Discharge from sewage treatment facilities**

Such discharges shall be limited and monitored by the permittee as specified below:

	Discharge Limitations					Monitoring Requirements	
Effluent Characteristic	**(Quantity) lbs/day Avg. Monthly**	**Max. Daily**	**Other Units (Specify) Avg. Monthly**	**Max.Daily**		**Measurement Frequency**	**Sample Type**
Flow	N/A	N/A	1.6	N/A	MGD	Continuous	Measured
Biochemical Oxygen Demand (5-Day)	400.3	800.6	30.0	60.0	mg/l	1/Week	8 Hr Comp
Total Suspended Solids	400.3	800.6	30.0	60.0	mg/l	1/Week	8 Hr Comp
Nitrogen, Ammonia	200.2	400.3	15.0	30.0	mg/l	1/Week	8 Hr Comp
Fecal Coliform	N/A	N/A	200	400	counts/ 100ml	1/Week	Grab
Total Residual Chlorine	N/A	N/A	28.0	57.0	ug/l	1/Week	Grab
Temperature	N/A	N/A	Monitor Only	Monitor Only	^{o}C	1/Week	"i-s"

The pH shall not be less than 6.0 **standard units and not more than** 9.0 **standard units and shall be monitored** 1/Week

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.1 **Discha Limitations and Monitoring Requirements**

During the period beginning November 1, 1999 **and lasting through midnight** October 3, 2001 **the permittee is authorized to discharge from outlet number(s) 001- Discharge from sewage treatment facilities**

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Max. Daily	Other Units (Specify) Avg. Monthly	Max.Daily		Monitoring Requirements Measurement Frequency	Sample Type
Mercury, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Chromium, Hexavalent	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Cadmium, Total Recoverable*	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Copper, Total Recoverable*	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Lead, Total Recoverable*	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Nickel, Total Recoverable*	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Silver, Total Recoverable*	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp
Zinc, Total Recoverable*	N/A	N/A	Monitor Only	Monitor Only	mg/l	1/Month	8 Hr Comp

* Colorimetric analytical procedures shall not be used when monitoring the total recoverable form of the metal.

Analyses of the above priority pollutants shall be conducted using the most sensitive approved methods and detection levels commercially available and economically feasible.

The pH shall not be less than 6.0 **standard units and not more than** 9.0 **standard units and shall be monitored** 1/Month
Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 shall be collected at a location immediately preceding disinfection. All other effluent samples shall be collected at or as near as possible to the point of discharge.
This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Follansbee, City of
LOCATION OF FACILITY Follansbee, Brooke County
PERMIT NUMBER WV0020273 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19 ____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORYADDRESS _____
INDIVIDUAL PERFORMING ANALYSIS _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg Monthly	Max Daily	Units	N.E.	Minimum	Avg Monthly	Max Daily	Units	N. E.		
Flow, in conduit or thru treatment plant 50050	Reported									MGD			
	Permit Limitation	N/A	N/A	N/A			N/A	1.6	N/A			Continuous	Measured
BOD, 5-Day (20 Deg. C) 00310	Reported									mg/l			
	Permit Limitation	N/A	400.3	800.6			N/A	30.0	60.0			1/Week	8 Hr. Comp.
Solids, Total Suspended 00530	Reported									mg/l			
	Permit Limitation	N/A	400.3	800.6			N/A	30.0	60.0			1/Week	8 Hr. Comp.
Nitrogen, Ammonia 00610	Reported									mg/l			
	Permit Limitation	N/A	200.2	400.3			N/A	15.0	30.0			1/Week	8 Hr. Comp.
pH 00400	Reported									SU			
	Permit Limitation	*****	*****	*****			6.0	N/A	9.0			1/Week	Grab
Coliform, Fecal General 74055	Reported	MF	--	MPN						cnts/ 100ml			
	Permit Limitation	Circle	Method	Used			N/A	200	400			1/Week	Grab
Chlorine, Total Resid. 50060	Reported									ug/l			
	Permit Limitation						N/A	28.0	57.0			1/Week	Grab

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Follansbee, City of
LOCATION OF FACILITY Follansbee, Brooke County
PERMIT NUMBER WV0020273 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19 ____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORY ADDRESS _____
INDIVIDUAL PERFORMING ANALYSIS _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg Monthly	Max Daily	Units	N.E.	Minimum	Avg Monthly	Max Daily	Units	N.E.		
Temperature 00011	Reported									°C			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Week	"i-s"
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												

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NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Follansbee, City of
LOCATION OF FACILITY Follansbee, Brooke County
PERMIT NUMBER WV0020273 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORY ADDRESS _____
INDIVIDUAL PERFORMING ANALYSIS _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg Monthly	Max Daily	Units	N.E.	Minimum	Avg Monthly	Max Daily	Units	N.E.		
Mercury, Total 71900	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp
Chromium, Hexavalent 01032	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.
Cadmium, Total Recov. 01113	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.
Copper, Total Recov. 01119	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.
Lead, Total Recov. 01114	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.
Nickel, Total Recov. 01074	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.
Silver, Total Recov. 01079	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME Follansbee, City of
LOCATION OF FACILITY Follansbee, Brooke County
PERMIT NUMBER WV0020273 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORY ADDRESS _____
INDIVIDUAL PERFORMING ANALYSIS _____

Parameter		Quantity					Other Units					Measurement Frequency	Sample Type
		Minimum	Avg Monthly	Max Daily	Units	N.E.	Minimum	Avg Monthly	Max Daily	Units	N.E.		
Zinc, Total Recov. 01094	Reported									mg/l			
	Permit Limitation						N/A	Monitor Only	Monitor Only			1/Month	8 Hr Comp.
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												
	Reported												
	Permit Limitation												

Name of Principal Executive Officer	I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.	Date Completed
Title of Officer		Signature of Principal Executive Officer or Authorized Agent

RIGHT OF APPEAL

Notice is hereby given of your right to appeal the terms and conditions of this permit which you are aggrieved by the Environmental Quality Board by filing a NOTICE OF APPEAL on the form prescribed by such Board for this purpose, with the Board, in accordance with the provisions of Section 21, Article 11, Chapter 22 of the Code of West Virginia within thirty (30) days after the date of receipt of the above permit.

EMERGENCY RESPONSE SPILL ALERT SYSTEM
WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

REQUIREMENTS:

Title 47, Series 11, Section 2 of the West Virginia Legislative Rules, Environmental Protection, Water Resources - Waste Management, Effective July 1, 1994.

RESPONSIBILITY FOR REPORTING:

Each and every person who may cause or be responsible for any spill or accidental discharge of pollutants into the waters of the State shall give immediate notification to the Office of Water Resources' Emergency Notification Number, 1-800-642-3074. Such notification shall set forth insofar as possible and as soon thereafter as practical the time and place of such spill or discharge, type or types and quantity or quantities of the material or materials therein, action or actions taken to stop such spill or discharge and to minimize the polluting effect thereof, the measure or measures taken or to be taken in order to prevent a recurrence of any such spill or discharge and such additional information as may be requested by the Office of Water Resources. This also applies to spills to the waters of the State resulting from accidents to common carriers by highway, rail and water.

It shall be the responsibility of each industrial establishment or other entity discharging directly to a stream to have available the following information pertaining to those substances that are employed or handled in its operation in sufficiently large amounts as to constitute a hazard in case of an accidental spill or discharge into a public stream:

(1) Potential toxicity in water to man, animals and aquatic life;
(2) Details on analytical procedures for the quantitative estimation of such substances in water and
(3) Suggestions on safeguards or other precautionary measures to nullify the toxic effects of a substance once it has gotten into a stream.

Failure to furnish such information as required by Section 14, Article 11, Chapter 22, Code of West Virginia may be punishable under Section 24, Article 11, Chapter 22, and/or Section 22, Article 11, Chapter 22, Code of West Virginia.

It shall be the responsibility of any person who causes or contributes in any way to the spill or accidental discharge of any pollutant or pollutants into State waters to immediately take any and all measures necessary to contain such spill or discharge. It shall further be the responsibility of such person to take any and all measures necessary to clean-up, remove and otherwise render such spill or discharge harmless to the waters of the State.

When the Chief determines it necessary for the effective containment and abatement of spills and accidental discharges, the Chief may require the person or persons responsible for such spill or discharge to monitor affected waters in a manner prescribed by the Chief until the possibility of any adverse effect on the waters of the State no longer exists.

VOLUNTARY REPORTING BY LAW OFFICERS, U. S. COAST GUARD, LOCK MASTERS AND OTHERS:

In cases involving river and highway accidents where the responsible party may or may not be available to report the incident, law officers, U. S. Coast Guard, Lock Masters and other interested person(s) should make the report.

WHO TO CONTACT:

Notify the following number: 1-800-642-3074.

INFORMATION NEEDED:

- Source of spill or discharge
- Location of incident
- Time of incident
- Material spilled or discharged
- Amount spilled or discharged
- Toxicity of material spilled or discharged
- Personnel at the scene
- Actions initiated
- Shipper/Manufacturer identification
- Railcar/Truck identification number
- Container type