THE CITY OF HUNTINGTON

Sewer Revenue Bonds
Series 2000 A (West Virginia SRF Program)

Date of Closing: October 24, 2000

BOND TRANSCRIPT
Volume I

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BOND TRANSCRIPT

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THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (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 HUNTINGTON:

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 Huntington (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties 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 acquired and constructed certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of a supervisory control and data acquisition (SCADA) system for regulating wastewater flows at pumping stations, together with other miscellaneous additions and 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, betterments and improvements thereto 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 Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), 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 2000 (West Virginia SRF Program), in one or more series, in the total aggregate principal amount of not more than $3,000,000 (the "Series 2000 Bonds"), initially to be represented by a single bond, for each series, to permanently finance a portion of costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 2000 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 2000 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 2000 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 2000 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 2000 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement or loan agreements, (the "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 outstanding obligations of the Issuer which will rank on parity with the Series 2000 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895, and the Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (collectively, the "Prior Bonds").

The Series 2000 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2000 Bonds, the Issuer will obtain (i) a certificate of an Independent Accountant stating that the parity tests of the Prior Bonds are met, and (ii) where required, the written consent of the holders of the Prior Bonds to the issuance of the Series 2000 Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Prior Bonds and the Series 2000 Bonds and to make payments into all funds and accounts and other payments provided for herein.

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 2000 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and 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 2000 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 2000 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 benefitting 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 2000 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 2000 Bonds for the purposes set forth herein.

L. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2000 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 2000 Bonds, all 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 2000 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.

"Bonds" means, collectively, the Series 2000 Bonds, the Prior Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

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

"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 Woolpert Consultants, 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.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

"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.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States

obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

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

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

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

"Investment Property" means:

(A) any security (within the meaning of Section 165(g)(2)(A) or (B) of the Code),

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

(E) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

Except as provided in the following sentence, the term "Investment Property" does not include any tax-exempt bond. With respect to an issue other than an issue a part of which is a specified private activity bond (as defined in section 57(a)(5)(C) of the Code), the term "Investment Property" includes a specified private activity bond (as so defined).

"Issuer" means The City of Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties, 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 2000 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.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Bond Year.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2000 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2000 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 2000 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

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

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, 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) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

"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.

"Prior Bonds" means, collectively, the Issuer's Series 1993 Bonds, the Series 1997 Bonds and the Series 1999 Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993, authorizing the Series 1993 Bonds, the ordinance of the Issuer enacted on December 11, 1995, as supplemented by the supplemental resolution of the Issuer adopted November 10, 1997, authorizing the Series 1997 Bonds and the ordinance of the Issuer enacted on June 14, 1999, as supplemented by the supplemental resolution of the Issuer adopted June 14, 1999.

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

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

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate

interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated `A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated `A-1+' by S&P and `Prime-1' by Moody's.

7. Money market funds rated `AAm' or `AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated `A3' by Moody's and `A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated `A-1+' by S&P and `Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated `AA' or better by S&P and ` A. ' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all

principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least ' A. ' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least ' A. ' by S&P and ' A. ' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and ' A. ' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least " A. ' by Moody's, or at least ' A. ' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below ' A. ' or ' A. ,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so

directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or " A. " by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and

accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

(10) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(11) Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Account Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Bonds.

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

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

"Series 2000 Bonds" means the Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program), of the Issuer, authorized to be issued in one or more series by this Bond Legislation.

"Series 2000 Bonds Reserve Account" means the Series 2000 Bonds Reserve Account established in the Series 2000 Bonds Sinking Fund pursuant to Section 5.02 hereof.

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

"Series 2000 Bonds Sinking Fund" means the Series 2000 Bonds Sinking Fund established by Section 5.02 hereof.

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

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

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds 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 or resolutions authorizing the sale of the Series 2000 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2000 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinances to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing 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 the acquisition and construction of the Project, at an estimated cost of $3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2000 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received or will receive 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 $3,000,000, all of which will be obtained from proceeds of the Series 2000 Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2000 Bonds, funding a reserve account for the Series 2000 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2000 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2000 Bonds of the Issuer. The Series 2000 Bonds may be issued in one or more series, each series to be issued as a single bond, designated "Sewer Revenue Bonds, Series 2000 (West Virginia SRF Program)", with appropriate alphabetical designation, in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2000 Bonds remaining after funding of the Series 2000 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 2000 Bonds shall be issued in such principal amounts; shall bear interest 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 2000 Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2000 Bonds 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 2000 Bonds shall initially be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2000 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2000 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of

said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2000 Bonds shall be executed in the name of the Issuer by the Mayor, 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 2000 Bonds shall cease to be such officer of the Issuer before the Series 2000 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 2000 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 2000 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 2000 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 2000 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 2000 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 2000 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 2000 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 2000 Bonds or transferring the registered Series 2000 Bonds are exercised, all Series 2000 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2000 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2000 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 2000 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2000 Bonds or, in the case of any proposed redemption of Series 2000 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 2000 Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2000 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 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2000 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2000 Bonds and to make all other payments hereinafter set forth, 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 2000 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2000 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 2000 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 2000 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 2000 Bonds.

Section 3.10. Form of Bonds. The text of the Series 2000 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
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 2000
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties 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, _____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia 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 _____, 200__.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds 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"), a Bond Ordinance duly enacted by the Issuer on _____, 200___, and a Supplemental Resolution duly adopted by the Issuer on _____, 200___ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), AND SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"). THE SERIES 1993 BONDS, THE SERIES 1997 BONDS AND THE SERIES 1999 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

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, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the

"Series 2000 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2000 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 2000 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the 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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 200___.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 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: _____, 200___.

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

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

_____

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2000 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. The Loan Agreement, including all schedules and exhibits attached thereto, is hereby approved. If not so authorized by previous ordinance or resolution, the Mayor is 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 and the DEP a schedule the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of 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 (or continued if previously established by the Prior Ordinances) 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 (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances); 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 (or continued if previously established by the Prior Ordinances) 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 1993 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Redemption Account (established by the Prior Ordinances);

(4) Series 1997 Bonds Sinking Fund (established by the Prior Ordinances);

(5) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 1999 Bonds Sinking Fund (established by the Prior Ordinance);

(7) Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account (established by the Prior Ordinance);

(8) Series 2000 Bonds Sinking Fund; and

(9) Within the Series 2000 Bonds Sinking Fund, the Series 2000 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 the Prior Ordinances and 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 the Prior Ordinances and 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 current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1997 Bonds; (iii) for deposit in the Series 1999 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1999 Bonds; and (iv) commencing 3 months prior to the first date of payment of interest on the Series 2000 Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 2000 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2000 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal on the Series 1997 Bonds; (iii) for deposit in the Series 1999 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1999 Bonds; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, for deposit in the Series 2000 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2000 Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2000 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.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Reserve Account, the amount required by the Prior Ordinances; (ii) for deposit in the Series 1997 Bonds Reserve Account, the amount required by the Prior Ordinances; (iii) for deposit in the Series 1999 Bonds Reserve Account, the amount required by the Prior Ordinances; and (iv) commencing 3 months prior to the first date of payment of principal of the Series 2000 Bonds, if not fully funded upon issuance of the Series 2000 Bonds, for deposit in the Series 2000 Bonds Reserve Account, an amount equal to 1/120th of the Series 2000 Bonds Reserve Account Requirement; provided that, no further payments shall be made into the Series 2000 Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2000 Bonds Reserve Account Requirement.

(5) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, as previously set forth in the Prior Ordinances and not in addition thereto, transfer from the Revenue Fund to the Depreciation Fund, an amount equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Accounts (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a reserve account letter of credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (excluding the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(6) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Net Revenues to payment of debt service on subordinate bonds, notes, certificates or obligations of the System. Any excess of moneys then remaining in the Revenue Fund may be used for any lawful purpose of the System.

(7) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

Moneys in the Series 2000 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2000 Bonds as the same shall

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

All investment earnings on moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 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 due on the Series 2000 Bonds and then to the next ensuing principal payment due thereon.

The Issuer shall restore any withdrawals from the Reserve Accounts which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Funds, including any deficiencies for prior payments have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Funds, including the Reserve Accounts therein, are at least equal to the aggregate amount of Bonds issued pursuant to the Prior Ordinances and this Bond Legislation then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 2000 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 2000 Bonds Sinking Fund or the Series 2000 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2000 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 2000 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2000 Bonds Sinking Fund and the Series 2000 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 said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2000 Bonds Sinking Fund and the Series 2000 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2000 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve account payments with respect to the Series 2000 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. 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.

D. 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 Section, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified

Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. 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 any or all of the Series 2000 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2000 Bonds, there shall first be deposited with the Commission in the Series 2000 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2000 Bonds for the period commencing on the date of issuance of the Series 2000 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 2000 Bonds, there shall be deposited with the Commission in the Series 2000 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2000 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2000 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 2000 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 2000 Bonds shall be used to fund the Series 2000 Bonds Reserve Account, if not funded upon issuance of the Series 2000 Bonds, in an amount not to exceed the Series 2000 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2000 Bonds be deposited in the Series 2000 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 2000 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 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," in compliance with the construction schedule, 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 that:

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

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

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

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

Pending such application, moneys in the 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 2000 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 2000 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 2000 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2000 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 2000 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2000 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 2000 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2000 Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges , with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the sewer rate ordinance of the Issuer enacted October 26, 1998, which rates are incorporated herein by reference as a part hereof.

So long as the Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions

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

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority and the DEP.

So long as the Series 2000 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2000 Bonds, immediately be remitted to the Commission for deposit in the Series 2000 Bonds 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 on the Series 2000 Bonds. Any balance remaining after the payment of the Series 2000 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other

disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinances and 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 of the Series 2000 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 2000 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 7.07 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 Series 2000 Bonds. All obligations issued by the Issuer after the issuance of the Series 2000 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 Series 2000 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2000 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2000 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. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior

Ordinances shall be applicable. In addition, no additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of the Series 2000 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition and construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 2000 Bonds then Outstanding;

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

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the City Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Prior Bonds and the Series 2000 Bonds, and all the covenants and other provisions of the Prior Ordinances and this Bond Legislation (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Prior Bonds and the Series 2000 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Prior Ordinances and this Bond Legislation required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Prior Ordinances and this Bond Legislation.

No additional parity Bonds shall be valid unless authenticated in accordance with the Prior Ordinances and this Bond Legislation. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by the Prior Ordinances and this Bond Legislation, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with the Prior Ordinances and this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Prior Bonds and the Series 2000 Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Prior Ordinances and this Bond Legislation on account of the Prior Bonds and the Series 2000 Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in the Prior Ordinances and this Bond Legislation, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion

thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 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 and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the 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 Issuer shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2000 Bonds, and shall mail in each year to any Holder or Holders of the Series 2000 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 Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Holder or Holders of the Series 2000 Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 2000 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.

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

The Issuer shall 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 and commencement of operation 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. Prior to the issuance of the Series 2000 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, so long as the Series 1993 Bonds are Outstanding, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the Series 2000 Bonds Reserve Account Requirement is on deposit in the Series 2000 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 2000 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 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 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 engineer shall certify to the Authority, the DEP and the Issuer at the completion of construction that construction of the Project is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies.

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

Exhibit A, to the DEP within 60 days of the end of the first year after the Project is completed.

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

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

Section 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 2000 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 greater of the fair appraised value or the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (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 prime contractor and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of

operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

(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 verify such bonds prior to commencement of construction.

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 and the Issuer shall verify such insurance prior to commencement of construction. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the 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 has obtained 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 and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2000 Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer 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 2000 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 2000 Bonds during the term thereof is, under the terms of the Series 2000 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 2000 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 2000 Bonds during the term thereof is, under the terms of the Series 2000 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 2000 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 2000 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 the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2000 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 2000 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 2000 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2000 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 Law 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).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2000 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2000 Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2000 Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Reserve Accounts shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Commission to semiannually transfer from the Reserve Accounts to the Sinking Funds any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Accounts an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Accounts, whereupon it shall be valued immediately after such withdrawal. If amounts

on deposit in the Reserve Accounts shall, at any time, be less than the applicable Reserve Account Requirement, the applicable Bond Insurer or Bondholder shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Funds and otherwise in accordance with the Prior Ordinances and this Bond Legislation.

(D) All amounts representing accrued and capitalized interest shall be held by the Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in the Sinking Funds may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2000 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2000 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 2000 Bonds which would cause the Series 2000 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 2000 Bonds) so that the interest on the Series 2000 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 2000 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 2000 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 2000 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 an applicable to the Series 2000 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 benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2000 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 2000 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 2000 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 Series 2000 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 2000 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2000 Bonds; or

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2000 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2000 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; or

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

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; provided that, all rights and remedies of the Holders of the Series 2000 Bonds shall be on a parity with the Prior Bonds.

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

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2000 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 2000 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2000 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2000 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2000 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2000 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2000 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2000 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2000 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2000 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 2000 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; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall

control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

Section 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 hereon.

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 Herald-Dispatch, a newspaper published and of general circulation in The City of Huntington, 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.

SPONSORED BY: Councilman Calvin Kent

APPROVED AS TO FORM BY: Theodore E. Morgan, Esquire

FIRST READING: Order advertised on September 11, 2000

SECOND READING: Adopted (10 yeas; 0 nays; 1 absent - Maass) - September 25, 2000

THIRD READING FOLLOWING PUBLIC HEARING: Adopted (9 yeas; 0 nays; 2 absent - Kent, Neeley) - October 10, 2000

DATE: October 10, 2000

ANN C. SHAYE, CITY CLERK

DATE: October 11, 2000

JEAN DEAN, MAYOR

APPROVE

DATE: October 12, 2000

VETO

CL623827.3

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 10th day of October, 2000.

Dated: October 24, 2000.

[SEAL]

City Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

10/10/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; 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 Huntington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective October 10, 2000 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 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 2000 A (West Virginia SRF Program), of the Issuer, in one or more series, with appropriate alphabetical designation, in an aggregate principal amount not to exceed $3,000,000, and has authorized the execution and delivery of a Loan Agreement or Loan Agreements relating to such bonds, 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 forms of the Loan Agreements and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of each series of bonds should be established by a supplemental resolution pertaining to such series of bonds; and that other matters relating to the bonds be herein provided for;

WHEREAS, the Loan Agreement relating to the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) (the "Loan Agreement"), in the principal amount of $1,867,098 (hereinafter referred to as the "Bonds"), 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 relating thereto; 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 redemption provisions, 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 HUNTINGTON:

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 2000 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,867,098. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2021, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, and ending December 1, 2021, 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 interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the 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 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 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 Bank One, West Virginia, National Association, Huntington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2000 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2000 A Bonds Sinking Fund, as capitalized interest.

Section 9. Series 2000 A Bonds proceeds in the amount of $113,500 shall be deposited in the Series 2000 A Bonds Reserve Account.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2000 A Bonds 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 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 October 24, 2000, 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 are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 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 2000 A Bonds Sinking Fund, including the Series 2000 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a

manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer reserves the right to issue from time to time, one or more additional series of bonds under the Bond Ordinance pursuant to one or more additional supplemental resolutions, the total aggregate principal amount of such bonds not to exceed $3,000,000.

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

Adopted this 10th day of October, 2000.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on October 10, 2000.

Dated: October 24, 2000.

[SEAL]

City Clerk

10/10/00
435500/00001

SRF-LP-1
(4/6/00)

LOAN AGREEMENT

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

CITY OF HUNTINGTON
(Local Government)

WITNESSETH:

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

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to direct the distribution of loans to particular local governments pursuant to the Clean Water Act;

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

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to make loans from the Fund to local governments for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

1.9 "Project" means the wastewater treatment facility project hereinabove referred to, to be constructed or being constructed by the Local Government in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the

Local Government in whole or in part with the proceeds of bond anticipation notes or other interim financing, which is to be paid in whole or in part with the net proceeds of the Local Bonds.

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

2.8 The Local Government shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority and DEP and shall verify or have verified such insurance prior to commencement of construction. Until the Project facilities are completed and accepted by the Local Government, the Local Government or (at the option of the Local Government) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form)

on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Local Government, the prime contractor and all subcontractors, as their interests may appear. If facilities of the System which are detrimentally affected by flooding are or will be located in designated special flood or mudslide-prone areas and if flood insurance is available at a reasonable cost, a flood insurance policy must be obtained by the Local Government on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

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

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

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

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

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

(j) The net proceeds of the Local Bonds, together with all moneys on deposit or to be simultaneously deposited (or, with respect to proceeds of grant anticipation notes or other indebtedness for which a binding purchase contract has been

entered, to be deposited on a date certain) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority and DEP shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of wastewater treatment projects and satisfactory to the Authority and DEP, to such effect, such certificate to be in form and substance satisfactory to the Authority and DEP, and evidence satisfactory to the Authority and DEP of such irrevocably committed grants.

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

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

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

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

may purchase the bonds of other local governments set out in the State Project Priority List, as defined in the SRF Regulations. The Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the prior approval of DEP.

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

ARTICLE IV

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

4.1 The Local Government shall, as one of the conditions of the Authority and DEP to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official action of the Local Government in accordance with the Local Statute, which shall, as adopted or enacted, contain provisions and covenants in substantially the form as follows:

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

(i) to pay Operating Expenses of the System;

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

deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

(ii) That the schedule of rates or charges for the services of the System shall be sufficient to provide funds which, along with other revenues of the System, will pay all Operating Expenses and leave a balance each year equal to at least one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the Reserve Account is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount equal to the Reserve Requirement and any reserve account for any such prior or parity obligations is funded at least at the requirement therefor, equal to at least one hundred ten percent (110%) of the maximum amount required in any year for debt service on the Local Bonds and any such prior or parity obligations;

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

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local

Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

(v) That the Local Government shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Local Bonds, except parity bonds which shall only be issued if net revenues of the System prior to issuance of such parity bonds, plus reasonably projected revenues from rate increases and the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on all Local Bonds and parity bonds theretofore and then being issued and on any obligations secured by a lien on or payable from the revenues of the System prior to the Local Bonds and with the prior written consent of the Authority and DEP; provided, however, that additional parity bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

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

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

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

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

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

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

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

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

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

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

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

(xvii) That the Local Government shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required interest, principal and reserve account payment. The Local Government shall complete the Monthly Payment Form, attached hereto as Exhibit F

and incorporated herein by reference, and submit a copy of said form along with a copy of the check or electronic transfer to the Authority by the 5th day of such calendar month;

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

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

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the PSC, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider; and

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

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

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

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

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

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

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

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

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

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

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by the Local Government in the terms and covenants of this Loan Agreement, and

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

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

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

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

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

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

CITY OF HUNTINGTON
[Name of Local Government]

(SEAL)

By: Jean Dean
Its: Mayor

Attest:

Date: 10-12-2000

Q. C. Shaye
Its City Clerk

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Allyn Turner
Its: Chief, Office of Water Resources

Date: 10-16-00

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: David B Graham
Its: Director

Attest:

Date: October 6, 2000

Barbara B Meadows
Secretary-Treasurer

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

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

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

Witnesseth my signature this ___ day of _____, _____.

[Name of Local Government]

By: _____
Authorized Officer

Instructions for Completing Monthly Financial Report

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

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by DEP and any change orders approved by the Issuer, DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least _____ years, if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in

Schedule A attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

_____

By _____

West Virginia License No. _____

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The Local Government that receives $300,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

EXHIBIT F

[Monthly Payment Form]

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$____
Principal	$____
Total:	$____
Reserve Account:	$____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

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

West Virginia Division of Environmental Protection
617 Broad Street
Charleston, WV 25301

Ladies and Gentlemen:

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly

adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$ 1,867,098
Purchase Price of Local Bonds	$ 1,867,098

The Local Bonds shall bear no interest from the date of delivery to and including November 30, 2001. Commencing March 01, 2002, interest on the Local Bonds is payable quarterly, at a rate of 2 % per annum. Commencing March 01, 2002, principal of the Local Bonds is payable quarterly, with an administrative fee of 1 %. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1,1993, issued in the original aggregate principal amount of $7,100,000; Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895; and Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program) dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550.

City of Huntington (West Virginia)

Loan of $1,867,098
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: October 24, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	19,039.00	2.000%	9,335.49	28,374.49
6/01/2002	19,134.00	2.000%	9,240.30	28,374.30
9/01/2002	19,230.00	2.000%	9,144.63	28,374.63
12/01/2002	19,326.00	2.000%	9,048.48	28,374.48
3/01/2003	19,422.00	2.000%	8,951.85	28,373.85
6/01/2003	19,520.00	2.000%	8,854.74	28,374.74
9/01/2003	19,617.00	2.000%	8,757.14	28,374.14
12/01/2003	19,715.00	2.000%	8,659.05	28,374.05
3/01/2004	19,814.00	2.000%	8,560.48	28,374.48
6/01/2004	19,913.00	2.000%	8,461.41	28,374.41
9/01/2004	20,013.00	2.000%	8,361.84	28,374.84
12/01/2004	20,113.00	2.000%	8,261.78	28,374.78
3/01/2005	20,213.00	2.000%	8,161.21	28,374.21
6/01/2005	20,314.00	2.000%	8,060.15	28,374.15
9/01/2005	20,416.00	2.000%	7,958.58	28,374.58
12/01/2005	20,518.00	2.000%	7,856.50	28,374.50
3/01/2006	20,620.00	2.000%	7,753.91	28,373.91
6/01/2006	20,724.00	2.000%	7,650.81	28,374.81
9/01/2006	20,827.00	2.000%	7,547.19	28,374.19
12/01/2006	20,931.00	2.000%	7,443.05	28,374.05
3/01/2007	21,036.00	2.000%	7,338.40	28,374.40
6/01/2007	21,141.00	2.000%	7,233.22	28,374.22
9/01/2007	21,247.00	2.000%	7,127.51	28,374.51
12/01/2007	21,353.00	2.000%	7,021.28	28,374.28
3/01/2008	21,460.00	2.000%	6,914.51	28,374.51
6/01/2008	21,567.00	2.000%	6,807.21	28,374.21
9/01/2008	21,675.00	2.000%	6,699.38	28,374.38
12/01/2008	21,783.00	2.000%	6,591.00	28,374.00
3/01/2009	21,892.00	2.000%	6,482.09	28,374.09
6/01/2009	22,002.00	2.000%	6,372.63	28,374.63
9/01/2009	22,112.00	2.000%	6,262.62	28,374.62
12/01/2009	22,222.00	2.000%	6,152.06	28,374.06
3/01/2010	22,333.00	2.000%	6,040.95	28,373.95
6/01/2010	22,445.00	2.000%	5,929.28	28,374.28
9/01/2010	22,557.00	2.000%	5,817.06	28,374.06
12/01/2010	22,670.00	2.000%	5,704.27	28,374.27
3/01/2011	22,783.00	2.000%	5,590.92	28,373.92
6/01/2011	22,897.00	2.000%	5,477.01	28,374.01
9/01/2011	23,012.00	2.000%	5,362.52	28,374.52
12/01/2011	23,127.00	2.000%	5,247.46	28,374.46
3/01/2012	23,243.00	2.000%	5,131.83	28,374.83

City of Huntington (West Virginia)

Loan of $1,867,098
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: October 24, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	23,359.00	2.000%	5,015.61	28,374.61
9/01/2012	23,476.00	2.000%	4,898.82	28,374.82
12/01/2012	23,593.00	2.000%	4,781.44	28,374.44
3/01/2013	23,711.00	2.000%	4,663.47	28,374.47
6/01/2013	23,829.00	2.000%	4,544.92	28,373.92
9/01/2013	23,949.00	2.000%	4,425.77	28,374.77
12/01/2013	24,068.00	2.000%	4,306.03	28,374.03
3/01/2014	24,189.00	2.000%	4,185.69	28,374.69
6/01/2014	24,310.00	2.000%	4,064.74	28,374.74
9/01/2014	24,431.00	2.000%	3,943.19	28,374.19
12/01/2014	24,553.00	2.000%	3,821.04	28,374.04
3/01/2015	24,676.00	2.000%	3,698.27	28,374.27
6/01/2015	24,799.00	2.000%	3,574.89	28,373.89
9/01/2015	24,923.00	2.000%	3,450.90	28,373.90
12/01/2015	25,048.00	2.000%	3,326.28	28,374.28
3/01/2016	25,173.00	2.000%	3,201.04	28,374.04
6/01/2016	25,299.00	2.000%	3,075.18	28,374.18
9/01/2016	25,426.00	2.000%	2,948.68	28,374.68
12/01/2016	25,553.00	2.000%	2,821.55	28,374.55
3/01/2017	25,681.00	2.000%	2,693.79	28,374.79
6/01/2017	25,809.00	2.000%	2,565.38	28,374.38
9/01/2017	25,938.00	2.000%	2,436.34	28,374.34
12/01/2017	26,068.00	2.000%	2,306.65	28,374.65
3/01/2018	26,198.00	2.000%	2,176.31	28,374.31
6/01/2018	26,329.00	2.000%	2,045.32	28,374.32
9/01/2018	26,461.00	2.000%	1,913.67	28,374.67
12/01/2018	26,593.00	2.000%	1,781.37	28,374.37
3/01/2019	26,726.00	2.000%	1,648.40	28,374.40
6/01/2019	26,860.00	2.000%	1,514.77	28,374.77
9/01/2019	26,994.00	2.000%	1,380.47	28,374.47
12/01/2019	27,129.00	2.000%	1,245.50	28,374.50
3/01/2020	27,264.00	2.000%	1,109.86	28,373.86
6/01/2020	27,401.00	2.000%	973.54	28,374.54
9/01/2020	27,538.00	2.000%	836.53	28,374.53
12/01/2020	27,675.00	2.000%	698.84	28,373.84
3/01/2021	27,814.00	2.000%	560.47	28,374.47
6/01/2021	27,953.00	2.000%	421.40	28,374.40
9/01/2021	28,093.00	2.000%	281.63	28,374.63
12/01/2021	28,233.00	2.000%	141.17	28,374.17
Total	1,867,098.00	-	402,850.72	2,269,948.72 *

*Plus $2,517.82 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $201,425.60.

991498com021400.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 14th day of February, 2000.

CASE NO. 99-1498-S-CN

SANITARY BOARD OF THE CITY OF HUNTINGTON
Application for a certificate of public convenience and necessity to make improvements to its sanitary sewer system.

COMMISSION ORDER

On October 13, 1999, the Sanitary Board of the City of Huntington filed for a certificate of public convenience and necessity to improve its combined storm and sanitary sewer system. See application generally.

By law, Huntington is required to give notice to the Commission thirty (30) days before it files a certificate case, and Huntington also petitioned the Commission to waive that notice requirement. Petition p. 1. Huntington said that the project was needed to comply with an Administrative Order issued by the West Virginia Division of Environmental Protection and that Huntington had discussed the project with Commission Staff more than thirty days ago in Huntington's last certificate case, Case Number 98-1445-S-CN. Id. p. 2.

On October 26, 1999, Staff recommended that the Commission grant the waiver of the thirty-day (30-day) notice. Initial Joint Staff Memorandum p. 1. Staff said it would make a final recommendation after the project funding was confirmed. Utilities Division Initial Staff Recommendation p. 1, attached to Initial Joint Staff Memorandum.

On November 10, 1999, Huntington filed an Affidavit of Publication to show that notice of its application was published on October 22, 1999, in the Huntington Herald Dispatch.

On December 14, 1999, Staff explained that Huntington's combined sewer system handles both sanitary and storm water flows. Final Internal Memorandum p. 1, attached to Final Joint Staff Memorandum. During storms, excess flows from combined sewer systems are sometimes discharged directly into streams. Id. WV DEP monitors and regulates

combined sewer systems to minimizes these direct discharges. Id. Huntington's improvements will allow volumes and durations to be measured, so that pumping sequences can be adjusted to maximize the capacity of the sewer lines. Id. p. 2. And, the system will help control the flow rate into the treatment plant, which will help maintain an effective treatment process. Id. Staff recommended that Huntington's application be granted. Final Joint Staff Memorandum p. 1.

DISCUSSION

W. Va. Code § 24-2-11 requires that the Commission be given thirty (30) days' notice of a certificate application, in pertinent part, as follows:

> (a) . . . Any public utility . . . shall give the commission at least thirty days' notice of the filing of any such application for a certificate of public convenience and necessity under this section: Provided, That the commission may waive or modify the thirty-day notice requirement . . .

Due to Huntington's previous discussion with Staff about this project, the Commission shall grant the petition for a waiver.

Pursuant to W. Va. Code § 24-2-11, the Commission may consider a certificate application without conducting a hearing, in pertinent part, as follows:

> Upon the filing of any application for such certificate, and after hearing, the commission may, in its discretion, issue or refuse to issue, or issue in part and refuse in part, such certificate of convenience and necessity: Provided, That the commission, after it gives proper notice and if no protest is received within thirty (30) days after the notice is given, may waive formal hearing on the application.

Since Huntington published notice, and no protests were received, the Commission shall waive formal hearing in this case.

The requirement that a utility receive a certificate from the Commission is set forth in W. Va. Code § 24-2-11, in pertinent part, as follows:

> (a) No public utility . . . shall begin the construction of any plant . . . for furnishing to the public any [utility] service . . . unless and until it shall obtain from the public service commission a certificate of convenience and necessity requiring such construction . . .

In considering a certificate application, the Commission must assess whether the general public convenience will be served and the public necessity for the project. Sexton v. Public Serv. Comm'n, 423 S.E.2d 914 (W. Va. 1992). The WV DEP has entered into an Administrative Order with Huntington, due to alleged violations of West Virginia's Water Pollution Control Act. The $2,693,797 project will add telemetry equipment, automate pumping operations and allow Huntington to better evaluate volumes, duration and pollutant levels during high flow conditions. Huntington's improvements will allow pumping sequences to be adjusted to maximize the capacity of the sewer lines and will help control the flow rate into the treatment plant, which will help maintain an effective treatment process. Further, the proposed financing is reasonable. Thus, Staff recommended that Huntington's application be approved.

Under these circumstances, we agree with Huntington and Staff that this project is necessary for the public good and the general public's convenience will be served. Therefore, the Commission shall grant the certificate.

If there are changes in the scope, financing or cost of the project, Huntington must seek Commission approval of the changes.

FINDINGS OF FACT

1. On October 13, 1999, Huntington applied for a certificate of public convenience and necessity to improve its combined storm and sanitary sewer system. See application generally.

2. Huntington also petitioned the Commission to waive the thirty-day (30-day) notice requirement. Petition p. 1.

3. On November 10, 1999, Huntington filed an Affidavit of Publication to show that notice of its application was published on October 22, 1999, in the Huntington Herald Dispatch.

4. No protests were received after notice was published.

5. On December 14, 1999, Staff recommended that the certificate be granted. Final Internal Memorandum p. 1, attached to Final Joint Staff Memorandum.

CONCLUSIONS OF LAW

1. Due to Huntington's previous discussion with Staff about this project, the

Commission shall grant the petition for a waiver of the thirty-day (30-day) notice requirement.

2. Since Huntington published notice, and no protests were received, the Commission shall waive formal hearing in this case.

3. The proposed project is necessary for the public good and the general public's convenience will be served. Therefore, the Commission should grant the certificate, pursuant to W. Va. Code § 24-2-11.

4. The proposed financing is reasonable and should be approved.

5. If there are changes in the scope, financing or cost of the project, Huntington must seek Commission approval of the changes.

ORDER

IT IS THEREFORE ORDERED that Huntington's application for a certificate of public convenience and necessity, as more fully described above, is granted.

IT IS FURTHER ORDERED that if there are changes in the scope, financing or cost of the project, Huntington must seek Commission approval of the changes.

IT IS FURTHER ORDERED that formal hearing and the requirement for thirty-day's notice to the Commission are waived.

IT IS FURTHER ORDERED that this proceeding be removed from the Commission's docket of active cases.

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

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

ARC
CLW/jaf
991498c.wpd

West Virginia Infrastructure & Jobs Development Council

Public Members:
Russell L. Isaacs, Chairman
Cottageville
James D. Williams, Vice-Chairman
St. Albans
Lloyd P. Adams, P.E.
Wheeling
James L. Harrison, Sr.
Princeton

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

Susan J. Riggs, Esquire
Executive Secretary

May 8, 1997

Kevin L. Sarrett
Woolpert LLP
Suite 400
606 Virginia Street, East
Charleston, WV 25301

Re: Huntington Sanitary Board
Guyandotte Force Main Replacement Project 97S-306

Dear Mr. Sarrett:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the Huntington Sanitary Board's (Board) preliminary application regarding a proposed project to replace its Guyandotte Force Main (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 Board should carefully review the enclosed comments of the Sewer Technical Review Committee. The Board 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 Board pursue a State Revolving Fund loan to finance the Project. Please contact the Division of Environmental Protection at 558-0641 for specific information on the steps the Board needs to follow to apply for this loan. **Please note that this letter <u>does not</u> constitute funding approval from the State Revolving Fund.**

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

Sincerely,

Russell L. Isaacs

RLI/bh
Enclosures
cc: J. Michael Johnson
Phillip Keyes
David Michael

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

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

Susan J. Riggs, Esquire
Executive Secretary

March 9, 1998

Phillip Keyes
Woolpert LLP
1200 Corporate Court
Ashland, KY 41102

Re: Huntington Sanitary Board
Wastewater System Project (Resubmittal) 97S-365

Dear Mr. Keyes:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the Huntington Sanitary Board's (Board) resubmitted preliminary application regarding a proposed project to construct a supervisory control and data acquisition system to improve the Board's wastewater system (Project). Based upon 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 Board should carefully review the enclosed comments of the Sewer Technical Review Committee. The Board may need to address certain issues raised in these comments, and also in the comments dated November 12, 1997 which were previously transmitted to you, as it proceeds with the Project.

Pursuant to its review of the preliminary application, the Council recommends the Board pursue a Clean Water State Revolving Fund loan of approximately $2,693,797 to finance the Project. Please contact the Division of Environmental Protection at 558-0641 for specific information on the steps the Board needs to follow to apply for this funding. **Please note that this letter does not constitute funding approval from the Clean Water State Revolving Fund.**

If you have any questions regarding this matter, please contact Susan J. Riggs at the above telephone number.

Sincerely,

James D. Williams

JDW/ceg
Enclosure
cc: Mike Johnson, P.E. (w/o enclosure)
David Michael

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
William J. Harman, PE, Vice Chairman
Grafton
Dwight Calhoun
Petersburg
Tim Rutledge
Gilbert

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

Katy Mallory, PE
Executive Secretary

KMallory@citynet.net

May 3, 2000

Robert Trocin, Executive Director
Huntington Sanitary Board
P.O. Box 1659
824 5th Avenue
Huntington, West Virginia 25717

Re: Huntington Sanitary Board
Wastewater Disinfection Project **97S-364**

Dear Mr. Trocin:

The West Virginia Infrastructure and Jobs Development Council (the "Council"), at its May 3, 2000 meeting, reviewed the Huntington Sanitary Board's (the "Board") request for revised funding for its proposed project to provide ultra-violet light disinfection at the existing wastewater treatment plant (the "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 Board should carefully review the enclosed comments of the Sewer Technical Review Committee. The Board may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the request, the Council recommends that the Board utilize a Clean Water State Revolving Fund (CWSRF) loan up to $3,174,550 to finance the Project. Please contact the West Virginia Division of Environmental Protection (DEP) at 558-0641 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from the DEP.**

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

Sincerely,

James D. Williams

JDW/rr
Enclosure
cc: Mike Johnson, PE, DEP (w/o enclosure)
Steven Cole, PE, Woolpert LLP
Region II Planning & Development Council

THE CITY OF HUNTINGTON

Sewer Revenue Bonds,
Series 2000 A (West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On the 24th day of October, 2000, 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 Huntington (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 24th day of October, 2000, the Authority received the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, in the principal amount of $1,867,098, numbered AR-1, issued as a single, fully registered Bond, and dated October 24, 2000 (the "Bonds").

2. At the time of such receipt, the Bonds had been executed by the Mayor 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 $201,455, 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.

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

THE CITY OF HUNTINGTON

Mayor

10/11/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds,
Series 2000 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 on this 24th day of October, 2000.

(1) Bond No. AR-1, constituting the entire original issue of The City of Huntington Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), in the principal amount of $1,867,098, dated October 24, 2000 (the "Bonds"), executed by the Mayor and the City Clerk of The City of Huntington (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 October 10, 2000, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2000 (collectively, the "Bond Legislation");

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

(3) Executed loan agreement for the Bonds, dated October 6, 2000, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "Loan Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $201,455, 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 as of the day and year first written above.

THE CITY OF HUNTINGTON

Mayor

10/11/00
435500/00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 2000 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1

$1,867,098

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties 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 ONE MILLION EIGHT HUNDRED SIXTY SEVEN THOUSAND NINETY EIGHT DOLLARS ($1,867,098), 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 March 1, 2002, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia 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 October 6, 2000.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance of the Bonds 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"), a Bond Ordinance duly enacted by the Issuer on October 10, 2000, and a Supplemental Resolution duly adopted by the Issuer on October 10, 2000 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"), AND SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), DATED JUNE 22, 1999, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,083,550 (THE "SERIES 1999 BONDS"). THE SERIES 1993 BONDS, THE SERIES 1997 BONDS AND THE SERIES 1999 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

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, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2000 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from

the Net Revenues, the moneys in the Series 2000 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 2000 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the 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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System

has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of and interest on this Bond.

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated October 24, 2000.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2000 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: October 24, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$201,455	10/24/00	(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

City of Huntington (West Virginia)

Loan of $1,867,098
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: October 24, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2000	-	-	-	-
3/01/2001	-	-	-	-
6/01/2001	-	-	-	-
9/01/2001	-	-	-	-
12/01/2001	-	-	-	-
3/01/2002	19,039.00	2.000%	9,335.49	28,374.49
6/01/2002	19,134.00	2.000%	9,240.30	28,374.30
9/01/2002	19,230.00	2.000%	9,144.63	28,374.63
12/01/2002	19,326.00	2.000%	9,048.48	28,374.48
3/01/2003	19,422.00	2.000%	8,951.85	28,373.85
6/01/2003	19,520.00	2.000%	8,854.74	28,374.74
9/01/2003	19,617.00	2.000%	8,757.14	28,374.14
12/01/2003	19,715.00	2.000%	8,659.05	28,374.05
3/01/2004	19,814.00	2.000%	8,560.48	28,374.48
6/01/2004	19,913.00	2.000%	8,461.41	28,374.41
9/01/2004	20,013.00	2.000%	8,361.84	28,374.84
12/01/2004	20,113.00	2.000%	8,261.78	28,374.78
3/01/2005	20,213.00	2.000%	8,161.21	28,374.21
6/01/2005	20,314.00	2.000%	8,060.15	28,374.15
9/01/2005	20,416.00	2.000%	7,958.58	28,374.58
12/01/2005	20,518.00	2.000%	7,856.50	28,374.50
3/01/2006	20,620.00	2.000%	7,753.91	28,373.91
6/01/2006	20,724.00	2.000%	7,650.81	28,374.81
9/01/2006	20,827.00	2.000%	7,547.19	28,374.19
12/01/2006	20,931.00	2.000%	7,443.05	28,374.05
3/01/2007	21,036.00	2.000%	7,338.40	28,374.40
6/01/2007	21,141.00	2.000%	7,233.22	28,374.22
9/01/2007	21,247.00	2.000%	7,127.51	28,374.51
12/01/2007	21,353.00	2.000%	7,021.28	28,374.28
3/01/2008	21,460.00	2.000%	6,914.51	28,374.51
6/01/2008	21,567.00	2.000%	6,807.21	28,374.21
9/01/2008	21,675.00	2.000%	6,699.38	28,374.38
12/01/2008	21,783.00	2.000%	6,591.00	28,374.00
3/01/2009	21,892.00	2.000%	6,482.09	28,374.09
6/01/2009	22,002.00	2.000%	6,372.63	28,374.63
9/01/2009	22,112.00	2.000%	6,262.62	28,374.62
12/01/2009	22,222.00	2.000%	6,152.06	28,374.06
3/01/2010	22,333.00	2.000%	6,040.95	28,373.95
6/01/2010	22,445.00	2.000%	5,929.28	28,374.28
9/01/2010	22,557.00	2.000%	5,817.06	28,374.06
12/01/2010	22,670.00	2.000%	5,704.27	28,374.27
3/01/2011	22,783.00	2.000%	5,590.92	28,373.92
6/01/2011	22,897.00	2.000%	5,477.01	28,374.01
9/01/2011	23,012.00	2.000%	5,362.52	28,374.52
12/01/2011	23,127.00	2.000%	5,247.46	28,374.46
3/01/2012	23,243.00	2.000%	5,131.83	28,374.83

City of Huntington (West Virginia)

Loan of $1,867,098

20 Years, 2% Interest Rate, 1% Administrative Fee

Closing Date: October 24, 2000

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/2012	23,359.00	2.000%	5,015.61	28,374.61
9/01/2012	23,476.00	2.000%	4,898.82	28,374.82
12/01/2012	23,593.00	2.000%	4,781.44	28,374.44
3/01/2013	23,711.00	2.000%	4,663.47	28,374.47
6/01/2013	23,829.00	2.000%	4,544.92	28,373.92
9/01/2013	23,949.00	2.000%	4,425.77	28,374.77
12/01/2013	24,068.00	2.000%	4,306.03	28,374.03
3/01/2014	24,189.00	2.000%	4,185.69	28,374.69
6/01/2014	24,310.00	2.000%	4,064.74	28,374.74
9/01/2014	24,431.00	2.000%	3,943.19	28,374.19
12/01/2014	24,553.00	2.000%	3,821.04	28,374.04
3/01/2015	24,676.00	2.000%	3,698.27	28,374.27
6/01/2015	24,799.00	2.000%	3,574.89	28,373.89
9/01/2015	24,923.00	2.000%	3,450.90	28,373.90
12/01/2015	25,048.00	2.000%	3,326.28	28,374.28
3/01/2016	25,173.00	2.000%	3,201.04	28,374.04
6/01/2016	25,299.00	2.000%	3,075.18	28,374.18
9/01/2016	25,426.00	2.000%	2,948.68	28,374.68
12/01/2016	25,553.00	2.000%	2,821.55	28,374.55
3/01/2017	25,681.00	2.000%	2,693.79	28,374.79
6/01/2017	25,809.00	2.000%	2,565.38	28,374.38
9/01/2017	25,938.00	2.000%	2,436.34	28,374.34
12/01/2017	26,068.00	2.000%	2,306.65	28,374.65
3/01/2018	26,198.00	2.000%	2,176.31	28,374.31
6/01/2018	26,329.00	2.000%	2,045.32	28,374.32
9/01/2018	26,461.00	2.000%	1,913.67	28,374.67
12/01/2018	26,593.00	2.000%	1,781.37	28,374.37
3/01/2019	26,726.00	2.000%	1,648.40	28,374.40
6/01/2019	26,860.00	2.000%	1,514.77	28,374.77
9/01/2019	26,994.00	2.000%	1,380.47	28,374.47
12/01/2019	27,129.00	2.000%	1,245.50	28,374.50
3/01/2020	27,264.00	2.000%	1,109.86	28,373.86
6/01/2020	27,401.00	2.000%	973.54	28,374.54
9/01/2020	27,538.00	2.000%	836.53	28,374.53
12/01/2020	27,675.00	2.000%	698.84	28,373.84
3/01/2021	27,814.00	2.000%	560.47	28,374.47
6/01/2021	27,953.00	2.000%	421.40	28,374.40
9/01/2021	28,093.00	2.000%	281.63	28,374.63
12/01/2021	28,233.00	2.000%	141.17	28,374.17
Total	1,867,098.00	-	402,850.72	2,269,948.72 *

*Plus $2,517.82 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $201,425.60.

(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:

_____

10/11/00
435500/00001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

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

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) 263-8991
FACSIMILE (304) 262-3541

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

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

October 24, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

The City of Huntington
Huntington, 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 Huntington (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $1,867,098 Sewer Revenue Bonds, Series 2000 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 October 6, 2000, 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 and interest to the Authority, with interest at the rate of 2% per annum, and with principal installments and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, and ending December 1, 2021, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 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 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 October 10, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on October 10, 2000 (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.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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

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

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the 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, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's outstanding Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895, and Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550, all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

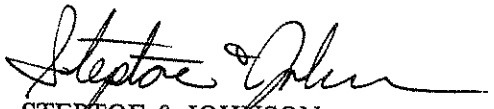
6. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Bonds.

7. 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

10/10/00
435500/00001

This FINANCING STATEMENT is presented to a filing officer for filing pursuant to the Uniform Commercial Code: | 3 Maturity date (if any): 12-01-21

1 Debtor(s) (Last Name First) and address(es)	2 Secured Party(ies) and address(es)	For Filing Officer (Date, Time, Number and Filing Office)
The City of Huntington 800 Fifth Avenue Huntington, West Virginia 25717	West Virginia Water Development Authority 180 Association Drive Charleston, West Virginia 25311	0549917 Attachment 00 NOV -6 PM 1:28 WV SEC. OF STATE FILED

4 This financing statement covers the following types (or items) of property:

See Schedule I attached hereto and made a part hereof.

ASSIGNEE OF SECURED PARTY

Check ☒ if covered: ☒ Proceeds of Collateral are also covered ☐ Products of Collateral are also covered No. of additional Sheets presented:

Filed with: Secretary of State of the State of West Virginia

The City of Huntington

By Mayor Signature(s) of Debtor(s)

West Virginia Water Development Authority

By Director Signature(s) of Secured Party(ies)

2 FILING OFFICER COPY - NUMERICAL

SCHEDULE I
TO FINANCING STATEMENT

All Net Revenues from the System; the System; all funds in the Revenue Fund, the Depreciation Fund, Bond Construction Trust Fund, the Series 2000 A Bonds Sinking Fund; the Series 2000 A Bonds Reserve Account, and all funds therein deposited from time to time; and all proceeds of the foregoing.

For the purposes of this financing statement, these terms are defined as follows:

"Bond Construction Trust Fund" means the Bond Construction Trust Fund established by Section 5.01 of the Bond Ordinance as described below.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued by Section 5.01 of the Bond Ordinance as described below.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Operating Expenses"unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Revenue Fund" means the Revenue Fund established by the Prior Ordinances and continued by Section 5.01 of the Bond Ordinance as described below.

"Series 2000 A Bonds Reserve Account" means the Series 2000 A Bonds Reserve Account established by Section 5.02 of the Bond Ordinance as described below.

"Series 2000 A Bonds Sinking Fund" means the Series 2000 A Bonds Sinking Fund established by Section 5.02 of the Bond Ordinance as described below.

"System"means, collectively, the complete existing 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.

Other terms used in this Schedule I and not defined herein shall have the meanings ascribed to them in the Bond Ordinance authorizing The City of Huntington Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), a copy of which is on file and may be inspected at the office of the Secured Party indicated above.

10/11/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

CERTIFICATE OF FILING OF
FINANCING STATEMENT - SECRETARY OF STATE

I, KEN HECHLER, Secretary of State of the State of West Virginia, hereby certify that on ~~October~~ November 6, 2000, at the hour set forth below, there was filed in my office:

(1) A FINANCING STATEMENT between The City of Huntington, as debtor, and West Virginia Water Development Authority, as secured party, filed at the hour of 1:28 p.m. as Financing Statement No. 0549917.

[SEAL]

Ken Hechler

Secretary of State of the State of West Virginia

10/11/00
435500/00001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

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

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) 262-3541

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

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER

October 24, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

The City of Huntington
Huntington, 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 Huntington (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $1,867,098 Sewer Revenue Bonds, Series 2000 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 October 6, 2000, 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 and interest to the Authority, with interest at the rate of 2% per annum, and with principal installments and interest payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2002, and ending December 1, 2021, all as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 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 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 October 10, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on October 10, 2000 (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.

In connection with the issuance of the Bonds, the Issuer has executed a Certificate as to Arbitrage, dated as of the date hereof (the "Certificate as to Arbitrage"), which, among other things, sets forth restrictions on the investment and expenditure of the Bond proceeds and earnings thereon, to ensure that the arbitrage requirements of the Internal Revenue Code of 1986, as amended, and regulations thereunder (collectively, the "Code"), necessary to establish and maintain the excludability of interest on the Bonds from gross income for federal income tax purposes, are and will continue to be met.

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

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

2. The Loan Agreement has been duly authorized by and executed on behalf of the Issuer, is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof, and inures to the benefit of the Authority and the 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, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's outstanding Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895, and Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550, all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

6. Based upon the certifications of the Issuer set forth in the Certificate as to Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Bonds are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Issuer has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Bonds.

7. 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

STEPTOE & JOHNSON

10/10/00
435500/00001

CITY OF HUNTINGTON WEST VIRGINIA

OFFICE OF THE CITY ATTORNEY
City Hall, P.O. Box 1659, Zip 25717
Phone (304) 696-4480

October 17, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

The City of Huntington
Huntington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Steptoe & Johnson
Charleston, West Virginia

Ladies and Gentlemen:

I am the City Attorney of The City of Huntington in Cabell and Wayne Counties, West Virginia (the "Issuer"), and counsel to the Sanitary Board of the Issuer (the "Board"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated October 6, 2000, 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 October 10, 2000, as supplemented by a Supplemental Resolution duly adopted by the Issuer on October 10, 2000 (collectively, the "Bond Legislation"), a Petition of the Board duly adopted September 7, 2000, 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:

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 Board has been duly created by the Issuer and is a validly existing sanitary board under the Act. The Mayor, City Clerk and members of the council of the Issuer and the Board have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

2. 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.

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

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the Bonds, the Loan Agreement and the Bond Legislation and the carrying out of the terms thereof, do not and will not, in any material respect, conflict with or constitute, on the part of the Issuer or the Board, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer or the Board is a party or any existing law, regulation, court order or consent decree to which the Issuer or the Board is subject.

5. The 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 DEP and the West Virginia Infrastructure and Jobs Development Council, and has taken all required actions for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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.

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

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

Very truly yours,

THEODORE E. MORGAN
ESQUIRE

10/10/00
435500/00001

LAW OFFICES
ROBERT R. RODECKER
1210 BANK ONE CENTER
P. O. BOX 3713
CHARLESTON, WEST VIRGINIA 25337

TELEPHONE
(304) 343-1654

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(304) 343-1657

October 24, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

The City of Huntington
Huntington, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Division of
Environmental Protection
Charleston, West Virginia

Steptoe & Johnson
Charleston, West Virginia

Ladies and Gentlemen:

I am special counsel to The City of Huntington in Cabell and Wayne Counties, West Virginia (the "Issuer"). As such counsel, I have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds (the "Bonds") and the acquisition and construction of the Project. All 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 the Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Commission Order entered on February 14, 2000, in Case No. 99-1498-S-CN, among other things, granting the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for rehearing and appeal of the aforementioned Order has expired prior to the date hereof without any appeal having been filed.

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

Very truly yours,

Robert R. Rodecker

RRR/bg

CITY OF HUNTINGTON
WEST VIRGINIA

October 17, 2000

OFFICE OF THE CITY ATTORNEY
City Hall, P.O. Box 1659, Zip 25717
Phone (304) 696-4480

West Virginia Division of Environmental Protection
Office of Water Resources
617 Broad Street
Charleston, West Virginia 25301-1251

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

RE: City of Huntington

Ladies and Gentlemen:

This firm represents the City of Huntington (the "Issuer") with regard to a proposed project to construct betterments and improvements for the existing public sewerage system (the "Project"), and provides this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Division of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

1. We are of the opinion that the Issuer is duly created and is validly existing municipality possessed with all powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the DEP.

2. The Issuer has obtained all necessary permits and approvals for the construction of the project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of Cabell County, West Virginia, the county in which the Project is located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of Cabell County to protect the legal title to and interest of the Issuer.

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

Very truly yours,

THEODORE E. MORGAN
ESQUIRE

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 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. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. IRS INFORMATION RETURN
19. SPECIMEN BOND
20. CONFLICT OF INTEREST
21. CLEAN WATER ACT
22. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CITY CLERK of The City of Huntington in Cabell and Wayne Counties, West Virginia (the "Issuer"), and the undersigned CITY ATTORNEY, hereby certify in connection with the $1,867,098 principal amount of The City of Huntington Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 2000 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted October 10, 2000, and the Supplemental Resolution duly adopted October 10, 2000 (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 pledge or application of moneys and security or 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 outstanding obligations of the Issuer which will rank on parity with the Series 2000 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895, and the Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), dated June 22, 1999, issued in the original aggregate principal amount of $2,083,550 (collectively, the "Prior Bonds").

The Issuer has met the parity test requirements of the Prior Bonds and the Series 2000 A Bonds shall be issued on a parity with the Prior Bonds, with respect to liens,

pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the parity tests of the Prior Bonds are met, and (ii) the written consent of the Holders of the Series 1997 Bonds and the Series 1999 Bonds to the issuance of the Series 2000 A Bonds on a parity with the Series 1997 Bonds and the Series 1999 Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the covenants of the Prior Bonds and the Prior Ordinances.

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 Order

Infrastructure Council Approval

City Charter

City Council Rules and Regulations

Oaths of Office of City Officers and Councilmembers

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Sewer Rate Ordinance and Public Service Commission Orders relating thereto

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

1993 Bond Ordinance and Supplemental Resolution

1997 Bond Ordinance and Supplemental Resolution

1999 Bond Ordinance and Supplemental Resolution

Consent of 1997 & 1999 Bondholder

NPDES Permit

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of Huntington." The Issuer is a municipal corporation in Cabell and Wayne Counties 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 11 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
Jean Dean	-	Mayor	July 1, 1997	December 31, 2000
Robert Bailey	-	Councilmember	July 1, 1997	December 31, 2000
A. F. Bobersky	-	Councilmember	July 1, 1997	December 31, 2000
Philip E. Cline	-	Councilmember	July 1, 1997	December 31, 2000
B. W. Ellis	-	Councilmember	July 1, 1997	December 31, 2000
Frances Jackson	-	Councilmember	July 1, 1997	December 31, 2000
Calvin Kent	-	Councilmember	July 1, 1997	December 31, 2000
Renee Maass	-	Councilmember	July 1, 1997	December 31, 2000
Mary Neely	-	Councilmember	June 1, 1999	December 31, 2000
Larry D. Patterson	-	Councilmember	July 1, 1997	December 31, 2000
Chuck Polan	-	Councilmember	July 1, 1997	December 31, 2000
James Ritter	-	Councilmember	July 1, 1997	December 31, 2000

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

Chairman	-	Jean Dean
Member	-	L. D. Riddle, P.E.
Member	-	Charles Webb

The duly appointed and acting City Clerk of the Issuer is Ann C. Shaye. The duly appointed and acting City Attorney and Counsel to the Sanitary Board is Theodore E. Morgan. The duly appointed and acting special PSC Counsel to the Sanitary Board is Robert R. Rodecker, Esquire.

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, operation and financing of the Project or 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 a sewer rate ordinance on October 26, 1998, setting rates and charges for the services of the System. The appeal of such sewer rate ordinance to the Public Service Commission of West Virginia has been dismissed by Final Orders entered December 21, 1998, and January 27, 1999, in Case No. 98-1465-S-MA, and such rates are currently in effect.

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

13. BOND PROCEEDS: On the date hereof, the Issuer received $201,455 from the Authority and the DEP, being a portion of the principal amount 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 Herald Dispatch*, a newspaper published and of general circulation in The City of Huntington, 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 10th day of October, 2000, at 7:30 p.m., at the Huntington 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 Commission Order of the Public Service Commission of West Virginia entered on February 14, 2000, in Case No. 99-1498-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 such Order has expired prior to the date hereof without any appeal.

16. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or 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. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or 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 with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

17. NO FEDERAL GUARANTY: The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

18. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially execute a properly completed IRS Form 8038-G in connection with the Bonds and will cause such executed IRS Form 8038-G to be filed in a timely manner pursuant to Section 149(e) of the Code with the Internal Revenue Service Center, Ogden, Utah. The information contained in such executed Form 8038-G is true, correct and complete.

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

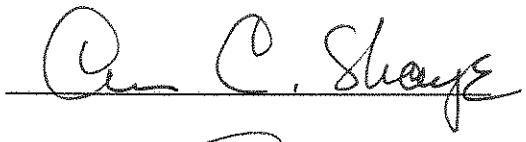
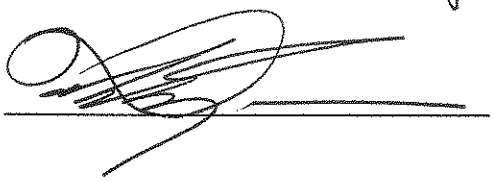
20. CONFLICT OF INTEREST: No member, officer or employee of the Issuer or the Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Bond Legislation and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

21. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

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

WITNESS our signatures and the official seal of THE CITY OF HUNTINGTON on this 24th day of October, 2000.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	City Clerk
	City Attorney

10/11/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of Huntington in Cabell and Wayne Counties, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $1,867,098 Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), of the Issuer, dated the date hereof (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the ordinance authorizing the Bonds duly enacted by the Issuer on October 10, 2000, as supplemented (the "Bond Ordinance" or "Ordinance"), authorizing the Bonds.

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

3. The Issuer has not been notified by the Internal Revenue Service of any listing or proposed listing of it as an issuer that may not certify its bonds or the certification of which may not be relied upon by holders of obligations of the Issuer or that there is any disqualification of the Issuer by the Internal Revenue Service because a certification made by the Issuer contains a material misrepresentation.

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on October 24, 2000, the date on which the Bonds are to be physically delivered in exchange for an initial advance of $201,455, being more than a de minimus portion of the principal amount of the Bonds, and, to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Bonds were sold on October 24, 2000, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated October 6, 2000, by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection (the "DEP") for an aggregate purchase price of $1,867,098 (100% of par), at which time, the Issuer received $201,455, being the first advance of the principal amount of the Bonds from the Authority. No accrued interest has been or will be paid on the Bonds. The balance of the principal amount of the Series 2000 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted 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 Bonds which would cause the 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 Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Section 148 of the Code. The Issuer, in the Bond Ordinance, has further covenanted that it will take all actions that may be required of it so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying the costs of acquisition and construction of extensions, 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 costs of issuance and related costs thereof.

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend in excess of 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment, or has already done so. Acquisition and construction of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion and, with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the Series 2000 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 1, 2002, except as otherwise required for rebate to the United States under Section 148(f) of the Code. Acquisition and construction of the Project is expected to be completed by December 1, 2001.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $1,867,098. Sources and uses of funds for the Project are as follows:

SOURCES	
Gross Proceeds of the Bonds	$1,867,098
Total Sources	$1,867,098
USES	
Costs of Acquisition and Construction of the Project	$1,733,998
Capitalized Interest	-0-
Fund Reserve Account	113,500
Costs of Issuance	19,600
Total Uses	$1,867,098

The total amount of the costs of the Project is estimated to be at least equal to the gross proceeds of the Bonds. Except for the proceeds of the Bonds, no other funds of the Issuer will be available to meet costs of the Project, which would constitute "replacement proceeds" within the meaning of Treas. Reg. § 1.148-1(c), inasmuch as (i) the Issuer does not reasonably expect that the term of the Bonds is longer than is reasonably necessary for the governmental purposes of the Issuer, (ii) the weighted average maturity of the Bonds does not exceed 120% of the average reasonably expected economic life of the Project, and (iii) there are no amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose.

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created (or continued if previously established by the Prior Ordinances):

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Bond Construction Trust Fund;

(4) Series 1993 Bonds Sinking Fund;

(5) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Reserve Account and the Series 1993 Bonds Redemption Account;

(6) Series 1997 Bonds Sinking Fund;

(7) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account;

(8) Series 1999 Bonds Sinking Fund;

(9) Within the Series 1999 Bonds Sinking Fund, the Series 1999 Bonds Reserve Account;

(10) Series 2000 A Bonds Sinking Fund; and

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

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

(1) Series 2000 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2000 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 2000 A Bonds proceeds in the amount of $113,500 will be deposited in the Series 2000 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2000 A Bonds will be deposited in the Bond Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2000 A Bonds and related costs.

Amounts in the Bond Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treasury Regulation § 1.150 - 2(f)(2), none of the proceeds of the Series 2000 A Bonds will be used to reimburse

the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Moneys held in the Series 2000 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2000 A Bonds Sinking Fund and Series 2000 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Bond Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 2000 A Bonds Sinking Fund and the Series 2000 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Depreciation Fund will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan producing a yield in excess of the yield on the Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Bonds, if any, will be deposited in the Series 2000 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2000 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest on the Bonds and will not exceed 125% of average annual principal of and interest on the Bonds. Amounts in the Series 2000 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2000 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Bonds, and is reasonably required to assure payments of debt service on the Bonds.

Because amounts in the Depreciation Fund may be expended for other purposes, there is no reasonable assurance that any such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation.

14. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 13 months of the date hereof.

16. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such Bonds were issued or as otherwise allowed, no portion of the proceeds of the Bonds will be used, directly or indirectly, to acquire higher yielding investments, or to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

17. The Issuer will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

18. With the exception of the amount deposited in the Series 2000 A Bonds Sinking Fund for payment of interest on the Bonds and the amount deposited in the Series 2000 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 17 months from the date of issuance thereof.

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

20. The Series 2000 A Bonds Sinking Fund (other than the Series 2000 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 2000 A Bonds Sinking Fund (other than the Series 2000 A Bonds Reserve Account therein) will be depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds, or 1 year's interest earnings on the Series 2000 A Bonds Sinking Fund (other than the Series 2000 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2000 A Bonds Sinking Fund for payment of the principal of or interest on the Bonds (other than the Series 2000 A Bonds Reserve Account therein), will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 2000 A Bonds Sinking Fund (other than in the Series 2000 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

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

22. All property financed with the proceeds of the Bonds will be held for federal income tax purposes by (or on behalf of) a qualified governmental unit.

23. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

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

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

26. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

27. The Bonds are not and will not be, in whole or in part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

28. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the 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 aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 2000, the calendar year in which the Bonds are issued, is not reasonably expected to exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph 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 paragraph 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 paragraph 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. No portion of the Bonds is issued to refund other obligations.

29. The Issuer has retained the right to amend the Bond Ordinance authorizing the issuance of the Series 2000 A Bonds if such amendment is necessary to assure compliance with Section 148(f) of the Code or as may otherwise be necessary to assure the exclusion of interest on the Series 2000 A Bonds from the gross income for federal income tax purposes of interest on the Series 2000 A Bonds.

30. The Issuer shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

31. The Issuer has either (a) funded the Series 2000 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2000 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2000 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2000 A Bonds Reserve Account and the Series 2000 A Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

32. 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 issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

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

34. The transactions contemplated herein do not represent an exploitation of the difference between taxable and tax-exempt interest rates and the execution and delivery of the Bonds is not occurring sooner than otherwise necessary, nor are the Bonds in principal amounts greater than otherwise necessary or to be outstanding longer than otherwise necessary.

35. The Issuer will rebate to the United States the amount, if any, required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount and any and all penalties and other amounts from lawfully available sources, and obtain a waiver

from the Internal Revenue Service, if necessary, in order to maintain the exclusion, of interest on the Bonds from gross income for federal income tax purposes.

36. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

37. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center.

38. On the basis of the foregoing, it is not expected that the proceeds of any of the Bonds will be used in a manner that would cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

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

40. Steptoe & Johnson is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

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

WITNESS my signature on this 24th day of October, 2000.

THE CITY OF HUNTINGTON

Mayor

10/09/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Steven D. Cole, Registered Professional Engineer, West Virginia License No. 10436, of Woolpert LLP, Consulting Engineers, Charleston, West Virginia, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public sewerage system (the "System") of The City of Huntington (the "Issuer"), to be constructed primarily in Cabell County, West Virginia, which acquisition and construction are being financed by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on October 10, 2000, as supplemented by the Supplemental Resolution adopted by the Issuer on October 10, 2000, and the Loan Agreement dated October 6, 2000, by and among the Issuer, the West Virginia Division of Environmental Protection (the "DEP") and the West Virginia Water Development Authority (the "Authority") (the "Loan Agreement").

2. The Bonds are being issued for the purposes of (i) paying 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, as shown on the final amended "Schedule A - Total Cost of Project, Sources of Funds and Cost of Financing", a copy of which is attached as Exhibit A hereto.

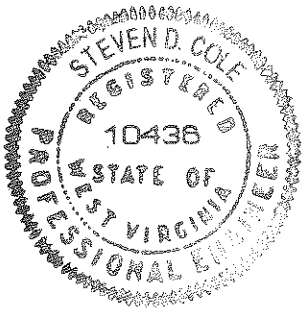
3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer and the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least twenty-five years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount compatible with the plan of financing

set forth in the Schedule A attached hereto as Exhibit A, and in reliance upon the opinion of Issuer's counsel, Theodore E. Morgan, Esquire, of even date herewith, all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies and binders and such bonds have been verified for accuracy; (iv) our records indicate that the successful bidders received all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain, in my opinion, the critical designed operational components of the Project; (vi) the successful bids, as received, include prices for every separate line item on such bid forms; (vii) the uniform bid procedures were followed; (viii) in my professional opinion, the Issuer has obtained all the applicable permits required to this point by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) the proceeds of the Bonds, together with all other sources of funds, if any, set forth in the Schedule A are, in my opinion, sufficient to pay the estimated total costs of acquisition and construction of the Project, plus the costs of financing, all as set forth on the attached Schedule A; (x) in reliance upon the certificate of the Issuer's certified public accountant, Smith, Cochran & Hicks, PLLC, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

WITNESS my signature and seal on this 24th day of October, 2000.

WOOLPERT LLP

(SEAL)



Steven D. Cole, P.E.
West Virginia License No. 10436

10/10/00
435500/00001

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: Huntington Sanitary Board

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

A. Cost of Project

1.	Construction	$ 1,395,750	
2.	Technical Services	$ 177,160	
3.	Legal and Fiscal	$ 15,000	
4.	Administrative	$ 0	
*5.	Site and Other Lands	$ 0	
**6.	Fac. Plan/Design or Other Loan Repayment (Specify Type: _____)	$ 0	
7.	Interim Financing Costs	$ 0	
8.	Contingency	$ 146,088	
9.	Total of Lines 1 Through 8		$ 1,733,998

B. Sources of Funds

10.	Federal Grants:[1] _____	$ 0	
	(Specify Sources) _____	$	
11.	State Grants:[1] _____	$ 0	
	(Specify Sources) _____	$	
12.	Other Grants:[1] _____	$ 0	
	(Specify Sources) _____	$	
13.	Any Other Source[2] _____	$ 0	
	(Specify) _____	$	
14.	Total of lines 10 Through 13		$ 0
15.	Net Proceeds Required from Bond Issue (Line 9 *minus* Line 14)		$ 1,733,998

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$ 0	
17.	Funded Reserve Account:[3]	$ 113,500	
18.	Other Costs:[4]	$ 19,600	
		$	
19.	Total Cost of Financing (lines 16-18)	$ 133,100	
20.	Size of Bond Issue (Line 15 plus Line 19)		$ 1,867,098

* not allowable for State Revolving Fund Assistance

** WDA loans are not allowable

Signature of Applicant
Robert E. Trocin, Executive Director

Date 10/13/00

Signature of Consulting Engineer
Steven D. Cole, P.E.

Date 10/11/00

SCH Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Beckley Bridgeport Charleston Montgomery
405 Capitol Street ● Suite 908 ● Charleston, West Virginia 25301 ● 304-345-1151 ● Fax 304-346-6731

October 24, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 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 ordinance of The City of Huntington (the "Issuer"), enacted October 26, 1998, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Woolpert Consultants, Consulting Engineer, 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 not less than the sum of (i) 120% of the maximum annual debt service in any fiscal year on the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) (the "Bonds"), and all other obligations secured by or payable from revenues of the System prior to, on a parity with or junior to the Bonds, including the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), and Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program) (collectively, the "Prior Bonds"); and (ii) the amounts, if any, required to be deposited in the Series 2000 A Bonds Reserve Account and the reserve accounts for the Prior Bonds in order to satisfy the respective reserve account requirements therefor within a period of not more than 12 months, assuming equal payments are may each month to each such account. It is our further opinion that the Net Revenues actually derived from the System during the fiscal year preceding the date of the actual issuance of the Bonds, plus the increased annual Net

Revenues expected to be received after the date of issuance of the Bonds, will not be less than 120% of the maximum annual debt service on the Prior Bonds and the Bonds.

Very truly yours,

Smith, Cochran & Hicks, P.L.L.C.

CHARTER
of the
CITY OF HUNTINGTON
WEST VIRGINIA

*****

Prepared by the
HUNTINGTON CHARTER BOARD and
Revised at theMunicipal General Election, June 1, 1993
and the Special Municipal Election, November 5, 1996

PROPOSED CHARTER
of the
CITY OF HUNTINGTON

***

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ELEVEN: Nominations and Elections

TWELVE: Initiative, Referendum and Recall

THIRTEEN: Succession in Government

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He or she shall be at least twenty-five years of age at the time of his or her election and shall remain a resident of the City during his or her term or terms of office.

SECTION 2.4: ACTING MAYOR

In case of the Mayor's temporary absence, he or she shall designate, by order delivered to the City Clerk prior to Council, to serve as Acting Mayor; provided that, in the event the Mayor fails to so designate an Acting Mayor, the Director of the Department of Administration and Finance shall serve as Acting Mayor.

SECTION 2.5: VACANCY IN OFFICE

A vacancy in the office of Mayor, occurring for any reason, shall be filled in the same manner as that provided for filling vacancies in Council as set out in Section 3.13 of this Charter; except Council shall not select a member of Council to fill a vacancy and in the event Council should fail to fill a vacancy within thirty days after its occurrence, the members of Council shall receive no further compensation until such vacancy shall have been filled and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance.

SECTION 2.6: COMPENSATION

The Mayor shall be compensated at the rate of Fifty-Five Thousand Six Hundred Dollars per annum. Council may, by ordinance, change the salary of the Mayor, but no ordinance shall be effective to reduce or increase the Mayor's salary during his or her current term of office.

SECTION 2.7: SUBMISSION OF ORDINANCES TO MAYOR; VETO POWER

Within ninety-six hours after the adjournment of any Council meeting, the City Clerk shall present to the Mayor the record of proceedings of the meeting and all ordinances and resolutions adopted at the meeting. The Mayor, within seven days of receipt by him or her of an ordinance or resolution, shall return it to the City Clerk with his or her approval signature, with his or her written veto, or the Mayor may not act. If the ordinance or resolution is signed by the Mayor, it shall become operative as specified in the ordinance. If the ordinance is disapproved by veto, the Mayor shall attach thereto a written statement explaining the reasons for his or her veto. If the Mayor does not act, the ordinance or resolution shall become operative at noon on the seventh calendar day after it is received by the Mayor. Ordinances or resolutions vetoed by the Mayor shall be presented by the City Clerk to Council for its

ARTICLE TWO
MAYOR

SECTION 2.1: POWERS AND DUTIES OF MAYOR

The Mayor shall be the chief executive officer of the City and shall exercise all powers and perform all duties vested in or imposed upon him or her by this Charter, ordinance, general law or rule necessarily implied therefrom in order to carry out the functions of his or her office. The Mayor shall exercise directly, or through his or her authorized and duly appointed representatives, supervision over all executive and administrative work of the City. The Mayor shall report to Council, at least annually, upon the state of the City and may recommend to Council such measures as he or she deems to be in the best interests of the City and its inhabitants. The Mayor shall appoint City officers and employees as provided by law, this Charter or ordinance and may, except where prohibited or otherwise provided by general law, this Charter, ordinance or any duly adopted merit or civil service systems, remove any City officer or employee at his or her pleasure, whether such officer or employee was appointed by the Mayor with or without the approval of Council. Except as otherwise provided by general law, the Mayor shall appoint members of independent boards, agencies or commissions, which appointments shall be subject to the approval of Council; provided, however, no individual shall be eligible for reappointment to any such board, agency, or commission who has previously served three full and consecutive terms on such board, agency or commission unless a period of time equal to a full term thereon shall have passed since the expiration of said individual's last previous term of office.

SECTION 2.2: ELECTION AND TERM OF MAYOR

The qualified electors of the City shall elect the Mayor from the City at large in the manner provided in Article Eleven of this Charter, to serve for a term of four years. No person who shall have previously been elected for three full and consecutive terms as Mayor shall be eligible to succeed himself or herself in that office and the Mayor shall not, during his or her term of office, hold any other public office or position, be a member of any political executive committee.

* Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective January 1, 1997)

SECTION 2.3: QUALIFICATIONS OF MAYOR

Prior to his or her election, the Mayor shall be a citizen of the United States and the State of West Virginia, and shall be a resident and qualified elector of the City.

CHARTER
OF THE
CITY OF HUNTINGTON

*****

ARTICLE ONE
INCORPORATION; FORM OF GOVERNMENT; POWERS

SECTION 1.1: INCORPORATION

The inhabitants of the City of Huntington, West Virginia, within the corporate limits as now established or as hereafter established, shall continue to be a municipal corporation under the name of "The City of Huntington" and in the manner provided by law.

SECTION 1.2: FORM OF GOVERNMENT

The municipal government provided by this Charter shall be the "strong-mayor plan." All powers of the City shall be exercised in the manner prescribed by this Charter or by general law.

SECTION 1.3: POWERS OF CITY

This City, incorporated under this Charter, shall have all the powers granted to municipal corporations and to cities of its class by the constitution and laws of the State of West Virginia, together with all the implied powers necessary to carry into execution all powers granted.

SECTION 1.4: CONSTRUCTION

The powers of the City under this Charter shall be construed liberally in favor of the City and the specific mention of particular powers in this Charter shall not be construed as limiting in any way the general power stated in this Article.

consideration at its next regular meeting and should Council then or thereafter adopt the ordinance or resolution by an affirmative vote of at least two-thirds of all its members, it shall be operative upon the date specified by Council, but in no event less then fifteen days after the date of final passage. If no operative date is so specified, it shall become operative at noon on the fifteenth calendar day after the date of final passage. The Mayor's veto power shall extend to disapproving or reducing any individual appropriation item in the budget or any ordinance or resolution, but shall not extend or apply to any appropriation or resolution authorized pursuant to Section 3.16 of this Charter.

SECTION 2.8: MAYOR SHALL ATTEND COUNCIL MEETINGS

The Mayor shall attend every meeting of Council, may attend any meeting of its committees and may express his or her views, orally or in writing, on matters pending before Council. The Mayor shall have no right to introduce any motion, resolution, ordinance or amendment thereto, nor to vote on questions before Council. Provisions of Section 3.13 and 14.17 pertaining to attendance at meetings shall apply to the Mayor. (Adopted, 1993 Municipal Election; effective date: July 1, 1993)

ARTICLE THREE
COUNCIL

SECTION 3.1: POWERS

All legislative powers of the City shall be vested in Council which shall be the governing body of the City.

SECTION 3.2: NUMBER, SELECTION AND TERMS

The City shall have a Council consisting of eleven members. Eleven council members shall be elected, one from each of the nine municipal election districts hereinafter described and two members elected at-large. Each of the nine district Council members shall be elected by the qualified electors residing in the particular district from which he or she is to be elected, to serve for a term of four years. Each at-large Council member shall be elected by the qualified electors residing in the entire City for a term of four years. However, no more than one at-large Council member shall be a resident of any one municipal election district at the time of his or her election. In no case shall any member of Council serve more than three full and consecutive terms as a Council member. All elections for members of Council shall be conducted according to the provisions set forth in Article Eleven of this Charter. * Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective January 1, 1997)

SECTION 3.3: MUNICIPAL ELECTION DISTRICTS DEFINED

The City shall be divided into nine municipal election districts as the basis for electing district Council members. The boundaries, population and designation of the nine initial council districts are specified in Appendix "A" of this Charter and shall remain in effect until changed in accordance with provisions set forth in Section 3.5 of this Charter.

SECTION 3.4: MUNICIPAL ELECTION PRECINCTS DEFINED

The municipal election precincts contained in the municipal election districts referred to in Section 3.3 of this Charter shall mean the voting precincts as they lie within the corporate limits of the City of Huntington fixed by reference to and in accordance with the division of Cabell County into precincts by Order of the County Commission of Cabell County, West Virginia, in effect for all State and County elections on the effective date of this Charter and fixed by reference to and in accordance with the division of that portion of Wayne County lying within the corporate limits of the City of Huntington into precincts by Order of the County Commission of Wayne County, West Virginia, in effect for all State and County elections on the effective date of this Charter. Within three months after their election and qualification, the members of the first Council elected under this Charter shall cause to be made and kept a detailed map of the City showing the boundaries of the municipal election districts and precincts described in Section 3.3 and 3.4 of this Charter and each subsequent Council shall cause such map to be kept, maintained and revised as appropriate. The initial such map and any revised such map shall be approved and promulgated by Council in the same manner as provided for the adoption of ordinances.

SECTION 3.5: COUNCIL REDISTRICTING

It shall be the duty of Council to redistrict the City, by Ordinance, within a period of six months after the official publication by the United States Bureau of the Census of the population of the area embraced by the City as revealed in such official census. Each municipal election district shall be made to contain as nearly as practicable, consistent with general law, an equal number of municipal residents and an equal number of qualified electors of the City as determined from the registered voters at the last general municipal election. In addition, Council shall not create or establish a municipal election district that is not compact and contiguous and in compliance with Chapter 3, Article 1 Section 6 of the Official Code of West Virginia. In no case shall Council fail to pass a redistricting ordinance, if necessitated by the provisions of this Charter later than six months preceding the primary election or any regular election

in which a seat on Council is at stake. If, at the commencement of the six month period prior to such election, Council shall have failed to redistrict the City as herein required, the members of Council shall forfeit all further compensation until such ordinance shall have been lawfully adopted; and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance. Within the limits established above, Council may redistrict the City by ordinance at any more frequent intervals it may deem appropriate based upon any other more timely information that may become available.

SECTION 3.6: QUALIFICATIONS

Prior to his or her election, all members of Council shall be citizens of the United States and the State of West Virginia, shall be a qualified elector and resident of the City and of his or her respective district and shall, during his or her term of office remain a resident of the district from which he or she is elected or has been appointed to represent; provided, however, no redistricting of the City shall affect the term of any Council member during his or her then existing term of office. A Council member shall not, during his or her term of office, hold any other public office, be a member of any political executive committee nor be an employee of the City.

SECTION 3.7: ORGANIZATION OF COUNCIL; OFFICERS; RULES; EMPLOYEES; MEETINGS

Council shall meet in the Council chambers at City Hall for organization at 7:30 p.m. local time on the Monday next following the date its members assume office, at which time it shall elect one of its members as Chairperson and one of its other members as Vice-Chairperson, both of whom shall serve at the will and pleasure of Council. The Chairperson shall be the presiding officer and shall, together with all other Council members, have the right to vote in Council. In the event of the Chairperson's absence, disability, or disqualification to act, the Vice-Chairperson shall act as Chairperson. A majority of the total number of Council members shall constitute a quorum for any purpose not requiring more than a majority vote of Council. Council shall determine and adopt its own rules governing its officers and employees, for the organization of committees and respecting the transaction of its business; except that, whenever in the conduct of any business of Council, a vote is required by Council, all members present shall vote on the issue, question, motion, resolution or other business and no vote of abstention, disqualification, pass or other similar such vote shall be permitted except as provided by Charter or general

law. Council shall meet regularly on the second and fourth Monday of each month at 7:30 p.m. local time in the Council Chambers at City Hall, excepting only when a regularly scheduled Council meeting shall occur on a legal holiday. Council shall, in that event, meet at such time as prescribed by Section 14.8 of this Charter, but not less frequently than herein prescribed. Special meetings may be called at any time, upon reasonable notice by the Mayor or the Chairperson of Council, and shall be so called by the Chairperson upon the request of a majority of all members of Council. The requirement of reasonable notice, may be satisfied by delivering to each member of Council a written notice of the time, place and purpose of the special meeting in the method provided by law for the service of process in a civil action at least twelve hours prior to the time set for the meeting or by such other method as Council may by ordinance provide. No other meetings of Council, except as herein provided, shall qualify for any purpose under this Charter. Council may designate the City Auditorium, or such other appropriate and convenient location, as the Council Chambers for purposes of conducting its regular meetings and any special meetings that may be called pursuant to the provisions herein. (Amended by ordinance, 2/26/93)

SECTION 3.8: CITY CLERK

Council shall appoint a City Clerk who shall give notice of its meetings, keep the journal of its proceedings, authenticate by his or her signature and record in full, in a book kept for the purpose, all ordinances and resolutions and perform such other duties as may be required by this Charter, Council, or general law. The City Clerk shall serve at the will and pleasure of Council.

SECTION 3.9: ORDINANCES; PROCEDURE

Every act of Council which is to become law shall be by ordinance. Prior to the enactment of any ordinance, the Council shall cause notice of the proposed adoption of said ordinance to be published as a Class I-O legal advertisement in compliance with the provisions of general law; the notice shall state the subject matter and general title or titles of such proposed ordinance, the date, time and place of the proposed final vote on the adoption of the ordinance, and the place or places within the City where such proposed ordinance may be inspected by the public. A reasonable number of copies of the ordinance may be inspected by the public. A reasonable number of copies of the proposed ordinance shall be kept in the office of the City Clerk and be made available for public inspection. Said notice shall also advise that interested parties may appear at the meeting and be heard with respect to the proposed ordinance. All other procedures for enacting ordinances shall be performed in the manner provided in Chapter 8, Article 11 of the West Virginia Code. (Adopted, 1993 Municipal Election; effective date: July 1, 1993)

SECTION 3.10: COUNCIL MEETINGS TO BE PUBLIC

The meetings of Council shall be open to the public; provided, however, Council may hold a closed, executive session, for the purpose of discussing any matter authorized by law; and also provided the procedure used to hold such executive session conforms to the requirements of Chapter 6, Article 9A of the Official Code of West Virginia, together with any other applicable law.

SECTION 3.11: COUNCIL TO BE JUDGE OF QUALIFICATIONS OF MEMBERS

Council shall be the judge of the election and qualification of its members, consistent with the provisions of this Charter and general law, and for such purpose Council shall have power to subpoena witnesses and require production of records.

SECTION 3.12: CREATION OF DEPARTMENTS OR OFFICES; CHANGE IN DUTIES

Council may create, change or abolish offices, departments, divisions, boards or agencies, other than the offices, departments, divisions, boards and agencies created by this Charter. Either Council or the Mayor may assign additional functions or duties to offices, departments, divisions, boards or agencies established by Council or by this Charter, but the Mayor may not discontinue such duties or functions without the approval of Council. Neither the Mayor nor Council shall discontinue or reassign to any other office, department, division, board or agency any function or duty assigned by this Charter to a particular office, department, division, board or agency.

SECTION 3.13: VACANCIES IN COUNCIL

If a Council member absents himself or herself from forty or more percent of the meetings scheduled in accordance with Section 3.7 herein in any twelve month period, ceases to possess any of the qualifications required by this Charter, becomes physically or mentally incapacitated to the extent that he or she is unable to properly perform the functions of the office or is convicted of a felony or any crime involving moral turpitude, he or she shall be disqualified from holding the office of Council member and such office shall thereby become vacant and shall be so declared by Council forthwith. Any Council member may be removed from office under the provisions of general law. If a Council member absents himself or herself from forty or more percent of Council meetings as provided herein, such absence shall, ipso facto, constitute neglect of duty. If a vacancy on Council shall occur as aforesaid or by reason of death resignation, removal or other cause, such vacancy shall be filled as follows: The

remaining members of Council shall select a citizen with requisite qualification by a majority vote of its remaining members at a meeting held not less than fifteen nor more than thirty days following the declaration of such vacancy, who shall be a resident of the same district as that in which the Council member resided whose seat was vacated. The person so appointed shall hold office for the unexpired term or until his or her successor has been duly elected and qualified. In the event Council shall fail to choose a qualified successor, as provided herein, the Mayor shall appoint a person with the requisite qualifications to fill the vacancy for the unexpired term or until his or her successor has been elected and qualified.(Amended by Ordinance 5/8/89)

SECTION 3.14: COMPENSATION

Each member of Council shall receive the sum of Two Hundred Fifty Dollars for each Council meeting scheduled and attended pursuant to Section 3.7 herein; provided, however, the annual compensation of any Council member shall, in no event, exceed the sum of Six Thousand Dollars per annum. Council shall, by ordinance, address itself to the issue of compensation for the Mayor and Council members at least once every four fiscal years, commencing with action by Council prior to the fiscal year ending June 30, 1988, and the resulting ordinance shall not become effective for one year from its adoption. Thereafter, Council shall address and so act upon the issue by the end of each fourth fiscal year. If Council should fail to act on the issue within the time prescribed herein, the members of Council shall receive no further compensation until such ordinance shall have been adopted and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance. In no case shall any change in the salary of Council members or of the Mayor become effective during the current term of any Council member or Mayor. In no event shall any Council member receive compensation for any meeting which he or she did not attend.

SECTION 3.15: CODIFICATION OF ORDINANCES

Council shall, within five years of the effective date of this Charter and at least every eight years thereafter, cause to be prepared a Code with an adequate index containing all ordinances of general application which are appropriate for continuation as law. Such Code may be prepared by the City Attorney or Council may contract for its preparation by professional persons or by organizations experienced in the revision and codification of ordinances or statutes. When the Code, or any general revision thereof, shall have been prepared, Council shall cause copies of the same to be prepared and made available for

public distribution. No ordinance approving such Code or revision shall be adopted until ninety days have elapsed following the date on which Council shall have noted in its official journal the availability of copies of such proposed Code to the public nor until compliance with all applicable law. The Code and general revisions thereof need not be printed in the official journal, but Council shall cause the Code and revisions to be published and distributed to the public at such reasonable price as may be established. All ordinances of general application, adopted after the approval of the Code, shall be adopted as amendments to the Code, shall indicate the section numbers to be assigned to the text of such ordinance in the Code and shall be indexed accordingly therein. Until such Code is prepared, adopted and distributed, the City Clerk shall make available to any person requesting it, at a cost to be fixed by Council, copies of all presently effective City ordinances and all ordinances which may be subsequently adopted.

SECTION 3.16: INVESTIGATION; POWERS TO CONDUCT

Council shall have power to conduct investigations of the operation of any office, department, division, agency or board administering the affairs of the City and of any subject upon which it may legislate. Council shall have power to administer oaths, subpoena witnesses and compel the production of records pertinent to any investigation conducted pursuant to this section of the Charter.

SECTION 3.17: IMPEACHMENT POWERS

Council shall have authority to initiate impeachment proceedings, by resolution, against the Mayor, member of Council or against any appointee of the Mayor, by a two-thirds vote of the members of Council. A three-fourths vote of the members of Council shall be required to convict any person so impeached. Conviction under this section shall be grounds for removal from office in accordance with the provisions of this Charter or general law. In the event an impeachment resolution is adopted by Council, as specified herein, it shall state with clarity and particularity each offense of which the person is accused, in terms sufficient to constitute due and proper notice to such person of the nature of the offense or offenses charged.

SECTION 3.18: APPROVAL OF APPOINTEES VETO POWER

Unless otherwise provided by general law, Council shall have power to veto, by a two-thirds vote of its members, any appointee designated by the Mayor to any office, department, or division provided for in this Charter, so long as such veto power is duly exercised within thirty days from receipt by

Council, of notice of the Mayor's designated appointee. If Council fails to act within the time period prescribed herein, such designated appointee shall be deemed approved by Council.

SECTION 3.19: EXECUTION AND ENFORCEMENT

Council shall hold the Mayor accountable for the execution and enforcement of those provisions of the Charter pertaining to the Mayor's non-discretionary duties. Alternate remedies failing, Council may on a majority vote of the entire Council require the Mayor to forfeit all further compensation until such provisions shall have been lawfully executed; and no funds shall issue for such compensation which would ordinarily have accrued during the period of noncompliance. (Adopted, 1993 Municipal Election; effective date: July 1, 1993)

ARTICLE FOUR
CITY ATTORNEY

SECTION 4.1: QUALIFICATIONS, SELECTION AND TENURE

There shall be a City Attorney who shall be an attorney licensed to practice law in the State of West Virginia, who shall have practiced therein for at least five years, he or she shall be a resident and qualified elector of the City and duly qualified to practice before the Circuit Courts of Cabell and Wayne Counties. The City Attorney shall be appointed by the Mayor with the approval of Council and may be removed by the Mayor only with the approval of Council. The City Attorney shall serve for a term not to extend beyond the term of the Mayor appointing him or her.

SECTION 4.2: POWERS AND DUTIES

The City Attorney shall perform all duties and exercise all powers which shall be imposed or conferred upon him or her by this Charter, Council, or the Mayor. Except as otherwise provided by law, he or she shall act as attorney for Council, the Mayor and municipal boards or commissions for which legal counsel has not otherwise been provided. At the direction of the Mayor, the City Attorney shall also act as attorney for any other municipal officer or employee in connection with the performance of his or her official duties. Upon request, he or she shall furnish Council, the Mayor and any municipal board or commission making a written request therefore a written opinion upon any question of law concerning or affecting the affairs of the City. Except where other legal counsel is provided as herein set out, the City

Attorney shall prosecute all actions for and defend all actions against the City; prosecute all cases brought before or appealed from the Municipal Court; andmaintain and preserve as permanent records of the City Attorney's office all legal files, records and papers pertaining to the legal affairs of the City for which he or she is responsible. The City Attorney shall also conduct such investigations as he or she shall deem necessary concerning the facts in any litigation in which he or she acts as attorney for the City, the Mayor, the Council, any municipal board, agency or commission, or any municipal officer or employee. (Amended by Ordinance 5/8/89)

SECTION 4.3: ASSISTANT CITY ATTORNEYS

The City Attorney may recommend and the Mayor may employ one or more attorneys to assist the City Attorney in the discharge of his or her official duties. Such Assistant City Attorney or Attorneys shall possess the same qualifications, except as to the length of professional experience, as the City Attorney and under the direction and supervision of the City Attorney, shall assist the City Attorney in his or her duties.

SECTION 4.4: SPECIAL COUNSEL

Whenever the exigencies of the business of the City require, either the Mayor or the Council shall have power, within the limits of available budgeted funds, to employ special counsel to represent either the Mayor or the Council as the case may be in the performance of their respective official duties, or in the prosecution or defense of litigation in which the Mayor or the Council is involved. Such employment shall be governed by written agreement with the employed attorney, which agreement shall define the compensation to be paid, the work to be performed by the attorney, the term of employment, and the circumstances under which the agreement may be terminated by either party to the agreement. This section will not abrogate the rights of the City or its insurance carriers under the terms of any contract of insurance. (Amended by Ordinance 5/8/89)

ARTICLE FIVE
MUNICIPAL COURT

SECTION 5.1: JURISDICTION

There shall be a Municipal Court which shall have criminal jurisdiction over violations of City ordinances, the criminal jurisdiction of a Magistrate of the State of West Virginia and such other jurisdiction, authorized by law.

SECTION 5.2: MUNICIPAL JUDGE, QUALIFICATIONS

The Judge of the Municipal Court shall be an attorney licensed to practice law in the State of West Virginia. He or she shall have practiced law in the State for at least five years, shall be a resident and qualified elector of the City and admitted to practice before the Circuit Courts of Cabell and Wayne Counties, West Virginia.

SECTION 5.3: METHOD OF SELECTION, TERM OF OFFICE

The Judge of the Municipal Court shall be appointed by the Mayor and shall serve at the will and pleasure of the Mayor for a term which shall not extend beyond the term of the Mayor appointing him or her.

SECTION 5.4: ACTING MUNICIPAL JUDGE

In the event of the temporary absence of the Municipal Judge, the Mayor shall serve as Acting Municipal Judge or shall appoint a person with the same qualifications required of the Municipal Judge, to serve as Acting Municipal Judge, during such absence.

SECTION 5.5: MUNICIPAL JUDGE, POWERS AND DUTIES

The Judge of the Municipal Court shall preside over the Municipal Court and, with respect to offenses over which the Municipal Court has jurisdiction, he or she shall have all the powers and duties which a Magistrate has with regard to violation of the criminal law of the State of West Virginia. The Municipal Judge shall have power to issue warrants, upon complaint under oath of any person or officer, for the arrest of anyone charged with any municipal offense within the jurisdiction of the Court or for search and seizure in connection with violation of a municipal ordinance.

The Municipal Judge shall try and determine all cases over which the Court has jurisdiction and, within the limits prescribed by ordinance or general law, shall have power to punish by fine, imprisonment or both. The Municipal Judge shall have power to summon persons or subpoena witnesses for the trial of any case before the Court, to compel the attendance of police officers of the City or to require the Chief of Police to enforce all judgments or orders entered by the Court in the exercise of its powers. In Municipal Court proceedings for the recovery of fines or for the enforcement of penalties fixed by ordinance or other law, the Court shall, so far as applicable, conform to the provisions of general law governing civil proceedings before a Magistrate of the State of West Virginia. The Municipal Judge shall have such other powers and duties as Council may by ordinance provide pursuant to general law.

SECTION 5.6: MUNICIPAL COURT, PROCESS

All warrants and other process and orders of the Municipal Court shall be signed by the Municipal Judge and may be directed to the Chief of Police, to be executed by him, her or by one of his or her subordinates at any place within the police jurisdiction of the City. The officer executing any such warrant, process or order shall have the same liability as a County Sheriff of the State of West Virginia in the performance of like duties or services.

SECTION 5.7: FINES AND FEES

All fines and fees received by the Municipal Court shall be paid over to the Department of Administration and Finance to be disposed of as prescribed by ordinance or general law.

ARTICLE SIX
TAXATION

SECTION 6.1: TAXING POWERS PRESERVED

The City shall have every power to tax, license, franchise and charge which it had immediately prior to the effective date of this Charter, including the powers given to it under the Official Code of West Virginia. The City shall continue to impose and collect every tax, license, franchise, fee and charge which is being imposed by the City immediately prior to the effective date of this Charter, until the same is revised, modified or repealed by Council.

SECTION 6.2: CONSTRUCTION

The powers of the City under this Article shall be construed liberally in favor of the City and the specific mention of particular powers in this Article shall not be construed as limiting in any way the general power stated in this Article.

ARTICLE SEVEN
DEPARTMENT OF PUBLIC WORKS

SECTION 7.1: DIRECTOR OF PUBLIC WORK: QUALIFICA TIONS, SELECTION AND TENURE

There shall be a Department of Public Works the head of which shall be the Director of Public Works who shall be appointed by the Mayor and serve at the will and pleasure of the Mayor. The Director of Public Works shall be a person of proven executive and administrative ability, a professional engineer registered by the State of West Virginia and shall have experience and training in the field of municipal engineering.

SECTION 7.2: POWERS AND DUTIES

Under the direction and control of the Mayor, the Director of Public Works shall, except as otherwise provided by general law: Supervise construction, repair and maintenance of all streets, alleys, sidewalks and other public ways; direct the operation, repair and maintenance of all municipal public works; and perform such other duties as may be required of him or her by this Charter, the Mayor or Council.

SECTION 7.3: PERMITS AND INSPECTIONS

With the assistance of the City Engineer, as hereinafter provided, the Director of Public Works shall issue permits for and conduct inspections of buildings, construction, plumbing, electrical, elevator and other building installations.

SECTION 7.4: CITY ENGINEER, QUALIFICATIONS, SELECTION AND TENURE

Within the Department of Public Works, there may be a City Engineer who shall be appointed by the Mayor and serve at the will and pleasure of the Mayor. The City Engineer shall be a professional engineer registered by the State of West Virginia and shall have experience and training in the field of municipal engineering.

SECTION 7.5: POWERS AND DUTIES

The City Engineer shall: Act as engineering adviser to the Mayor, Council and municipal agencies, commissions and boards unless otherwise provided by law; provide engineering services for the City in the construction, purchase and maintenance of its facilities, public works and equipment, except such services for the City as are performed by independent contractors or assigned to other offices, departments or agencies of the City and to the extent that such services are performed by independent contractors, to inspect and certify, prior to acceptance thereof or payment therefore, the satisfactory performance of all work done for the City by independent contractors; supervise and regulate the issuance of permits for construction; supervise and regulate the inspection of buildings, construction, electrical, plumbing, elevator and other building installations; maintain and preserve, as custodian for the City, all records, plats, maps, specifications, and similar documents pertaining to the public works, property, improvements and streets of the City; and furnish upon request, at such fee as may be established by ordinance, certified copies, of any such material pertaining to the engineering affairs of the City for which he or she is responsible.

ARTICLE EIGHT
PLANNING AND ZONING

SECTION 8.1: PLANNING COMMISSION

There shall be a Huntington Planning Commission which shall consist of not less than five nor more than fifteen citizens all of whom shall be residents of the City. Council shall establish, by ordinance, the exact number which shall compose the Commission. The members of the Commission shall be appointed and possess the qualifications established by Chapter 8, Article 24, of the Official Code of West Virginia and shall hold their office for the terms prescribed by said law

SECTION 8.2: POWERS AND DUTIES

The Commission established herein shall be governed by Chapter 8, Article 24, of the Official Code of West Virginia and shall have all powers and duties prescribed by said law, this Charter and ordinance in conformity therewith.

SECTION 8.3: VACANCIES

A vacancy shall be deemed to exist on the Commission whenever any member shall die, resign, be removed, fail to meet the requirements of Section 14.17 of this Charter or cease to possess any other qualification required by this Charter or general law.

SECTION 8.4: MEETINGS

The Commission shall meet at such times as prescribed by general law and by its rules, but not less frequently than once every other month. All meetings of the Commission at which any final action is taken shall be open to the public and the Commission shall provide by its rules a method whereby citizens of the City shall have a reasonable opportunity to be heard at any such meeting in regard to any matter then under consideration. A permanent written record of its resolutions, findings and determinations shall be maintained by the Commission and shall be available to the public upon request. A majority of the members of the Commission shall constitute a quorum for any purpose not requiring more than a majority vote.

SECTION 8.5: DIRECTOR OF PLANNING, POWERS AND DUTIES

There may be a Director of Planning who shall be appointed by the Commission. The Director shall be qualified by special training and experience in the field of city planning. He or she shall provide technical advice to the Commission, may also be designated its executive secretary and shall perform such other duties as the Commission, Mayor or Council may direct.

SECTION 8.6: CONTINUITY OF PLANNING COMMISSION

The Planning Commission heretofore established shall continue to operate as though authorized under the terms of Chapter 8, Article 24, of the Official Code of West Virginia. All action lawfully taken prior to the adoption of this Charter is hereby validated and continued in effect until amended or repealed in the manner provided herein or by general law. The membership of the existing Commission shall continue until changed by general law, ordinance or this Charter.

SECTION 8.7: COMPREHENSIVE PLAN ADOPTED

The Commission shall prepare a comprehensive plan and submit it to Council for its consideration and action. Thereafter, the Commission shall submit to Council its amendments to the comprehensive plan for consideration and action; provided, however, if Council shall fail to act upon said matters the Commission submits to it within ninety days after the date that such plan or amendments thereto shall have been first submitted, the same shall be deemed approved. (Amended by Ordinance 5/8/89)

SECTION 8.8: EFFECT OF COMPREHENSIVE PLAN

Before final action shall be taken by Council on the location or design of any street, park, parkway, playground, public memorial, public building, structure or any other public area or project, the Commission shall have previously submitted to Council a written report with recommendations regarding same. Such reports shall also contain a statement as to whether such project is consistent with the comprehensive plan. (Amended by Ordinance 5/8/89)

SECTION 8.9: PLAN AND PLATTING CONTROL

To the extent authorized by general law, the Commission shall have control of plans and plats of land within the City and beyond the territorial limits thereof as far as is reasonably necessary to protect the City against inadequately planned streets, highways, sewers and territory; provided, however, said control shall not apply to land outside the City over which platting control is in some other authority. All plans, plats and replats of land, laid out in building lots and streets, intended to be dedicated to public use, shall be

ıbmitted to the Commission for its consideration and no such plan, plat or ıeplat shall be of any legal effect or filed in the offices of the Clerk of the County Commission and the County Assessors of Cabell or Wayne Counties, depending on the county wherein the platted land lies, until such plan, plat or replat shall have endorsed upon it the fact that it has been first submitted to the Commission and by the Commission duly approved; provided, however, that official acceptance of streets and all other rights-of-way intended to be dedicated to public use shall be submitted to City Council by resolution for City Council's approval. (Amended by Ordinance 5/8/89)

SECTION 8.10: OFFICIAL MAP

Council shall, by ordinance, establish an official map of the City which shall indicate the location of all existing public streets and such other data as Council may deem appropriate.

SECTION 8.11: MODIFICATION OF OFFICIAL MAP

After the establishment of an official map, all street locations, plats or replats approved by Council shall be deemed amendments to the official map and shall be placed thereon.

SECTION 8.12: BOARD OF ZONING APPEALS

There shall be a Board of Zoning Appeals consisting of five members, appointed in the manner provided by Chapter 8, Article 24, of the Official Code of West Virginia. Members of the Board of Zoning Appeals shall possess the qualifications prescribed by said law and shall be appointed for terms established therein.

SECTION 8.13: POWERS AND DUTIES OF BOARD OF ZONING APPEALS

The Board of Zoning Appeals shall be governed by and shall have all powers and duties prescribed by Chapter 8, Article 24, of the Official Code of West Virginia, this Charter and ordinance in conformity therewith. In addition however, the Board of Zoning Appeals shall have power to employ independent legal counsel to aid in the performance of its duties.

SECTION 8.14: CONTINUITY OF BOARD OF ZONING APPEALS

The Board of Zoning Appeals heretofore established shall continue to operate as though authorized under the terms of Chapter 8, Article 24, of the Official Code of West Virginia. All action lawfully taken prior to the adoption of this Charter is hereby validated and continued in effect until amended or repealed in the manner provided by general law.

ARTICLE NINE
DEPARTMENT OF ADMINISTRATION AND FINANCE

SECTION 9.1: DIRECTOR OF ADMINISTRATION AND FINANCE; QUALIFICATIONS, SELECTION AND TENURE

There shall be a Department of Administration and Finance the head of which shall be the Director of Administration and Finance who shall be appointed by the Mayor and serve at the will and pleasure of the Mayor. The Director of Administration and Finance shall be a person of proven executive and administrative ability.

SECTION 9.2: POWERS AND DUTIES

Under the supervision, direction and control of the Mayor, the Director of Administration and Finance shall have supervision and control of the work and management of the Division of Finance, Division of Purchasing, Division of Personnel, Division of Data Processing and such other duties as the Mayor may require of him or her.

SECTION 9.3: FINES AND FEES SHALL BE PAID TO DEPARTMENT OF ADMINISTRATION AND FINANCE

All fines and fees received by any officer or employee of the City shal be paid over to the Department of Administration and Finance daily or a intervals Council may specifically prescribe.

SECTION 9.4: DIVISION OF FINANCE, DIRECTOR OF THE DIVISION OF FINANCE, QUALIFICATIONS

There shall be a Division of Finance the head of which may be the Director of the Division of Finance, The Director of the Division of Finance shall have knowledge of municipal accounting and taxation and shall have experience in budgeting and financial control.

SECTION 9.5: POWERS AND DUTIES

The Director of the Division of Finance shall have authority and shall be required to: Collect or provide for the collection of all taxes, special assessments, license fees and other revenues of the City and receive all other moneys payable to the City, except as otherwise provided by general law; maintain custody of all public funds belonging to or under the control of the City and deposit funds in such depositories as may be designated by resolution of Council or, if no such resolution be adopted, in such depositories as may be designated by the Mayor; supervise the disbursement of all moneys and control all expenditures to insure that budget appropriations are not exceeded; maintain a general accounting system for the City and each of its offices, departments, divisions and agencies; keep books for and exercise financial budgetary control over each office, department, division and agency; keep separate accounts for the items of appropriation contained in the City budget each of which accounts shall show the amount of the appropriation, the amounts paid therefrom, the unpaid obligations chargeable against it and the unencumbered balance; require reports of receipts and disbursements from each office, department, division and agency of the City to be made daily or at such intervals as he or she may deem expedient; except as otherwise provided by general law, maintain custody of all investment funds of the City, or in possession of the City in a fiduciary capacity, and of all bonds and notes of the City and receive and deliver City bonds and notes for transfer, registration or exchange; supervise all special assessments for the City or any of its agencies and give notice of special assessments as may be required by law; prepare all municipal bond issues; assist the Mayor as he or she may require in the preparation of monthly and yearly financial reports and in the preparation of the budget; conduct or provide for the conducting of a complete and accurate annual physical inventory of all City owned equipment of the initial purchase value of One Hundred Dollars or more; provided, however, Council may, by ordinance, provide for the increase or decrease of the purchase value amount herein specified; and perform such other duties as may be required of him or her by this Charter, ordinance or general law.

SECTION 9.6: ACCOUNTING SUPERVISION AND CONTROL

The Director of the Division of Finance shall also have authority and shall be required to: prescribe the forms of receipts, requisitions, vouchers, bills or claims to be used by the offices, departments, divisions and agencies of the City; examine and approve all contracts and other documents by which the City incurs financial obligation; inspect, audit and approve, before payment, all purchase orders, bills, invoices, payrolls and other evidence of claims, demands or charges against the City; and inspect and audit any account or record of financial transaction which may be maintained in any office, department, division or agency of the City, apart from or subsidiary to, the accounts kept in the office of the Director of the Division of Finance.

SECTION 9.7: DIVISION OF PURCHASING, DIRECTOR OF THE DIVISION OF PURCHASING, QUALIFICATIONS

There shall be a Division of Purchasing the head of which may be the Director of the Division of Purchasing who shall have knowledge and experience in the field of municipal purchasing.

SECTION 9.8: POWERS AND DUTIES

The Director of the Division of Purchasing shall have authority and shall be required to: Contract for and purchase all supplies, materials, equipment and services required for each office, department, division or agency of the City; prepare or maintain, endorse and publish specifications with respect to supplies, materials and equipment required by the City; inspect or supervise the inspection of all deliveries of supplies, materials and equipment to determine their quality, quantity and conformity with specifications and provide for the distribution thereof to the appropriate office, department, division or agency; have charge of storerooms and warehouses; and transfer to and between offices, departments, divisions and agencies or sell surplus, obsolete or unused supplies, materials and equipment.

SECTION 9.9: COMPETITIVE BIDDING

Before the Director of the Division of Purchasing shall make any purchase or contract for supplies, materials or equipment, he or she shall give ample opportunity for competitive bidding under such rules and regulations as Council shall prescribe; provided, however, Council shall not except any contract, purchase or sale from the requirement of competitive bidding.

SECTION 9.10: DIVISION OF PERSONNEL, DIRECTOR OF THE DIVISION OF PERSONNEL, QUALIFICATIONS, POWERS AND DUTIES

There shall be a Division of Personnel the head of which may be the Director of the Division of Personnel who shall be experienced in personnel management and whose powers and duties shall be prescribed by Council.

SECTION 9.11: PERSONNEL POLICY

Employment, appointments and promotions in the administrative service of the City shall be made according to merit and fitness. No person in the employment of the City or seeking employment with the City shall be appointed, employed, compensated, promoted, reduced, removed or in any way favored or discriminated against because of his or her race, sex, religion, age, handicap or national origin.

SECTION 9.12: PERSONNEL POWERS AND DUTIES OF MAYOR

The Mayor, or his or her subordinate, shall cause to be prepared, and timely reviewed and revised, personnel rules which shall be considered by Council and adopted as proposed, or amended by Council and adopted, by ordinance, or referred to the Mayor for additional study and resubmission. The rules shall provide: for the classification of all City positions based on the duties, authority and responsibility of each position with adequate provision for reclassification of any position whenever warranted; methods for determining the merit and fitness of candidates for appointment, employment or promotion; the hours of work, attendance regulations and provisions for sick and vacation leave; the policy and procedure governing persons holding provisional appointments; the policy and procedure governing relationships with employee organizations; the policy regarding in-service training programs; grievance procedures, including procedure for the hearing of grievances and for the reduction in force and removal of employees; and any other practices and procedures necessary to the administration of the City personnel system. Except as otherwise provided in this Charter, whenever it is deemed necessary, the officer or body having authority to appoint an officer or employee may appoint a temporary officer or employee; provided, however, such temporary appointment shall not extend beyond a term of sixty days. There shall be no extension of any temporary appointment.

SECTION 9.13: PERSONNEL POWERS AND DUTIES OF COUNCIL

Except as otherwise provided by general law or this Charter, Council shall fix the salaries of City employees and officers and may, by ordinance, define the duties of any City officer or employee. Neither Council nor any member thereof shall direct, interfere or obstruct the appointment or removal of any City employee, except an employee whom Council is authorized to employ and remove under the provisions of this Charter or general law. Except for the purpose of inquiry, Council and its members shall deal with the administrative service solely through the Mayor and neither Council nor any member thereof shall give orders to any subordinates of the Mayor, either publicly or privately. Violation of the provisions of this section by any Council member shall constitute official misconduct. Nothing herein contained, however, shall prohibit any Council member from bringing to the attention of the Mayor any fact or circumstance which may indicate misconduct or deficiency on the part of any personnel.

SECTION 9.14: EMPLOYEE RETIREMENT AND BENEFIT FUND

Council may, by ordinance, establish and provide for the maintenance of any employee retirement and benefit fund in accordance with general law, provided, however, until amended or repealed, all existing ordinances concerning pensions and pension funds shall continue in full force and effect and nothing contained herein shall in any way affect the continuation or validity of any pension already being paid or funded by the City.

SECTION 9.15: RESTRICTIONS

Unless otherwise provided by this Charter, no person who holds an elected public office shall, at the same time, be an employee or an elected or appointed officer of the City.

SECTION 9.16: PROHIBITIONS

Except as otherwise provided by general law, no person in City government service shall directly or indirectly solicit any assessment, subscription or contribution for any political purpose whatever from any person holding a position or in the employ of City government and except for the Mayor and members of Council, no employee of the City shall take any active part in the management or promotion of any political party or political campaign. Any person who willfully violates any of the provisions of this

ection shall be subject to such punishment as Council shall, by ordinance, prescribe and such person shall, for a period of five years, be ineligible for any municipal appointment or employment and if he or she is an officer or employee of the City at the time of such violation, he or she shall forfeit the office or position he or she holds.

SECTION 9.17: AFFIRMATIVE ACTION

In accordance with general law, Council shall provide, by ordinance, for an Affirmative Action Program for any or all positions of City employment.

SECTION 9.18: DIVISION OF DATA PROCESSING, DIRECTOR OF THE DIVISION OF DATA PROCESSING, QUALIFICATIONS

There shall be a Division of Data Processing the head of which may be the Director of the Division of Data Processing who shall be a person of training and experience in the fields of Data Processing and Computer Sciences.

SECTION 9.19: POWERS AND DUTIES

The Director of the Division of Data Processing shall have authority and shall be required to provide all computer and other data processing services required by any office, department, division or agency of the City.

ARTICLE TEN
BUDGET AND FINANCIAL PROCEDURES

SECTION 10.1: FISCAL YEAR

The fiscal year of the City shall begin on the first day of July of each calendar year and end on the last day of June of the following calendar year.

SECTION 10.2: SUBMISSION OF BUDGET AND BUDGET MESSAGE

On or before the fifteenth day of February of each year, the Mayor shall submit to Council the budget for the next fiscal year and an accompanying message. In addition, within sixty days from the beginning of each fiscal year, the Mayor shall ascertain the true carry-over balance of accounts of the City and shall submit to Council amendments to the budget reflecting same.

SECTION 10.3: BUDGET MESSAGE

The Mayor's budget message shall explain the budget, both in fiscal terms and in terms of work programs. It shall outline proposed financial policies of the City for the next fiscal year, describe important features of the budget, indicate all major changes from the current year in financial policies, expenditures and revenues together with the reason for such changes, summarize the City's debt position and include such other material as the Mayor deems desirable.

SECTION 10.4: BUDGET

The budget shall provide a complete financial plan of all City funds and activities for the next fiscal year and, except as required by law or this Charter, shall be in such form and contain such information as the Mayor deems desirable or Council may require. In organizing the budget the Mayor shall utilize the most feasible combination of expenditure classification by fund, organization unit, program, purpose or activity and object. It shall begin with a clear general summary of its contents, shall show in detail all estimated income, indicating the proposed property tax levy and all proposed expenditures, including debt service, for the next fiscal year and shall be so arranged as to show comparative figures for actual and estimated income and expenditures of the current fiscal year and actual income and expenditures of the preceding fiscal year. It shall indicate in separate sections: proposed expenditures for current operations during the next fiscal year, detailed by office, department, division and agency in terms of their respective work programs and the proposed method of financing such expenditures; proposed capital expenditures during the next fiscal year detailed by office, department, division and agency when practicable, and the proposed method of financing each such capital expenditure; and anticipated net surplus or deficit for the next fiscal year of each utility owned or operated by the City and the proposed method of its disposition. Subsidiary budgets for each City utility, board, agency or commission, giving detailed income and expenditure information shall be attached as appendices to the budget. Without respect to the net surplus or deficit of any utility operated by the City, the total of proposed expenditures shall not exceed the total of estimated income.

SECTION 10.5: CAPITAL PROGRAM

The Mayor shall prepare and submit to Council a five-year capital program concurrently with the submission of the annual budget. The capital program shall include: a clear general summary of its contents; a list of all

apital improvements which are proposed to be undertaken during the five fiscal years next ensuing with appropriate supporting information as to the necessity for such improvements; cost estimates, method of financing and recommended time schedules for each such improvement; and the estimated annual cost of operating and maintaining the facilities to be constructed or acquired. This information may be revised and extended each year with regard to capital improvements still pending or in the process of construction or acquisition. (Amended by Ordinance 5/8/89)

SECTION 10.6: COUNCIL ACTION ON BUDGET

Council shall publish in one or more newspapers of general circulation in the City the general summary of the budget together with a notice stating the times and places where copies of the message and budget are available for inspection by the public and the time and place, not less than two weeks after such publication, for a public hearing on the budget. After the public hearing, Council shall meet upon call by the Chairman for work sessions on the budget whether to adopt the budget with or without amendment. Provisions of Sections 3.13 and 14.17 pertaining to attendance at meetings shall apply to the budget work sessions. In amending the budget, it may add or increase programs or amounts and may delete or decrease programs or amounts, except expenditures required by law or for debt service or for estimated cash deficit; provided, however, no amendment to the budget shall increase the authorized expenditures to an amount greater than the total of estimated income. Council shall adopt the budget and enter its order adopting the statutory levy estimate and laying the levies on the third Tuesday of April in the fiscal year currently ending. In addition, Council shall also amend and revise the budget pursuant to the requirements of Section 10.2 of this Charter. Adoption of the budget shall constitute appropriation of the amounts specified therein as expenditures from the funds indicated. (Amended by Ordinance, 5/8/89) (Further amended, 1993 Municipal Election; effective date: July 1, 1993)

SECTION 10.7: COUNCIL ACTION ON CAPITAL PROGRAM; NOTICE AND HEARING

Council shall publish the general summary of the capital program concurrently with the publication of the annual budget in one or more newspapers of general circulation in the City. Council shall also publish therewith a notice stating the times and places where copies of the capital program are available for inspection by the public and the time and place for a public hearing on the capital program. Said public hearing shall be held not less than two weeks after such publication (Amended by Ordinance, 5/8/89)

SECTION 10.8: ADMINISTRATION OF BUDGET

At such time as the Mayor shall specify, each department, division, office or agency shall submit work programs for the next fiscal year showing the requested allotments of its appropriation by periods within the year. The Mayor shall review and authorize such allotments, with or without revision, as early as possible in the fiscal year. He or she may revise such allotments during the year if he or she deems it desirable and shall revise them in accord with any supplemental, emergency, reduced or transferred appropriations, subject to any limitations imposed by general law.

SECTION 10.9: TRANSFERS OF APPROPRIATIONS

Except as otherwise provided by general law, the Mayor may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department, division or agency. At the request of the Mayor and within the last three months of the budget year, Council may, by resolution, transfer any unencumbered appropriation balance or portion thereof from one office, department, division or agency to another.

ARTICLE ELEVEN
NOMINATIONS AND ELECTIONS

SECTION 11.1: GENERAL ELECTION LAWS TO CONTROL; TERMS OF OFFICERS

Except as otherwise provided herein, the provisions of general law with respect to primary and general elections, so far as applicable, shall govern the method of nominating and electing the Mayor and members of Council, whose terms of office shall be concurrent and run for a period of four years, provided that, the terms of office for the Mayor and members of Council elected in the 1997 general election shall run for a period of three years and six months commencing on the first day of July, 1997, and ending on the thirty-first day of December, 2000, and said term shall constitute a full term of office. All subsequent terms of office for the Mayor and members of Council shall run for a period of four years. *Amended by ordinance 9/13/93 (Further amended 1996 General Election Cabell County; effective date: January 1, 1997)

SECTION 11.2: MUNICIPAL EXECUTIVE COMMITTEES

Each Municipal Executive Committee shall be composed of those members of the County Executive Committees of Cabell and Wayne counties whose geographical jurisdiction, as county executive committee members, includes areas of the City. Municipal Executive Committee members shall serve for terms concurrent with their respective terms as county executive committee members.

SECTION 11.3: POWERS AND DUTIES

Municipal Executive Committees shall be governed by Chapter 8, Article 5, Section 14, of the Official Code of West Virginia and shall have all powers and duties prescribed by said law, this Charter and ordinance in conformity therewith.

SECTION 11.4: PRIMARY ELECTIONS; TIME, PLACE AND CERTIFICATIONS OF CANDIDACY

Except as otherwise provided herein concerning the first officers to be elected under this Charter, primary elections shall be held at the voting places in each of the election districts of the City for the purpose of nominating candidates for the office of Mayor and all Council members for the next general election on the first Tuesday in April in the year 1989 and on such day in each fourth year thereafter, provided that, beginning in the year 2000, the primary election shall be held on the same day in said year as the primary election for the State of West Virginia and the County of Cabell, and on such day in each fourth year thereafter. Any eligible person desiring nomination for any municipal elected office to be filled at such election shall file with the City Clerk a certificate declaring himself or herself to be a candidate for the nomination for office, together with payment of the filing fee as hereinafter prescribed, which certificate and filing fee must be received by the City Clerk after midnight on the first day of January next preceding the primary election day or if mailed, shall be postmarked after that hour and before midnight on the thirty-first day of January next preceding the primary election day or if mailed, shall be postmarked before that hour and which certificate shall be in form or effect as follows:

"CERTIFICATE OF CANDIDACY

I, _____, hereby certify that I am a candidate for the nomination for and election to the office of _____to represent the ____district or city at-large (circle one), and the ____political party. I desire my name printed on the official ballot to be voted at the primary election to be held on the___day of April, 19__. I hereby certify that I am a legally qualified elector of the City of Huntington, _____ County, West Virginia; that my residence is located at _____ in said City; that I am eligible to hold the said office; and that I am a candidate for said office in good faith.

CANDIDATE SIGNATURE

PRINT NAME

Signed and acknowledged before me this ____ day of _____, 19__.

Notary Public in and for Cabell or Wayne Counties, West Virginia, (or some other officer qualified to ad minister oaths)"

Every person who becomes a candidate in any such primary election shall, at the time of filing such certificate of candidacy, pay a filing fee as follows: a candidate for Mayor shall pay a fee of Two Hundred Fifty Dollars; a candidate for Council member shall pay a fee of Sixty Dollars. Council may, by ordinance, change the filing fees specified herein. No person shall file more than one Certificate of Candidacy in any primary election.

• Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective date: January 1, 1997)

SECTION 11.5: GENERAL ELECTIONS; TIME AND PLACE

Except as otherwise provided herein concerning the election of the first officers to be elected under this Charter, general elections for the offices of Mayor and all Council members shall be held on the first Tuesday in June in the year 1989 and on such day in each fourth year thereafter. The officers elected thereat shall assume office on the first day of July of the year in which such general election is held with their terms to expire as soon as their successors have been elected and qualified. Beginning in the year 2000, general elections for the offices of Mayor and all Council members shall be held on the Tuesday next after the first Monday in November of such year,

and on such day in each fourth year thereafter. The officers elected thereat shall assume office on the first day of January of the year next after such general election is held with their terms of office to expire as soon as their successors have been elected and qualified. * Amended by ordinance 9/13/93 (Further amended, 1996 General Election Cabell County; effective date: January 1, 1997)

SECTION 11.6: FIRST OFFICERS UNDER THIS CHARTER; NOMINATIONS, ELECTION AND TERMS

The first primary municipal election under this Charter shall be held on Tuesday, September 10, 1985, and the first general municipal election shall be held on Tuesday, November 5, 1985, to elect a Mayor and all Council members provided for under this Charter, whose terms shall begin on January 1, 1986, and expire as soon as their successors have been elected and qualified. The certificates of candidacy for such first primary municipal election shall be filed after midnight July 1, 1985, and before midnight on July 31, 1985, or if mailed, postmarked after midnight July 1, 1985, and before midnight July 31, 1985. The dates of all subsequent primary and general elections and filings of certificates of candidacy shall be governed by the provision of Sections 11.1, 11.4 and 11.5 of this Charter. * Amended by ordinance 9/13/93 (Frther amended, 1996 General election Cabell County; effective date: January 1, 1997)

SECTION 11.7: MAJORITY VOTE REQUIRED

No candidate for office shall be declared elected to any office under this Charter without having received as a candidate in the immediately preceding general election a majority of the votes cast for that particular office; provided, however, nothing herein shall apply to candidates for the office of at-large Council member.

SECTION 11.8: DETERMINATION OF ELECTION RESULTS

Every qualified elector shall be entitled to vote for one candidate for the office of Mayor, one candidate for the office of district Council member to represent the district in which the qualified elector resides and two candidates for the office of at-large Council member. No person shall be elected to city office without being nominated in the manner provided herein at a partisan primary election to be held at the times and places specified in Sections 11.5 and 11.7 of this Charter. Immediately upon expiration of the time for filing Certificates of Candidacy as required by Sections 11.5 and 11.7 of this Charter, ne City Clerk shall cause to be published in a newspaper having general rculation in the City the names of the candidates as they will

appear on the ballot for the primary election. Names of the candidates for each nomination shall be placed on the ballot and in addition to the requirements of Section 11.10 of this Charter, the ballot shall contain instructions to vote for one nominee or candidate, except where the offices to be filled are for Council members at-large, in which case the instructions shall inform the voter to vote for two nominees or candidates. Votes shall be counted as provided by general election law. In primary elections, the candidates representing each political party and receiving the highest number of votes for nomination for Mayor and each district Council member office shall be nominated. As to the offices of at-large Council members in primary elections, the candidates representing each political party and receiving the highest and next highest number of votes with no more than one residing in any one of the municipal election districts set out in Section 3.3 of this Charter shall be nominated. In general elections the names of the successful nominees shall be placed on the ballot. In the general election, the nominee receiving the highest number of votes for election to the offices of Mayor and each district Council member office shall be elected. As to the offices of at-large Council members in general elections, the two nominees receiving the highest and next highest number of votes with no more than one residing in any one of the municipal election districts set out in Section 3.3 of this Charter shall be elected to the offices of Council member at-large.

SECTION 11.9: BALLOTS FOR MUNICIPAL ELECTIONS

The ballot to be used in all municipal elections shall contain the names of all candidates, specify their respective residence address and the election district wherein such residence is located together with their political party affiliation, unless such candidate is independent from any political party, in which case the ballot shall so state. The order in which names of nominees and candidates appear on the ballot shall be determined by drawing of lot. The City Clerk shall conduct said drawing in accordance with the requirements o general law. It shall be the duty of the City Clerk to prepare the ballot for al regular and special municipal elections in accordance with the provisions o general law and not less than ten days prior to any election, the City Clerk shal cause a sample ballot to be published in a newspaper having general circulatio in the City

SECTION 11.10: APPOINTMENT OF ELECTION OFFICIALS

It shall be the duty of the Municipal Executive Committees to nominate qualified electors to serve as precinct election officials during a municipal election and the Municipal Executive Committees shall publicly encourage qualified electors to apply for nomination. The Municipal Executive Committees shall submit their nominations to Council not less than thirty days prior to the election in which the election officials are to serve. After determining that the qualified electors nominated by the Municipal Executive Committees possess the qualifications set forth by the general election laws of the State of West Virginia and not less than twenty days prior to the election in which the election officials are to serve, Council shall appoint the qualified persons nominated by the Municipal Executive Committees to serve as election officials in said election. In the event Council shall determine that any person nominated by the election commission is not qualified to serve as an election official or in the event any person appointed by Council shall refuse to serve as an election official, Council shall proceed to fill the vacancy at the earliest possible time by the same procedure.

SECTION 11.11: ELECTION OFFICIALS; COMPENSATION

A uniform election board consisting of three commissioners and two clerks, shall be appointed as aforesaid to serve in each voting precinct of the City during a municipal election. Each election board shall be composed of one clerk representing each political party and at least one commissioner representing each political party. By resolution adopted not less than forty-five days prior to each election, Council shall determine the compensation to be paid to the precinct commissioners and clerks, but in no event shall such compensation exceed the compensation payable under general law to precinct election officials serving during a general election of the State of West Virginia.

SECTION 11.12: REGISTRATION RECORDS, RETURN OF BALLOTS AND SUPPLIES, CANVASSING RETURNS, ELECTION CONTESTS

At least three days before a municipal election, the City Clerk shall procure from the Clerk of the County Commissions of Cabell and Wayne counties the necessary registration records and shall deliver them, together with all ballots and other election supplies, to the election official in each precinct designated by Council. The election officials shall, as soon as possible after

the closing of the polls, return to the City Clerk the ballots, tally sheets, certificates of the result of the election, registration records, poll books, ballot boxes and any other election supplies. On the first Monday following the election, Council shall canvass the returns of the election and declare and certify the result within five days thereafter. In case of a contest, Council shall be judge of the election, nomination and qualification of all candidates. Notwithstanding the foregoing, Council may, by resolution, contract with the County Commissions of Cabell and Wayne counties or the Clerks thereof, to furnish, distribute, receive and store the ballots and other election supplies, or any part thereof, and to provide facilities for the canvassing of ballots.

SECTION 11.13: USE OF VOTING DEVICES

In addition to any other requirements for the conduct of municipal elections, Council shall contract with the County Commissions of Cabell and Wayne counties for the use, in all municipal elections, of any electronic, mechanical or other voting devices available to, owned by or used by such counties for the conduct of county, state and national elections.

SECTION 11.14: REGULATIONS OF ELECTIONS

Council shall make regulations which it considers needful or desirable, not inconsistent with this Charter, for the proper conduct of municipal elections and for the prevention of fraud in such elections.

SECTION 11.15: QUALIFIED ELECTOR DEFINED

The term "qualified elector" as used in this Charter shall mean a citizen having the qualifications required by general law to vote in the City and who is at that time registered to vote.

ARTICLE TWELVE
INITIATIVE, REFERENDUM AND RECALL

SECTION 12.1: INITIATIVE

Qualified electors of the City shall have power to propose ordinanc to Council and if Council fails to adopt an ordinance so proposed without a change in substance, to adopt or reject it at a City election; provided, howev such power shall not extend to the budget, capital program or any ordinar relating to appropriation of money, levy of taxes or salaries of City officers employees.

SECTION 12.2: REFERENDUM

Qualified electors of the City shall have power to require reconsideration by Council of any adopted ordinance and if Council fails to repeal an ordinance so reconsidered, to approve or reject it at a City election; provided, however, such power shall not extend to the budget, capital program or any ordinance relating to appropriation of money, levy of taxes or salaries of City officers or employees.

SECTION 12.3: PETITIONS

Initiative and referendum petitions must be signed by qualified electors of the City equal in number to at least ten percent of the total number of qualified electors at the last general municipal election. All papers of a petition shall be uniform in size and style and shall be assembled as one instrument for filing. Each signature shall be executed in ink or indelible pencil in the handwriting of the signer and shall be followed by the address of the person signing. Petitions shall contain or have attached thereto throughout their circulation, the full text of the ordinance proposed and shall cite by title the ordinance sought to be reconsidered. Each paper of a petition shall have attached to it when filed an affidavit executed by the circulator thereof stating that he or she personally circulated the paper, the number of signatures thereon, that all the signatures were affixed in his or her presence, that he or she believes them to be the genuine signatures of the persons whose names they purport to be and that each signer had an opportunity before signing to read the full text of the ordinance proposed or sought to be reconsidered. Except as may be otherwise provided by general law, referendum petitions must be filed within thirty days after adoption by Council of the ordinance sought to be reconsidered.

SECTION 12.4: PROCEDURE

There shall appear on all petitions the names and addresses of three qualified electors who, as a committee of the petitioners, shall be regarded as responsible for the circulation and filing of the petition. Any one of the three qualified electors or an attorney-at-law acting on their behalf, may file such petitions by delivering the assembled instrument to the City Clerk together with a designation of one address, of one such elector or the attorney-at-law, to which all notices are to be sent and setting out in full the proposed initiative ordinance or citing by title the ordinance sought to be reconsidered. Within twenty days after the petition is filed, the City Clerk shall complete a certificate as to its sufficiency, specifying, if it is insufficient, the particulars wherein it is defective and shall promptly send a copy of the certificate to the petitioners' committee at the address so provided, by certified mail. A petition certified insufficient may be

amended once if the petitioners' committee files a notice of intention to amend with the City Clerk within two days after receiving the copy of his or her certificate and files a supplemental petition upon additional papers within ten days after receiving the copy of such certificate. Such supplemental petition shall comply with the requirements of Section 12.3 and within five days after it is filed, the City Clerk shall complete a certificate as to the sufficiency of the petition as amended and promptly send a copy of such certificate to the designated individual by certified mail as in the case of an original petition. If a petition or amended petition is certified sufficient or if a petition or amended petition is certified insufficient and the petitions' committee does not elect to amend or request Council review under this section within the time required, the City Clerk shall promptly present his or her certificate to Council and the certificate shall then be a final determination as to the sufficiency of the petition. If a petition has been certified insufficient and the petitioners' committee does not file notice of intention to amend or if an amended petition has been certified insufficient the committee may, within two days after receiving the copy of such certificate, file with the City Clerk a request that it be reviewed by Council. Council shall review the certificate at its next meeting following the filing of such request and approve or disapprove it and Council's determination shall then be a final determination as to the sufficiency of the petition. A final determination as to the sufficiency of a petition shall nevertheless be subject to judicial review. Whenever required, the burden of proof shall be on the City Clerk to establish the insufficiency of any petition. A final determination of insufficiency, even if sustained upon judicial review, shall not prejudice the filing of a new petition for the same purpose, except in the case of referendum when the applicable time limit has expired.

SECTION 12.5: REFERENDUM PETITIONS; SUSPENSION OF EFFECT OF ORDINANCE

When a referendum petition is timely filed with the City Clerk, the ordinance sought to be reconsidered shall be suspended from taking effect. Such suspension shall terminate when there is a final determination of insufficiency of the petition, the petitioners' committee withdraws the petition, Council repeals the ordinance or upon final certification of the results of the City election favoring the ordinance sought to be repealed.

SECTION 12.6: ACTION ON PETITIONS

When an initiative or referendum petition has been finally determined sufficient, Council shall promptly consider the proposed initiative ordinance in the manner provided for the enactment of ordinances or reconsider the referred ordinance by voting its repeal. If Council fails to adopt a proposed initiative ordinance without any change in substance within sixty days or fails to repeal the referred ordinance within thirty days after the date the petition was finally determined sufficient, it shall submit the proposed or referred ordinance to the electors of the City. The election on a proposed or referred ordinance shall be held not less than thirty days and not later than one year from the date of the final Council vote thereon. If no regular City election is to be held within the period prescribed in this section, Council shall provide for a special election. Otherwise, the vote shall be held at the same time as such regular election, except that Council may provide for a special election at an earlier date within the prescribed period. Copies of the proposed or referred ordinance shall be made available at the polls.

SECTION 12.7: RESULTS OF ELECTION

If a majority of the qualified electors voting on a proposed initiative ordinance vote in its favor, it shall be considered adopted upon certification of the election results and shall be treated in all respects in the same manner as ordinances adopted by Council. If conflicting ordinances are approved at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict. If a majority of the qualified electors voting on a referred ordinance vote against it, it shall be considered repealed upon certification of the election results.

SECTION 12.8: POWER OF RECALL

Qualified electors, authorized to vote for the particular office, shall have the power to recall the Mayor or any member of Council whether elected by popular vote or selected to fill a vacancy and may exercise such power by filing with the City Clerk a petition signed by qualified electors, authorized to vote for the particular office, equal in number to at least twenty percent of the total number of qualified electors, authorized to vote for the particular office, at the last general municipal election. The petition shall meet the applicable requirements of Section 12.3 and 12.4 of this Charter, shall contain a demand for the removal of the subject officer or officers and shall contain a general statement of the reasons for which the removal is sought.

ECTION 12.9: ELECTION UNDER RECALL PETITION

If the petition is certified sufficient in accordance with the applicable requirements set out in Section 12.3 and 12.4 of this Charter, Council shall cause a special election to be held not less than thirty days nor more than ninety days from the date of such certification, unless a general municipal election shall occur within one hundred twenty days from such date. The published notice of such election shall contain the reasons for demanding the recall in not more than two hundred words and a justification by the subject officer within the same limits; provided, however, if the petition seeks to recall more than one officer, each may provide a justification of not more than two hundred words Ballots shall be in the following form:

"Shall _____ be removed
(from Council) (as Mayor) of the City of
Huntington?
__ For the recall of _____
__ Against the recall of _____.

Upon certification of the results of the election, if a majority of those voting o the question have favored recall, the office of the individual so recalled shall b vacant.

SECTION 12.10: FILLING VACANCY CAUSED BY RECALL

When a vacancy occurs as the result of a recall election or when a officer resigns after a recall petition certified by the City Clerk to be sufficie is presented to Council, the vacancy shall be filled in accordance with tl provisions of this Charter relating to the filling of vacancies in the respecti office involved.

SECTION 12.11: LIMITATIONS ON RECALL

No recall petition shall be filed against any officer within six mon after he or she takes office nor within six months prior to the end of his or l term. No officer shall be subjected to more than one recall election during a te of office.

ARTICLE THIRTEEN
SUCCESSION IN GOVERNMENT

SECTION 13.1: INTERIM CHIEF EXECUTIVE OFFICER

On and after the effective date of this Charter, the City Manager, as heretofore constituted, shall exercise such powers and duties as are given the chief executive by this Charter. The City Manager shall so serve until the first Mayor under this Charter shall have been elected and qualified, at which time his or her appointment and office shall terminate.

SECTION 13.2: CONTINUITY OF ADMINISTRATIVE PERSONNEL AND OFFICES

All persons holding other administrative positions in City government at the time this Charter takes effect shall continue in such position and in the performance of their duties until dismissed or removed by the Mayor or other empowered authority. The powers conferred and the duties imposed upon any office, department or agency of the City by general law shall, if such office, department or agency is abolished by this Charter or under its authority, be thereafter exercised and discharged by the office, department or agency designated by Council, unless otherwise provided in this Charter.

SECTION 13.3: CONTINUITY OF GOVERNING BODY

On and after the effective date of this Charter, the members of Council, as heretofore constituted, shall exercise such powers and duties as are given to Council by this Charter generally, and for conducting the first election for Mayor and members of Council as set out in Article Eleven of this Charter. Such Council shall so serve until members of the first Council under this Charter shall have been elected and qualified, at which time their terms of office shall terminate.

SECTION 13.4: CONTINUITY OF OFFICES, DEPARTMENTS, DIVISIONS, AGENCIES OR BOARDS

Any other office, department, division agency or board provided in this Charter with a name or with powers and duties the same or substantially in same as those of an office, department, division, agency or board heretofore existing shall be deemed to be a continuation of such heretofore existing office, department, division, agency or board until changed by competent authority.

Any provision in any law, rule, regulation, contract, grant or other document relating to such heretofore existing office, department, division, agency or board shall, so far as not inconsistent with the provisions of this Charter, apply to such office, department, division, agency or board provided for by this Charter.

SECTION 13.5: TRANSFER OF RECORDS AND PROPERTY

All records, property and equipment whatsoever of any office, department, division, agency, board or part thereof, all the powers and duties of which are assigned to any other office, department, division, agency or board by this Charter, shall be transferred and delivered to the office, department, division, agency or board to which such powers are so assigned. If part of the powers and duties of any office, department, division, agency, board or part thereof are by this Charter assigned to another office, department, division, agency or board, all records, property and equipment relating exclusively thereto shall be transferred and delivered to the office, department, division, agency or board to which such powers and duties are so assigned.

SECTION 13.6: SUCCESSION IN INTEREST; PENDING ACTIONS AND PROCEEDINGS

The City of Huntington, as successor in interest to the present municipal corporation of the same name, shall succeed to, own, possess and enjoy all property and all right, title and interest of every kind and nature vested in or belonging to such municipal corporation at the time this Charter becomes effective. No action or proceeding, civil or criminal, pending at the time this Charter takes effect, brought by or against the City or any office, department division, agency, board or officer thereof, shall be affected by the adoption of this Charter or by anything herein contained. No such action or proceeding shall abate by reason of the fact that functions, powers and duties of any office department, division, agency, board or officer party thereto may under this Charter be assigned or transferred to another office, department, division agency, board or officer, but in that event, the same may be prosecuted or defended by the head of the office, department, division, agency or board to which such functions, powers and duties have been assigned or transferred under this Charter.

SECTION 13.7: EFFECT ON EXISTING LAW

All existing ordinances and resolutions, administrative rules, regulations and practices, if not inconsistent or in conflict with this Charter, shall continue in full force and effect until repealed or modified by competent authority. All ordinances, resolutions, administrative rules, regulations and

practices that are inconsistent or in conflict with this Charter shall, unless sooner repealed or modified, continue in full force and effect for a period of sixty days and at the end of that period shall, to the extent of such inconsistency or conflict, be of no further force or effect.

ARTICLE FOURTEEN
GENERAL PROVISIONS

SECTION 14.1: CHIEF OF POLICE

The Chief of Police shall be appointed by the Mayor with the approval of Council to serve at the will and pleasure of the Mayor. The Chief of Police shall be a person of proven administrative ability with experience and training in law enforcement. Subject to the direction and supervision of the Mayor, the Chief of Police shall be responsible for the supervision and administration of the Police Department and shall require of all police officers the proper discharge of their duties. He or she shall see to the protection of property and the preservation of peace, order and public safety throughout the City and shall cause all violators of City ordinances and of general law to be apprehended and brought to trial before the Municipal Court or other proper tribunal. Under the direction and supervision of the Mayor, the Chief of Police shall also perform such other duties as may be required of him or her by this Charter, ordinance or general law.

SECTION 14.2: CHIEF OF FIRE DEPARTMENT

The Chief of the Fire Department shall be appointed by the Mayor with the approval of Council to serve at the will and pleasure of the Mayor. The Chief of the Fire Department shall be a person of proven administrativeability with experience and training in the suppression and prevention of fires. Subject to the direction and supervision of the Mayor, the Chief of the Fire Department
shall be responsible for the supervision and administrationof the Fire Department and shall require of all firemen the proper discharge of their duties. He or she shall make such inspections of buildings and property throughout the City as may be necessary to discover fire hazards and shall take all proper measures to eliminate such hazards and shall keep an accurate record of all fires, inspections and fire hazards within the City. Under the direction and supervision of the Mayor, the Chief of the Fire Department shall also perform such other duties as may be required of him or her by this Charter, ordinance r general law.

SECTION 14.3: RESIDENCY REQUIREMENT

Any person employed or appointed under this Charter shall be a resident of the City of Huntington at the time they are employed or appointed or shall become a resident of the City of Huntington within ninety days from their employment or appointment and shall remain a resident of the City of Huntington during their respective tenure in office or period of employment. There shall be no exception or waiver of the requirements contained in this section and any violation of any requirement contained herein shall result in termination of employment and a vacancy in the respective office or position. The Mayor shall be charged with enforcement of this section. (Amended by Ordinance 5/8/89) CLERK'S NOTE: The residency requirement provided for in this section was modified by Orders of the Circuit Court of Cabell County, West Virginia entered on September 29, 1994 and November 4, 1994 in the case of Steven Ellis, et al. v. The City of Huntington, et al. -- Circuit Court of Cabell County, West Virginia -- Civil Action No. 93-C-2443 (1994). The Court's Orders supersede and take precedence over the provisions of this section and should be read and applied in lieu thereof. Copies of the Court's Orders are on file in the Office of th City Clerk and available for inspection and copying during regular business hours Monday through Friday.

SECTION 14.4: RESIDENT DEFINED

As used in this Charter, the term "resident" shall mean any individual who maintains a usual and bona fide place of abode within the corporate limits of the City of Huntington or within the boundaries of the territory referred to in this Charter, as the context may require, together with the intent to maintain said usual and bona fide place of abode for an indefinite period of time in the future.

SECTION 14.5: BONDS

Before entering the duties of their office, each member of Council, the Mayor, the City Clerk, each member of the Election Commission and each Director or Chief of a City office, department, division or agency and such other personnel as Council may require, shall give bond for the faithful performance of their duties, payable to the City of Huntington, in such amounts and with such corporate surety as may be approved by Council. Council may provide for obtaining a blanket bond covering all City officers and employees, designating specific officers or employees whose bond shall be in excess of the amount of the blanket bond. The premiums on such bond or bonds shall be paid by the City after it has been ascertained that the premiums are not in excess of the

schedule filed by the bonding company with the Commissioner of Insurance of West Virginia. All bonds shall be subject to approval by the City Attorney as to form and substance and when so approved, shall be endorsed with his or her signature.

SECTION 14.6: SEPARABILITY CLAUSE

If any article, section, subsection, paragraph, sentence, clause or word of this Charter is for any reason held invalid or unconstitutional, such holding shall not affect the validity, constitutionality or application of any other portion of this Charter.

SECTION 14.7: REFERENCE TO LAW

A reference contained in this Charter to the Official Code of West Virginia or a provision thereof, to any constitution, or a provision thereof or to general law shall be construed to mean the respective law as it exists on the effective date of this Charter or as it may thereafter be amended. Where additional parts are added to the subject matter of such law referred to in this Charter, the reference shall include such additional parts.

SECTION 14.8: SATURDAYS, SUNDAYS AND LEGAL HOLIDAYS

Whenever the provisions of this Charter or any ordinance, rule, administrative regulation or order pursuant thereto, require that a meeting be held or that an act be done on any particular day of the month or within any period of time prescribed or allowed, if that day or the last day occurs on a Saturday, Sunday or legal holiday, the following day which is not a Saturday, Sunday or legal holiday shall be deemed to be the one intended.

SECTION 14.9: LOSS OF QUALIFICATION BY OFFICER OR EMPLOYEE; VACANCY CREATED

In the event that any officer or employee of the City shall, subsequent to his or her election, appointment or employment, cease to possess any of the requisite qualifications provided for his or her office or position, there shall thereupon exist a vacancy in such office or position, to be filled pursuant to this Charter or other applicable law.

SECTION 14.10: CONFLICT OF INTEREST

Any City officer or employee who has a substantial financial intere
direct, indirect or by reason of ownership of stock in any corporation, in a
contract with the City or in the sale of any land, material, supplies or services
the City or to any contractor supplying the City, shall make known that inter
to the Mayor and Council and shall refrain from voting upon or otherw
participating in his or her capacity as a City officer or employee in the maki
of such sale or in the making or performance of such contract. Any City offi
or employee who willfully conceals such a substantial financial interest
willfully violates the requirements of this section shall be guilty of malfeasa
in office or position and shall forfeit his or her office or position. Violation of t
section with the knowledge, express or implied, of the person or corporati
contracting with or making a sale to the City shall render
the contract or sale voidable by the Mayor or Council. A "substantial financ
interest" as used herein, shall be deemed to be an interest amounting to m
than five percent of the particular business enterprise or contract.

SECTION 14.11: CENTRAL GARAGE AND MOTOR POOL

There shall be a central garage and motor pool wherein all automobi
and other vehicles owned by the City shall be registered, stored and control
when not in use or on assignment and from which the head of any off
department, division, board, commission or agency shall requisition the use
any such automobile or other vehicle as may be required in the performance
his or her duties. The Mayor or his or her designee shall establish and promulg
such rules and regulations respecting such facility as to effect the grea
possible economy and efficiency in its operation. No vehicles shall be per
nently assigned to any office, department, division, board, agency or individ
thereof without prior approval by Council; provided, however, such appro
by Council shall not be required of any vehicle assigned to the police or
departments. Notwithstanding any provision contained herein,
no City owned vehicle shall be taken beyond the corporate limits of the C
except in the performance of authorized official city business.

SECTION 14.12: PUBLIC ACCESSIBILITY OF RECORDS

All records and documents of every office, department, divis
board, commission or agency of the City shall be open to inspection by
citizen, representative of a civic organization or representative of the press a
reasonable times and under reasonable regulations established by Cou
provided, however, records and documents authorized to be excluded u
Chapter 29B, Article 1, of the Official Code of West Virginia or other applic
law shall not be subject to the requirements of this section.

SECTION 14.13: SALARY LIMITATION

No officer or employee of the City shall be entitled to receive compensation for more than one position in City government even though he or she performs the duties of two or more positions therein.

SECTION 14.14: OATH, QUALIFICATION

Before entering the duties of their office, each member of Council, the Mayor, the City Clerk, each member of the Election Commission and each Director or Chief of a City office, department, division or agency and such other personnel as Council may require, shall take and subscribe to the following oath or affirmation to be filed and kept in the office of the City Clerk:

"I, _____, solemnly swear (or affirm) that I will support the constitution of the United States of America and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, ordinances, resolutions, regulations and rules of the City of Huntington, and will faithfully discharge the duties of _____ to the best of my skill and judgment." When such officer or employee shall have taken and filed such oath with the City Clerk and shall have given such bond as may be required, he or she shall be considered as having qualified for the position to which he or she was elected, appointed or hired; provided, however, if any person so elected, appointed or hired shall not qualify in the manner herein prescribed within fifteen days after he or she shall have been officially declared elected, appointed or hired, said office or position shall by reason thereof, become vacant.

SECTION 14.15: AUTHORITY TO CONVEY

Except as otherwise provided by general law, Council may authorize the Mayor or other officer of the City to execute all deeds, conveyances and other instruments on behalf of the City of Huntington and such person shall have authority to execute such instruments in the name of the City of Huntington.

SECTION 14.16: ARTICLE AND SECTION TITLES

The article and section titles or headings in this Charter are intended fo convenience only and shall be construed as mere "catchwords" to indicate th content of the article or section and shall not be deemed or taken to be a part of the article or section.

SECTION 14.17: GENERAL ATTENDANCE REQUIREMENT

In addition to any attendance requirement contained in this Charter if a member of any agency, board or commission authorized or create pursuant to this Charter or delegated authority by other law, absents himsel or herself from forty or more percent of the regularly scheduled meetings c said agency, board or commission in any twelve month period, his or her offic position or appointment shall become vacant and such vacancy shall be fille according to applicable law.

SECTION 14.18: EFFECTIVE DATE

This Charter shall become effective July 1, 1985.

SECTION 14.19: WHEN VACANCY CREATED

(Repeal and renumber subsequent sections)

(NEW) SECTION 14.19 AMENDMENTS

This Charter may be amended as provided in Chapter 8 of the Official Code of West Virginia, as amended, as therein provided. (Amended by Ordinance 5/8/89)

APPENDIX "A"

to the

CHARTER of the CITY OF HUNTINGTON

The nine municipal election districts shall be as follows: District One shall be composed of precinct numbers one and four of Cabell County, West Virginia, together with precinct numbers fifty-nine, sixty, and sixty-one of Wayne County, West Virginia, with a total population of Six Thousand Six Hundred; District Two shall be composed of precinct numbers two, three, five, six, seven and ten of Cabell County with a total population of Five Thousand Eight Hundred Ninety-Four; District Three shall be composed of precinct numbers eleven, twelve, thirteen, and fourteen of Cabell County with a total population of Six Thousand Five Hundred Five; District Four shall be composed of precinct numbers eight, nine, twenty-five, twenty-nine, thirty, thirty-five, and thirty-six of Cabell County with a total population of Six Thousand Three; District Five shall be composed of precinct numbers twenty-six, twenty-seven, twenty-eight, thirty-one, thirty-two, thirty-three, and thirty-four of Cabell County with a total population of Five Thousand Nine Hundred Twelve; District Six shall be composed of precinct numbers thirty-seven, forty-three, forty-five, forty-six, forty-seven, forty-eight and forty-nine of Cabell County with a total population of Six Thousand Four Hundred Ten; District Seven shall be composed of precinct numbers thirty-eight, thirty-nine, forty, forty-one, forty-two, and forty-four of Cabell County with a total population of Six Thousand Three Hundred Ninety-Six; District Eight shall be composed of precinct numbers fifteen, sixteen, seventeen, eighteen, nineteen and twenty of Cabell County with a total population of Five Thosand Four Hundred Ninety-Three; District Nine shall be composed of precinct numbers twenty-one, twenty-two, twenty-three, twenty-four and fifty of Cabell County with a total population of Five Thousand Eight Hundred Three.

CERTIFICATE

In witness of the completion and adoption of the final draft of the proposed Charter for the City of Huntington by the Huntington Charter Board after the conclusion of Board meetings and consideration of changes and revisions deemed necessary or desirable by the board and public, after a public hearing, duly held and completed, the undersigned members of the Huntington Charter Board have hereunto signed their names, this 25 day of March, 1985.

HUNTINGTON CHARTER BOARD

Charles Polan, Jr., Chairman

Stephen Christian, Vice-Chairman

Tom McCallister, Secretary

Peter Barr, Member

Garry Black, Member

Charles Dodrill, Member

Carol Hughes, Member

Michael Mansour, Member

William Newcomb, Member

Nathaniel Ruffin, Member

Thomas Scott, Member

CERTIFICATE

In witness of the completion and adoption of the final draft of the proposed Charter for the City of Huntington by the Huntington Charter Board after the conclusion of Board meetings and consideration of changes and revisions deemed necessary or desirable by the Board and public, after a public hearing, duly held and completed, the Huntington Charter Board has authorized its Secretary to execute this Certificate in witness thereof and in complicance with Charpter 8, Article 3 , section 3, of the Official Code of West Virginia, as amended, this 26 day of March, 1985.

HUNTINGTON CHARTER BOARD

Peter Barr
Garry Black
Stephen Christian
Charles Dodrill
Carol Hughes
Michael Mansour
Tom McCallister
William Newcomb
Charles Polan, Jr.
Nathaniel Ruffin
Thomas Scott

By: Tom McCallister

Its: Secretary

CERTIFICATE OF THE ATTORNEY GENERAL

The Attorney General of the State of West Virginia hereby certifies that the Proposed Charter for the City of Huntington, West Virginia, which was approved and adopted by the Huntington Charter Board on the 26th day of March, 1985, a complete copy of which was received by the aforesaid Attorney General on the 28th day of March, 1985, is consistent in all respects with the Constitution and general law of the State of West Virginia.

Given under my hand this 28th day of March, 1985.

CHARLIE BROWN
ATTORNEY GENERAL

By: Gene H. Bailey
GENE H. BAILEY, Esq.
Assistant Attorney General

CITY OF HUNTINGTON
WEST VIRGINIA

COUNCIL
City Hall, P.O. Box 1659, Zip 25717
Phone (304) 696-5530

RULES FOR THE TRANSACTION OF BUSINESS BY THE HUNTINGTON CITY COUNCIL

SECTION 1 - MEETINGS

A. REGULAR MEETINGS

Council shall meet regularly on the second and fourth Monday of each month at 7:30 p.m., in the Council Chambers of City Hall, excepting only when a regularly scheduled Council meeting shall occur on a legal holiday. Council may designate the City Auditorium, or such other appropriate and convenient location, as the Council Chambers for purposes of conducting its regular meetings and any special meetings that may be called pursuant to the provisions of Subsection B of this Section hereinafter set forth.

B. SPECIAL MEETINGS

Special meetings may be called at any time, upon reasonable notice by the Mayor or the Chairperson of Council, and shall be so called by the Chairperson upon the request of a majority of all members of Council.

The requirement of reasonable notice may be satisfied by hand delivering or by sending by certified mail to each member of Council a written notice of the time, place and purpose of the special meeting. In any case delivery of notice must be made on each member of Council at least twelve hours prior to the time set for the meeting, provided a Council member may waive the notice requirement by filing a written statement

of such waiver with the City Clerk prior to the meeting.

C. LEGAL HOLIDAYS

Whenever a regularly scheduled meeting shall fall on a legal holiday, the following day which is not a Saturday, Sunday or legal holiday shall be deemed to be in the one intended.

SECTION 2 - CHAIRPERSON PRESIDING OFFICER: ABSENCE OF QUORUM

The Chairperson shall preside at all meetings of Council.

At the appointed hour for the meeting, the Chairperson shall take the chair, and call the members of Council to order.

If a quorum be present, the meeting shall be opened for the transaction of business.

If a quorum shall fail to attend the meeting within twenty (20) minutes after the appointed time for such meeting, those present may adjourn to such time as a majority of those present shall determine, after the names of those present shall be entered in the journal.

A majority of the total number of Council members shall constitute a quorum for any purpose not requiring more than a majority vote of Council.

SECTION 3 - PRESIDING OFFICER IN ABSENCE OF CHAIRPERSON

In the absence of the Chairperson, the Vice-Chairperson shall preside at the meeting.

In the absence of the Chairperson and Vice-Chairperson, the Clerk shall call Council to order, and upon motion, Council shall elect one of its members present as a temporary Chairperson, and such temporary Chairperson shall preside at the meeting.

SECTION 4 - POWERS OF PRESIDING OFFICER

The presiding officer is vested with the authority to preserve order and decorum during meetings of Council. The presiding officer may order the removal of any person who disrupts or otherwise interferes with the orderly conduct of business. The presiding officer shall also decide all points of order subject, however, to appeal to Council, and shall have the right to call any member of Council to the chair for any part of the meeting.

SECTION 5 - ATTENDANCE AT MEETING AND VACANCIES IN COUNCIL

Attendance at meetings and vacancies in Council shall be governed by Section 3.13 of the Charter of the City of Huntington.

In addition, members are expected to attend all work sessions, unless they notify the City Clerk or Assistant City Clerk of illness, absence from the City, or other appropriate excuse.

SECTION 6 - ORDINANCES

An ordinance shall be adopted by Council only in cases and with respect to the matters enumerated by the Charter of the City of Huntington or by general law.

If an ordinance is not required by the provisions of the Charter of the City of Huntington, or by general law, Council shall act by resolution.

SECTION 7 - FILING OF ORDINANCES AND RESOLUTIONS

All ordinances and resolutions shall be adopted in conformity with the provisions of general law, and shall be

submitted to the City Clerk prior to 4:30 p.m. on the Wednesday before the meeting at which time the ordinance or resolution shall be submitted for its first or only reading, as may be required by general law.

B. All items submitted to the City Clerk as described in Paragraph A above shall be reviewed by the Chairperson for the items inclusion on the Agenda. The Chairperson shall establish the Agenda for the upcoming Council Meeting no later than 12:00 p.m. the Thursday before the meeting at which time the ordinance or resolution may be submitted for its first or only reading, as may be required by general law and make the final determination as to the items which will appear on the same. Provided That: any item which has been requested, in writing, by any Council member shall be placed on the Agenda with or without the consent of the Chairperson.

C. Notwithstanding Paragraph B, all items set for second reading on the upcoming Council Agenda may not be deleted from the same by the Chairperson.

D. Any item whcih does not appear on the Agenda, for which it has been submitted shall be deemed withdrawn and shall be required to be resubmitted as described in Paragraph A above for consideration and inclusion upon the next Council Agenda.

SECTION 8 - ORDINANCE PROCEDURE

Proposed ordinances shall be read by title only at the first meeting that they are placed on the Council's agenda. Ordinances may be read in their entirety if requested by a

member. There shall be no vote taken on first reading except where an amendment is proposed. When an amendment is proposed, only the issue as to whether the amendment should be incorporated shall be taken up by Council. If there are no amendments to a proposed ordinance on first reading, Council shall move to the next item without a vote. A motion to delete shall be in order on the first reading of an ordinance. If such a motion is made and properly seconded, Council shall vote on whether to delete the item, after giving the public an opportunity to comment. If, by a majority vote, Council votes to delete, the item will be removed from the agenda and will not be read a second time at the next meeting of Council.

If the principal object of an ordinance is the raising of revenue, the Clerk shall cause a Class I-O legal advertisement to be published giving notice of the proposed ordinance's consideration. The notice shall state the subject matter and title, the date, time and place of the proposed final vote on adoption, and the place or places within the municipality where the proposed ordinance may be inspected.

All ordinances shall be advertised before the second reading of each ordinance. Thereafter, a vote may be called. No material amendments may be made to an ordinance on second reading.

Where an ordinance, having been submitted to Council for consideration in accordance with the procedures set forth in this Section, and in Chapter 8, Article 11 of the West Virginia Code, as amended, and in SECTION 3.9 of the CHARTER OF

THE CITY OF HUNTINGTON, WEST VIRGINIA, has failed to receive the number of votes of members of Council required for adoption and enactment into law, the Council shall not hear or consider said ordinance, nor shall such ordinance be read before the Council at any regular or special meeting thereof for a period of six (6) months immediately next succeeding the date that the ordinance was last considered and voted upon by the Council.

SECTION 9 RESOLUTION PROCEDURE

Every proposed resolution shall be read by title at one meeting of this Council.

SECTION 10 - STANDING COMMITTEES

There shall be the following standing committees for the purpose of better informing the Council and its members of the work of various city departments, and for the purpose of working with the Mayor.

The standing committees shall include the following:

a. Administration and Finance

b. Personnel

c. Public works

d. Economic and Community Development

e. Public Safety (Police, Fire, Legal, Municipal Court

f. Recreation (Civic Center, Harris Riverfront Park)

g. Solid Waste Management

h. Planning and Zoning

In addition to the standing committees, special

purpose committees may be appointed as the need arises.

Appointments to all committees will be made by the Chairperson with the advice and consent of Council.

Committees shall meet during budget preparation time and as needed. Written or oral reports will be made at least quarterly to the full Council.

SECTION 11 - ORDER OF BUSINESS

At every regular meeting of Council, the order of business shall be as follows:

a. Invocation

b. Pledge to Flag

c. Roll Call

d. Reading of Synopsis of the Last Regular Meeting

e. Reports of Mayor

f. Ordinances on Second Reading

g. Ordinances on First Reading

h. Resolutions

i. Good & Welfare

SECTION 12 - DEPARTURE FROM ORDER OF BUSINESS

There is to be no departure from the order of business as set forth in these rules except upon the consent of eight of eleven of the members present and voting, seven of ten of the members of Council present and voting or six of eight or nine of the members of Council present and voting.

SECTION 13 - SUSPENSION OF RULES

No rule of Council shall be suspended except by consent of eight of eleven of the members present and voting, seven of ten of the members of Council present and voting or six of eight or nine of the members of Council present and voting. Any such suspension of rules may be made by motion.

SECTION 14 - SPECIAL ORDER BUSINESS

When any matter is made the special order of business for a future meeting, it shall take priority over all other business to be considered at said meeting.

SECTION 15 - WITHDRAWAL OF MATTERS BEFORE COUNCIL

After any communication, petition, complaint, protest, ordinance, resolution or report has been read to the Council by the presiding officer, City Clerk, any member of Council or any other officer or party, the same shall be deemed to be in the possession of the Council, and cannot be withdrawn, except upon a majority vote of the members of Council present and voting.

SECTION 16 - MOTION

After a motion is made and seconded, it shall be stated by the presiding officer before it is debated. The

Council person making the motion shall be the first recognized.

SECTION 17 - METHOD OF VOTING

A rolling roll call vote shall be used at each council meeting where a roll call vote is required to be used under these rules. A rolling roll call vote shall mean that at the first roll call vote of the meeting, the Clerk shall call the roll in alphabetical order except that the Chairperson's name is called last. Upon each subsequent roll call vote taken at the same meeting, the Clerk will then begin the roll call with the next person's name in alphabetical order, so that the same person shall not be required to vote first on all issues: Provided, That the Chairperson shall always vote last.

All ordinances shall be voted upon by roll call. The presiding officer shall determine the method of voting on resolutions, whether it be roll call or voice vote: Provided, That all votes on financial matters and leases be by roll call; and Provided, That any member of Council may call for a roll call vote. If a roll call vote is not called for, the presiding officer shall determine the result. If there is a lack of a clear majority on a voice vote, a roll call vote shall be taken.

The presiding officer shall announce the result of each vote, and the Clerk shall enter the result in the journal.

All members present shall vote on the issue, question, motion, resolution, or other business, and no vote of abstention, disqualification, pass or other similar such vote shall be permitted except as provided by Charter of general law. If there is a conflict of interest, it must be stated before voting

begins.

SECTION 18 - MEMBERS NOT TO WITHDRAW

After a member of Council has, at any meeting, been recorded as present, he or she shall not, without permission of the presiding officer, absent himself from such meeting until adjourned.

SECTION 19 - CONDUCT OF MEMBERS

Every member of Council shall confine himself or herself to the question before the Council, and avoid personal references or language which is not conducive to the orderly transaction of business.

No member shall interrupt another while speaking, except to make a point of order, the point to be briefly stated to the presiding officer.

No member shall, while the Council is sitting, interrupt or hinder its business by standing, moving about, talking, expressing approval or disapproval or any of the proceedings, or by tending to disrupt or confuse.

SECTION 20 - RECOGNITION OF MEMBERS

When two or more members of Council request recognition at the same time, the presiding officer shall name the one first to speak.

SECTION 21 - LIMITATION ON NUMBER AND LENGTH OF SPEECHES

No member of Council shall speak more than once on the same question, until every member choosing to speak shall have done so, nor more than twice, nor for a period of time in excess

of fifteen minutes on any question, without permission of the majority of Council present at said meeting.

SECTION 22 - CALLING MEMBERS TO ORDER

If, in speaking, any member of Council transgresses the rules of the Council, the presiding officer shall call him or her to order.

If there be no appeal, the decision of the chair shall govern.

If the decision of the Chair be in favor of the member called to order, he or she may proceed. If otherwise, he or she shall not proceed, except by a majority of the members of the Council present.

SECTION 23 - ADDRESSES BY NON-MEMBERS

Citizens of the City of Huntington exercise their right to a democratically elected government by voting for the candidate of their choice.

Nevertheless, nonmembers may voice their opinions on issues during public hearings and Good and Welfare. The following rules shall apply:

a. Speakers are limited to five minutes on any topic before the Council unless being questioned by a member of the Council. The chair may grant an extension of time to any speaker unless there is an objection to such extension by a member of the Council. If there is such an objection time can be extended only by a 2/3rds vote of the Council present and voting.

b. Speakers are required to limit discussion to only those matters before Council during public hearings.

c. Discussion of all relevant issues are permissible during Good and Welfare.

d. No speaker may address the Council more than once on any specific topic without the majority of the Council present and voting, concurring.

e. Speakers must comply with the rules of conduct stated in Section 19.

Speakers and members of the audience failing to comply with this section or otherwise disrupting the orderly proceedings of meetings are subject to immediate removal by the presiding officer and subject to prosecution pursuant to WV Code Section 61-6-19.

Any citizen may address City Council regarding the issues before it, upon second reading of an Ordinance after Council has discussed the issue and on any Resolution after Council has discussed the issue. Further, any citizen may address the Council on any issue under the Good and Welfare section of the Agenda. A sign-up sheet shall be provided and those persons whose names appear on the same shall be asked to speak first and in the order their names appear on said sheet for the item which their name appears. However, no person shall be prohibited from speaking for having failed to sign their name to the sign-up sheet.

SECTION 24 - ROBERT'S RULES OF ORDER

The proceedings of Council, except as otherwise provided in these rules, shall be governed by the edition of Robert's Rules of Order maintained and used in the office of the City Attorney.

SECTION 25 - CHAIRPERSON & VICE-CHAIRPERSON

At the first meeting of Council in July of each year, Council shall, by majority vote, elect one of its members as Chairperson, and one of its members as Vice-Chairperson, both of whom shall serve until the first meeting of Council at the next succeeding year, unless earlier removed by Council.

These Rules were adopted by Resolution of Council on March 23,

1992. (11 yeas; 0 nays). Copy of Resolution may be found in the Council file for March 23, 1992.

The last paragraph of Section 8 was added to the Rules by Resolution of Council on November 23, 1992. (9 yeas; 2 nays - Barrett, Zink). Copy of Resolution may be found in the Council file for November 23, 1992.

Under Section 1 - Meetings, A. Regular Meetings, the following sentence was added. "Council may designate the City Auditorium or such other appropriate and convenient location, as the Council Chambers for purposes of conducting its regular meetings and any special meetings that may be called pursuant to the provisions of Subsection B of this Section hereinafter set forth." This was adopted by Resolution of Council on February 22, 1993. (10 yeas; 0 nays; 1 absent - Alexander). Copy of Resolution may be found in the Council file for February 22, 1993.

The "Proposed Changes to the Huntington City Council Rules" were adopted on August 9, 1993 as indicated on the attached resolution. (10 yeas; 0 nays; 1 absent - Grubb)

Section 23 was amended on July 7, 1997 and has been incorporated into the Rules and Regulations. (10 yeas; 0 nays; 1 absent - Polan) See Council file, July 7, 1997.

Section 17 was amended on September 22, 1997 and has been incorporated into the Rules and Regulations. (9 yeas; 0 nays; 2 absent - Maass, Patterson) See Council file, September 22, 1997.

Section 23 was amended on September 22, 1997 and has been incorporated into the Rules and Regulations. (9 yeas; 0 nays; 2 absent - Maass, Patterson) See Council file, September 22, 1997.

A RESOLUTION OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING THE RULES FOR THE TRANSACTION OF BUSINESS BY THE HUNTINGTON CITY COUNCIL BY AMENDING, MODIFYING AND RE-ENACTING SECTION 7 REGARDING THE FILING OF ORDINANCES AND RESOLUTIONS; AGENDA.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HUNTINGTON, CABELL AND WAYNE COUNTIES, WEST VIRGINIA, that Section 7 of the Rules for the Transaction of Business by the Huntington City Council is hereby **AMENDED, MODIFIED and RE-ENACTED** to read as follows:

.....

SECTION 7 - FILING OF ORDINANCES AND RESOLUTIONS; AGENDA

A. All ordinances and resolutions shall be adopted in conformity with the provisions of general law, and shall be submitted to the City Clerk prior to 4:30 p.m. on Wednesday before the meeting at which time the ordinance or resolution may be submitted for its first or only reading, as may be required by general law.

B. All items submitted to the City Clerk as described in Paragraph A above shall be reviewed by the Chairperson for the items inclusion on the Agenda. The Chairperson shall establish the Agenda for the upcoming Council Meeting no later than 12:00 p.m. the Thursday before the meeting at which time the ordinance or resolution may be submitted for its first or only reading, as may be required by general law and make the final determination as to the items which will appear on the same. Provided That; any item which has been requested, in writing, by ~~at least four (4) Council Members~~ any Council member shall be placed on the Agenda with or without the consent of the Chairperson.

C. Notwithstanding Paragraph B, all items set for second reading on the upcoming Council Agenda may not be deleted from the same by the Chairperson.

D. Any item which does not appear on the Agenda for which it has been submitted shall be deemed withdrawn and shall be required to be re-submitted as described in Paragraph A above for consideration and inclusion upon the next Council Agenda.

.....

BE IT FURTHER RESOLVED, that all other articles and provisions of the Rules for the Transaction of Business by the Huntington City Council shall remain in full force and effect until the further action of this Council.

SPONSORED BY: COUNCILMAN CHUCK POLAN

APPROVED AS TO FORM BY: JLH

ACTION TAKEN BY COUNCIL: Motion by Councilman Kent to change the last sentence, under Section 7, B to read "by any Council member" instead of "by at least four (4) Council Members"; seocnded by Councilman Ellis.(10 yeas; 0 nays; 1 absent - Cline) ADOPTED AS AMENDED (10 yeas; 0 nays; 1 absent - Cline)

DATE: 11-23-98

Ann C. Shaye

ANN C. SHAYE, CITY CLERK

DATE: 11-23-98

JEAN DEAN, MAYOR

APPROVE

DATE:

VETO

In accordance with Section 2.7 of the Charter I shall not take action upon this Resolution.

Jean Dean
Mayor
11-25-98

Mayor Dean chose not to sign this resolution; therefore, it became operative on December 7, 1998 at 12:00 p.m., noon.

Ann C. Shaye

Ann C. Shaye, City Clerk

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Jean Dean, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Mayor - City of Huntington to the best of my skill and judgment."

Signed Jean Dean

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ANN C. SHAYE
1953 UNDERWOOD AVE.
HUNTINGTON, WV 25701
My Commission Expires August 25, 2003

Ann C. Shaye
NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Ann C. Shaye, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of City Clerk - City of Huntington, WV to the best of my skill and judgment."

Signed Ann C. Shaye

Taken, subscribed and sworn to before me this 16th day of October, 1991.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 24th day of January 1995

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Robert Bailey, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Bob Bailey

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

Dan C. Sharpe
NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came A. F. Bobersky, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed A F Bobersky

Taken, subscribed and sworn to before me this 30th day of ~~July~~ June, 1997.

C. C. Shaye

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Philip E. Cline, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Philip E. Cline

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came B. W. Ellis, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed B. W. Ellis

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Frances Jackson, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Frances Jackson

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Calvin "Cal" Kent, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Calvin "Cal" Kent

Taken, subscribed and sworn to before me this 30th day of ~~July~~ June, 1997.

C. Sloane

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Renee Maass, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Renee C. Maass

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Mary Neely, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Mary L. Neely

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Larry D. Patterson, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Larry D. Patterson

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

Jean C. Shaye
NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Chuck Polan, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Chuck Polan

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Jim Ritter, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of Councilmember -City of Huntington to the best of my skill and judgment."

Signed Jim Ritter

Taken, subscribed and sworn to before me this 23rd day of June, 1997.

NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

The term of office will begin on July 1, 1997. See attachment.

STATE OF WEST VIRGINIA

COUNTY OF CABELL

Came Mary L. Neely, who being by the undersigned authority first duly sworn upon oath says the "I solemnly swear (or affirm) that I will support the Constitution of the United States of America, and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, Ordinances, Resolutions, Regulations and Rules of the City of Huntington, and will faithfully discharge the duties of City Councilmember for the City of Huntington to the best of my skill and judgment, so help me God."

Signed Mary L. Neely

Taken, subscribed and sworn to before me this 2 day of Dec, 1999.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ANN C. SHAYE
1953 UNDERWOOD AVE.
HUNTINGTON, WV 25701
My Commission Expires August 25, 2006

Ann C. Shaye
NOTARY PUBLIC,
CABELL COUNTY, WV

My Commission expires the 25th day of August 2006

CITY OF HUNTINGTON
WEST VIRGINIA

OFFICE OF THE CITY ATTORNEY
City Hall, P.O Box 1659, Zip 2571
Phone (304) 696-448

Memorandum

To: Ann Shaye, City Clerk

CC: Councilman Larry Patterson
Mayor Jean Dean

From: Jendonnae L. Houdyschell
Acting City Attorney

Date: June 17, 1997

Subject: Legal Opinion on Swearing In of Council Members

Please be advised that West Virginia Code §8-5-8 states as follows:

§8-5-8. Oath of Office.

"Every person elected or appointed to an office in any municipality shall unless otherwise provided in the charter thereof, within twenty days after his election or appointment and before he shall enter upon the duties of his office, take and subscribe to the oath of office prescribed for district officer, which may be done before any person authorized by law to administer oaths, or before the mayor or recorded of such municipality. The oath, together with the certificate of the officer administering the same, shall be filed, recorded and preserved in the office of the recorder of the municipality, and a certified copy of such oath and certificate shall be filed and recorded in the office of the clerk of the county court [county commission] of the county in which the municipality or the major portion of the territory thereof is located.".

Clearly, the Code requires that the oath be taken within twenty (20) days after his election and before he shall enter into the duties of his office. Under the Code section and based upon he case of Daughtery v. Town of Mabscott, 131 W.Va. 500, 48 S.E.2d 342 (1948) and State ex rel. Morrison v. Freeland, 139 W.Va. 327, 81 S.E.2d 685 (1954), the elected officers are required to have taken their oath of office by July 2, 1997 and before they are to take office. Clearly, it is the intent of the statute that at any time during that twenty (20) day period after the election results, the person may be sworn in and take their oath of office. Obviously, their office would not begin to run until July 1, but since all of this must be done prior to their taking office, the only way it could be facilitated is to have a swearing in prior to July 1, 1997.

JLH:tlr

SECRETARY-OF-STATE 13:304-558-0900 JUN 17 '97 10:07 No.008 P

PART V. OATH OF OFFICE; TERMS OF OFFICE; FILLING VACANCIES.

§ 8-5-8. Oath of office.

Every person elected or appointed to an office in any municipality shall, unless otherwise provided in the charter thereof, within twenty days after his election or appointment and before he shall enter upon the duties of his office, take and subscribe to the oath of office prescribed for district officers, which may be done before any person authorized by law to administer oaths, or before the mayor or recorder of such municipality. The oath, together with the certificate of the officer administering the same, shall be filed, recorded and preserved in the office of the recorder of the municipality, and a certified copy of such oath and certificate shall be filed and recorded in the office of the clerk of the county court [county commission] of the county in which the municipality or the major portion of the territory thereof is located. (Code 1868, c. 47, § 18; 1882, c. 92, § 18; Code 1923, c. 47, § 18; 1969, c. 86.)

Editor's notes. — The bracketed words were inserted by the editor. See W. Va. Const., art. IX, § 9.

Oath an essential requirement. — The taking of the requisite oath, after a person has been appointed or has been declared to have been elected to a public office, is the essential requirement to his qualification for the office. Hertzog v. Fox, 141 W. Va. 849, 93 S.E.2d 239 (1956).

But filing thereof is merely incidental to qualification. — The requirement that a person file the oath in the manner provided by this section is merely incidental to his qualification. Hertzog v. Fox, 141 W. Va. 849, 93 S.E.2d 239 (1956).

And failure to file oath and certificate does not deprive one of office. — Under this section a person elected to a municipal office qualifies for such office when he takes and subscribes the oath of office within twenty days after his election has been ascertained and declared; and his failure to file such oath and the certificate of the person administering it in the office of the recorder of the municipality, and to file a certified copy of such oath and certificate within twenty days after his election has been ascertained and declared, does not deprive him of his right to, or create a vacancy in, such office. Hertzog v. Fox, 141 W. Va. 849, 93 S.E.2d 239 (1956).

When twenty-day period commences running. — Under the provisions of this section, a municipal officer is to be regarded as "elected" when returns of the election have been duly canvassed to that effect and the result declared by order of the body authorized by law to do so, and not before, and the twenty-day period within which officer must take oath of office commences running at such time. Daugherty v. Town of Mabscott, 131 W. Va. 500, 48 S.E.2d 342 (1948); State ex rel. Morrison v. Froeland, 139 W. Va. 327, 81 S.E.2d 886 (1954).

Failure to take oath within twenty days. — The provision in this section, respecting the time within which a person elected or appointed to a municipal office shall take and subscribe the oath of office, is only directory, and although the taking and subscribing of such oath must be accomplished before a person may assume the duties of the office to which he was duly elected or appointed, failure to take and subscribe the oath within the twenty-day period prescribed by this section will not, in itself, be sufficient to cause a forfeiture of that office. 46 Op. Att'y Gen. 233 (1955).

§ 8-5-9. Terms of office.

Except as otherwise provided in the charter of any municipality, the terms of all officers elected after the first election in municipalities holding biennial elections shall commence on the first day of July following their election and shall be for two years, and in municipalities holding quadrennial elections the terms of all elected officers shall commence on the first day of July following their election and shall be for four years.

ARTICLE 169
Sanitary Board

169.01 Creation; members.
169.02 Sewerage collection system supervision; expenditures; revenue bonds.
169.03 Rules and regulations.
169.04 Compensation; Secretary and Treasurer.

CROSS REFERENCES
Composition of Board - see W. Va. Code 16-13-18
Publication of financial statement - see W. Va. Code 16-13-18a
Powers and duties - see W. Va. Code 16-13-3 et seq.

169.01 CREATION; MEMBERS.

There is hereby created a Sanitary Board to consist of three members. The Mayor is hereby designated as a member of the Board, and the Mayor shall select the two other members of the Board subject to approval by Council. The persons so selected and the terms of their respective offices and all other matters relating thereto shall be in accordance with the provisions of State law. (Ord. 3-11-35)

169.02 SEWERAGE COLLECTION SYSTEM SUPERVISION; EXPENDITURES; REVENUE BONDS.

The custody, administration, operation and maintenance of any sewerage collection system or other works that may be constructed or required under the provisions of law and of this article shall be under the supervision and control of the Sanitary Board. All necessary preliminary expense actually incurred by the Board in the making of surveys, estimates of costs and revenues, employment of engineers, attorneys or other employees, the giving of notices, taking of options, and all other expense of whatsoever nature necessary to be paid prior to the issue and delivery of the revenue bonds, shall be paid out of the General Fund of the City not otherwise appropriated, in the manner provided in West Virginia Code 16-13-4; provided, however, that the funds of the City from which such payments are made shall be fully reimbursed and repaid by the Board out of the first proceeds of the sale of revenue bonds. (Ord. 3-11-35)

169.03 RULES AND REGULATIONS.

The further regulation and control of the Sanitary Board, except in so far as the Board is given authority by law to organize itself and establish its own by-laws, rules and regulations, is hereby reserved and may be set forth from time to time by Council by proper ordinance, within the terms of State law. (Ord. 3-11-35)

169.04 COMPENSATION; SECRETARY AND TREASURER.

Until the further order of Council the members of the Sanitary Board shall serve without compensation. The Board is hereby directed to select a Secretary and Treasurer pursuant to West Virginia Code 16-13-18. The bond of the Treasurer is hereby fixed at five thousand dollars ($5,000). Such bond shall be given by a recognized surety company, and the cost of the premium thereof shall be paid by the Board as part of its expenses.
(Ord. 3-11-35)

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of The City of Huntington (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 $3,000,000, for the purpose of financing certain 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 September 7, 2000.

THE CITY OF HUNTINGTON
SANITARY BOARD

By: _____
Chairman

09/05/00
435500/00001

THE CITY OF HUNTINGTON

AN ORDINANCE SETTING FORTH SEWER RATES, DISCONNECTION CHARGE, RECONNECTION CHARGE AND LATE PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON

THE COUNCIL OF THE CITY OF HUNTINGTON HEREBY ORDAINS:

SECTION 1. SCHEDULE OF RATES, CHARGES AND PENALTY

933.24 SERVICE CHARGE.

There is hereby levied and assessed against all persons, firms or corporations having any active connection with the publicly owned sewage treatment plant of the City of Huntington (the "POTW") or otherwise discharging sewage, industrial wastes, water or other liquids either directly or indirectly into such POTW or any part thereof, a service charge payable as hereinafter provided and in the amount hereinafter provided.

The service charge for any person, firm or corporation situated within or outside the corporate limits of the City of Huntington having any connection with the City's POTW and discharging sewage, industrial wastes, water or other liquids into such POTW, shall be based upon the quantity of water used on or in the premises as the same is measured by the West Virginia American Water Company meter or meters there in use. The following schedule of sewer rates, disconnection charge, reconnection charge and late payment penalty are hereby fixed and determined as the sewer rates, disconnection charge, reconnection charge and late payment penalty available for general domestic, commercial and industrial service and shall be charged per quarter year or monthly at the following rates.

INITIAL RATES AND CHARGES:

RATES:

For the first 300 cubic feet or less per month
or 900 cubic feet or less per quarter.....$2.49 per 100 cu. ft.
For the next 19,700 cubic feet per month
or 59,100 cubic feet per quarter
or any part thereof.....$1.71 per 100 cu. ft.
For the next 980,000 cubic feet per month
or 2,940,000 cubic feet per quarter
or any part thereof.....$1.30 per 100 cu. ft.
For the next 1,000,000 cubic feet per month
or 3,000,000 cubic feet per quarter
or any part thereof.....$ .88 per 100 cu. ft.

MINIMUM CHARGES:
Per month: $2.00
Per quarter: $6.00

DISCONNECTION CHARGES:
The disconnection charge shall be $20.00.

RECONNECTION CHARGES:
The reconnection charge shall be $20.00

INTERMEDIATE RATES AND CHARGES:

RATES:

For the first 300 cubic feet or less per month
or 900 cubic feet or less per quarter.....$2.69 per 100 cu. ft.
For the next 19,700 cubic feet per month
or 59,100 cubic feet per quarter
or any part thereof.....$1.85 per 100 cu. ft.
For the next 980,000 cubic feet per month
or 2,940,000 cubic feet per quarter
or any part thereof.....$1.40 per 100 cu. ft.
For the next 1,000,000 cubic feet per month
or 3,000,000 cubic feet per quarter
or any part thereof.....$ .95 per 100 cu. ft.

MINIMUM CHARGES:
Per month: $2.00
Per quarter: $6.00

DISCONNECTION CHARGES:
The disconnection charge shall be $20.00.

RECONNECTION CHARGES:
The reconnection charge shall be $20.00

FINAL RATES AND CHARGES:

RATES:

For the first 300 cubic feet or less per month
or 900 cubic feet or less per quarter.....$2.89 per 100 cu. ft.
For the next 19,700 cubic feet per month
or 59,100 cubic feet per quarter
or any part thereof.....$1.99 per 100 cu. ft.
For the next 980,000 cubic feet per month
or 2,940,000 cubic feet per quarter
or any part thereof.....$1.51 per 100 cu. ft.
For the next 1,000,000 cubic feet per month
or 3,000,000 cubic feet per quarter
or any part thereof.....$1.02 per 100 cu. ft.

MINIMUM CHARGES:
Per month: $2.00
Per quarter: $6.00

DISCONNECTION CHARGES:
The disconnection charge shall be $20.00.

RECONNECTION CHARGES:
The reconnection charge shall be $20.00

Notwithstanding the foregoing, in the event that the City of Huntington Sanitary Board shall utilize the services of the West Virginia American Water Company for the billing and collecting of sewage service charges, surcharges and fees, and in the further event that the West Virginia American Water Company shall institute and provide for a customer optional monthly budget payment plan, then and in such event the sewage service charges and surcharges herein provided may likewise be billed by the West Virginia American Water Company on such optional monthly budget payment plan.

933.25 LATE PAYMENT PENALTY AND DISCONNECT FOR NON-PAYMENT

The above tariff is net. On all accounts not paid in full within 30 days of the date of bill, 10% will be added to the net amount shown. This late payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

If any bill is not paid with 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 Initial Rates and Charges and late payment penalty provided herein shall be effective 45 days after the enactment hereof; the Intermediate Rates and Charges shall be effective one year after the enactment hereof; and the Final Rates and Charges shall be effective two years 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 the West Virginia Public Service Commission or any court of competent jurisdiction, such clause, provision or section shall be deemed void and 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 Herald Dispatch, a qualified newspaper published and of general circulation in the City of Huntington, and said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council at the City Hall, Huntington, West Virginia, on the 26th day of October, 1998, at 7:30 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, Huntington, West Virginia.

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 26th day of October, 1998.

Dated: October 26, 1998.

{SEAL}

Ann C. Shaye, City Clerk

SPONSORED BY Councilman A. F. Bobersky

APPROVED AS TO FORM _____

FIRST READING Tabled on 3-9-98 (6 yeas; 4 nays - Bobersky, Kent, Maass, Neely; 1 absent - Cline) Removed from table on 9-28-98- motion to change the date, under Section 4 from the 23rd to the 12th & from March to October; change 3-9-87 to 9-28-98; delete "and adopted" from the phrase "and adopted on the first reading."

SECOND READING 10-12-98: POSTPONED until October 26, 1998. ADOPTED (7 yeas; 4 nays - Bailey, Ellis, Jackson, Ritter)

DATE October 26, 1998

Ann C. Shaye

ANN C. SHAYE, CITY CLERK

DATE October 27, 1998

Jean Dean

JEAN DEAN, MAYOR

✓ APPROVE

_____ VETO

DATE 10-27-98

981465alj122198.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 21, 1998

CASE NO. 98-1465-S-MA

CITY OF HUNTINGTON,
a municipal corporation.
Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with West Virginia Code §24-2-4b.

RECOMMENDED DECISION

On October 26, 1998, the City of Huntington (Utility) adopted an ordinance which established new rates and charges for sewer service to become effective on and after December 10, 1998.

On November 25, 1998, Gil Vanderkraats filed a petition with the Commission alleging that the Utility's rate structure was discriminatory.

On December 4, 1998, Staff filed an Internal Memorandum recommending suspension of the Utility's rate increase and referral to the Division of Administrative Law Judges for review pursuant to W.Va. Code §24-2-4b(c)(2)and (3).

On December 4, 1998, the Commission suspended the Utility's rates and referred the matter to the Division of Administrative Law Judges. The Commission established a Staff Report due date of February 2, 1999, and a decision due date of March 8, 1999.

On December 8, 1998, Staff served Mr. Vanderkraats with its first set of interrogatories.

On December 8, 1998, the Commission issued a Corrective Order which modified the Administrative Law Judge's decision due date to March 12, 1999.

On December 8, 1998, the Utility moved to dismiss the proceeding. The Utility indicated that, according to its records, Mr. Vanderkraats was not a customer of record and, therefore, had no standing to invoke the Commission's jurisdiction. The Utility attached an affidavit from Mr. Robert E. Trocin, the Executive Director of the Utility's Sanitary Board. Mr. Trocin indicated that he had reviewed the Sanitary Board's

records, which do not reflect a Gilbert Vanderkraats as a customer of record.

On December 11, 1998, the Utility requested that the Referral Order be rescinded.

On December 18, 1998, Mr. Vanderkraats responded to the Staff interrogatories. Mr. Vanderkraats indicated that he was not a customer of record of the Utility. He indicated that he currently uses a septic system to dispose of his sewage. He has no account number and has never received a monthly statement from the Utility.

DISCUSSION

W.Va. Code §24-2-4b explicitly indicates that only a "customer" of the Utility may petition the Commission to review a rate ordinance. The Commission's rules precisely define the term customer to be applied in the situation. (See Procedural Rule for Commission Review of Electric Cooperatives, Telephone Cooperatives and Municipal Rate Changes, pursuant to W.Va. Code §24-2-4b. Rule 2.2.b.) The Commission's Rules define a customer as a "customer of record with the Utility". The definition specifically states that the definition of a customer "cannot be broadened to include all residents of a municipality or those who may be ultimate consumers of a product". Rule 2.2.b.1. It is clear from Mr. Vanderkraats' own responses to the Staff discovery request that he is not a customer of the Utility. The petition should be dismissed.

FINDINGS OF FACT

1. On November 25, 1998, Gil Vanderkraats filed a petition alleging that the City of Huntington's sewer utility rates were discriminatory. (See Petition filed November 25, 1998).

2. Mr. Vanderkraats is not a customer of the City of Huntington's sewer system. (See Responses to discovery filed by Vanderkraats on December 18, 1998).

CONCLUSION OF LAW

Mr. Vanderkraats' status as a non-customer precludes Mr. Vanderkraats from pursuing review of the Utility's rate structure under W.Va. Code §24-2-4b, and, accordingly, this proceeding should be dismissed.

ORDER

IT IS, THEREFORE, ORDERED that the petition filed by Gil Vanderkraats on November 25, 1998, for review of the City of Huntington's rate ordinance, be, and hereby is, denied and dismissed.

IT IS FURTHER ORDERED that the suspension of the use of Huntington's rate ordinance be, and hereby is, lifted.

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.

K. A. George

Keith A. George
Administrative Law Judge

KAG/pst
981465A.WPD

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the Public Service Commission of West Virginia, in the City of Charleston, on the 27th day of January, 1999.

CASE NO. 98-1465-S-MA

CITY OF HUNTINGTON, a municipal corporation.
Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with W. Va. Code § 24-2-4b.

COMMISSION ORDER

On October 26, 1998, the City of Huntington adopted an ordinance which established new rates and charges for general domestic, commercial and industrial sewer service, to become effective on and after December 10, 1998. On November 25, 1998, Gil Vanderkraats and 33 others petitioned the Commission to review the new rates, pursuant to W. Va. Code § 24-2-4b. Mr. Vanderkraats alleged that the new rates were discriminatory because they were not cost-based. Letter of protest p. 1. The others generally protested the rate increase and asked the Commission to review it, but did not allege discrimination. Petitions p. 1.

On December 4, 1998, the Commission suspended the use of the new rates to allow Staff to investigate. Commission Order p. 2, as amended by Commission Corrective Order p. 1 (Dec. 8, 1998). The Commission referred the case to the Division of Administrative Law Judges. Id.

On December 7, 1998, Commission Staff issued discovery requests to Mr. Vanderkraats to determine whether he lived within the city limits and whether he was a Huntington sewer customer. Staff's 1st Request for Information.

On December 8, 1998, Huntington moved to dismiss the proceeding, alleging that W. Va. Code § 24-2-4b(c)(2) authorizes the Commission to investigate alleged discrimination when the issue is raised by a customer who lives outside the city limits and that Mr. Vanderkraats lives in Huntington. Motion to Dismiss p. 2. Similarly, W. Va. Code § 24-2-4b(c)(3) authorizes the Commission to investigate alleged discrimination when the issue is raised by a customer who lives within the city limits, and that Mr. Vanderkraats, while he lives within the city limits, is not a Huntington sewer service customer. Id. p. 3 & Ex. 1

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of West Virginia
Charleston

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(Robert E. Trocin affidavit). Huntington relied on one of the Commission's rules, which defines customer as "any person . . . who purchases . . . services of any utility" and which expressly excludes potential customers as follows:

> (1) This definition refers to customers of record with the utility and cannot be broadened to include all residents of a municipality or those who may be ultimate consumers of the product.

Rule 2.2(b), Procedural Rules for Commission Review of Electric Cooperatives, Natural Gas Cooperatives and Municipal Rate Change Pursuant to West Virginia Code § 24-2-4b, 150 C.S.R. Series X (hereinafter "Procedural Rules Pursuant to West Virginia Code § 24-2-4b").

On December 18, 1998, Mr. Vanderkraats advised that he does not live within Huntington's city limits and that he is not a Huntington sewer customer. Response to Staff's 1st Request for Information.

On December 21, 1998, the Administrative Law Judge recommended that the proceeding be dismissed because Mr. Vanderkraats was not a customer, and W. Va. Code § 24-2-4b prevents a non-customer from seeking Commission review of a municipal rate ordinance.[1] Rec. Dec. p. 2. Thus, the ALJ lifted the suspension of the use of Huntington's rate ordinance. Id. The ALJ provided 15 days to file exceptions to the Recommended Decision. Id. p. 3.

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[1] The petitions from the other customers had been misfiled and were not part of the case file when the ALJ considered Huntington's Motion to Dismiss. Thus, the ALJ's Recommended Decision is silent as to the remaining petitioners.

Also, on December 21, 1998, Staff advised that W. Va. Code § 24-2-4b(c)(1) permits the Commission to review a rate ordinance if more than 25 percent of a municipal utility's customers file a petition. Staff's Response to Motion to Dismiss p. 3. Huntington serves 22,392 customers. Id. Thus, to invoke the Commission's review, petitions from 5,598 customers are required. Id. Assuming that all of the 33 petitioners are customers of Huntington, the number of petitioners falls far short of triggering Commission jurisdiction, Staff said. Id. Staff also supported Huntington's position regarding Mr. Vanderkraats' ability to petition for Commission review. Id. pp. 4-6. Staff's memo was filed the same day as, but after, the Recommended Decision was issued, so the ALJ order is silent as to Staff's position.

Similarly, on December 21, 1998, but after the Recommended Decision was issued, Huntington advised that Mr. Vanderkraats' response to Staff's information request established that he was not a customer. Huntington's letter p. 1. Thus, the Commission should find that jurisdiction was improvidently invoked and the matter should be dismissed. Id.

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On January 6, 1999, Hazel Parker advised that large-volume users and low-volume users may not be treated equally under Huntington's new ordinance. Ms. Parker's letter p. 1. Ms. Parker was not one of the 33 petitioners.

Also on January 6, 1999, Mr. Vanderkraats objected to the Recommended Decision. He said that negotiations were pending for his connection to the sewer system, so this case should not be dismissed. Motion to Reconsider p. 1. Furthermore, the terms of Huntington's Sewer Revenue Bonds required mandatory connections, so anyone who lived at 547 N. Inwood Drive was a bona fide customer, whether serviced now or at a later date. Id. & attachment.

On January 8, 1999, Huntington said Mr. Vanderkraats' opposition to the Recommended Decision was filed too late. Letter p. 1. Specifically, the 15-day exception period expired on January 5, and Mr. Vanderkraats' motion was not filed until January 6, 1999. Id. Should the Commission choose to consider Mr. Vanderkraats' motion, Huntington advised that it supported the Recommended Decision. Id.

DISCUSSION

Taking procedural matters first, Rule 12.4 of the Commission's Rules of Practice and Procedure permits parties to participate in Commission proceedings, including the introduction of evidence or the presentation of legal argument. Ms. Parker was not one of the 33 petitioners. It was only after the Recommended Decision was issued that she first filed a document in this case. Under these facts, the Commission finds that she is not a party and she is not able to participate in this proceeding. Therefore, in accordance with Procedural Rule 12.4, the Commission shall not consider Ms. Parker's filing.

Next, W. Va. Code § 24-1-9(e) explains the effect of filing exceptions, 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.

The Recommended Decision was issued on December 21, 1998, and the parties were given 15 days to except. Rec. Dec. p. 3. Huntington correctly states that the 15-day period expired on January 5. Therefore, Mr. Vanderkraats' exceptions, filed January 6, are untimely. Since the Commission did not stay the Recommended Decision, the

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Charleston

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Recommended Decision has become the Commission's order.

However, under Rule 19 of the Commission's Rules of Practice and Procedure, applications for reconsideration may be made. We shall treat Mr. Vanderkraats' exceptions as a petition to reconsider in this instance because Mr. Vanderkraats is not represented by counsel and his exceptions were filed only one day after the deadline. The Commission reminds Mr. Vanderkraats that the Commission's time frames set forth the deadlines to file a document with the Commission, not to mail it. In other words, the Commission must receive the document by the deadline date. We caution that the Commission's exercise of discretion in his favor in this case is not to be construed as a promise of similar treatment if Mr. Vanderkraats misses other deadlines in Commission proceedings.

Moving to substantive matters, W. Va. Code § 24-2-4b(c), enacted March 10, 1979, and amended July 1, 1981, removed Commission jurisdiction over rate changes by municipally operated public utilities, except upon the filing of a petition within thirty (30) days of the municipality's adoption of the ordinance by:

> (1) any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or
>
> (2) any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries if said petition is accompanied by evidence of discrimination; or
>
> (3) any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customers or group of customers and other customers of the municipal utility, if said petition is accompanied by evidence of discrimination . . .

As a matter of law, the Commission cannot act unless one of these tests is met.

We agree with Staff that the petitioners, except for Mr. Vanderkraats, generally protested the rate change and did not allege discrimination. Therefore, subsection (1) applies. If enough customers petition for review, then the Commission has jurisdiction. If not, then the Commission is not able to review in the rate change. In this case, Huntington serves 22,392 customers, and twenty-five percent of 22,392 is 5,598. Only 33 people petitioned the Commission in this case. Thus, even if all of the petitioners are Huntington

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customers, not enough petitions have been filed to result in Commission jurisdiction pursuant to W. Va. Code § 24-2-4b(c)(1).

Mr. Vanderkraats alleged discrimination, so it is possible that the Commission could review Huntington's rate ordinance under subsection (2) or subsection (3). Under subsection (2) "any customer . . . who resides outside the corporate limits and who is affected by the change in said rates and charges" may petition for Commission review. Under subsection (3), "any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries" may petition for Commission review. We agree with Staff, Huntington and the ALJ that Mr. Vanderkraats is not a customer of the Huntington Sanitary Board. Therefore, Mr. Vanderkraats' petition is not sufficient to trigger the Commission's jurisdiction under W. Va. Code § 24-2-4b(c)(2) or (3).

W. Va. Code § 24-2-4b significantly reduced the Commission's ability to review rate changes by municipal utilities. The Legislature laid out the limited circumstances which would trigger Commission review. In doing so, when a municipal customer alleged discrimination, the Legislature required that the customer be affected by the rate change. To be affected by the rate change requires that one be a customer now, not in the future. It is only speculative whether Huntington's new ordinance will affect Mr. Vanderkraats if and when he becomes a customer. By that time, Huntington may have changed its sewer rates one or more times by other ordinances. If such speculation were permitted, the Commission's jurisdiction would be far broader than the Legislature intended. The "who is affected by" language makes clear that the Legislature did not intend to give the Commission such a free reign.

In accord with the statute, Rule 2.2(b) of the Commission's Procedural Rules Pursuant to West Virginia Code § 24-2-4b defines customer as "any person . . . who purchases . . . services of any utility" and expressly excludes all residents of a municipality or those who may be ultimate consumers of the product. Huntington, Staff and the ALJ are correct to rely upon it.

Mr. Vanderkraats presents an equitable argument that he should be considered a customer because a sewer extension is planned and, when that extension is complete, it will be mandatory that he become a customer. This argument cannot override the statutory language which authorizes the Commission to act only when a customer who is affected by the rate change presents a petition. The statute is clear, and when a statute is clear, we are not able to construe its meaning. In this instance, by using the present tense of the verb, the Legislature granted the Commission the jurisdiction to review a claim of discrimination only when that customer is affected by the rate change. While the Legislature could have specified "is or will be," the Legislature did not. Therefore, Mr. Vanderkraats' petition is not sufficient to trigger the Commission's jurisdiction under W. Va. Code § 24-2-4b(c)(2)

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or (3).

Furthermore, subsection (2) applies only to customers who live outside of the city limits and who are affected by the rate change. Thus, even if he were a customer, we agree with Huntington that since Mr. Vanderkraats lives within Huntington's limits, he could not invoke the Commission's jurisdiction via subsection (2).

In sum, none of the petitions presented is sufficient to trigger the Commission's authority to review Huntington's rate ordinance. We adopt the Recommended Decision, as modified by this order. The ALJ correctly lifted the suspension of the use of the changed rates.

FINDINGS OF FACT

1. Huntington serves 22,392 sewer customers. Staff's Response to Motion to Dismiss p. 3.

2. On October 26, 1998, Huntington adopted an ordinance which established new rates and charges for general domestic, commercial and industrial sewer service, to become effective on and after December 10, 1998.

3. On November 25, 1998, Gil Vanderkraats and 33 others petitioned the Commission to review the new rates, pursuant to W. Va. Code § 24-2-4b. Mr. Vanderkraats alleged that the new rates were discriminatory because they were not cost-based. Letter of protest p. 1. The others generally protested the rate increase and asked the Commission to review it, but did not allege discrimination. Petitions p. 1.

4. Hazel Parker did not file a petition for Commission review on November 25, 1998.

5. On December 4, 1998, the Commission suspended the use of the new rates to allow Staff to investigate. Commission Order p. 2, as amended by Commission Corrective Order p. 1 (Dec. 8, 1998). The Commission referred the case to the Division of Administrative Law Judges. Id.

6. On December 8, 1998, Huntington moved to dismiss the proceeding, pursuant to W. Va. Code § 24-2-4b.

7. Mr. Vanderkraats does not live within Huntington's city limits. Response to Staff's 1st Request for Information.

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JAN 29 99 04:31PM ROBERT S ROECKER

8. Mr. Vanderkraats is not a Huntington sewer customer. Id.

9. On December 21, 1998, the Administrative Law Judge recommended that the proceeding be dismissed because Mr. Vanderkraats was not a customer, and W. Va. Code §.24-2-4b prevents a non-customer from seeking Commission review of a municipal rate ordinance. Rec. Dec. p. 2. Thus, the ALJ lifted the suspension of the use of Huntington's rate ordinance. Id. The ALJ provided 15 days to file exceptions to the Recommended Decision. Id. p. 3.

10. The petitions from the other customers were not part of the case file when the ALJ considered Huntington's Motion to Dismiss.

11. Later on December 21, 1998, after the Recommended Decision was issued, Staff advised that W. Va. Code § 24-2-4b(c)(1) permits the Commission to review a rate ordinance if more than 25 percent of a municipal utility's customers file a petition, but far less than 25 percent of Huntington's customers had petitioned the Commission to review the rate ordinance. Staff's Response to Motion to Dismiss p. 3. Staff also advised that Mr. Vanderkraats did not meet the statutory test to petition for review of a discrimination claim. Id. pp. 4-6.

12. Similarly, on December 21, 1998, but after the Recommended Decision was issued, Huntington asked the Commission to find that jurisdiction was improvidently invoked because Mr. Vanderkraats was not a Huntington customer. Huntington's letter p. 1.

13. On January 6, 1999, Hazel Parker advised that large-volume users and low-volume users may not be treated equally under Huntington's new ordinance. Ms. Parker's letter p. 1.

14. Also on January 6, 1999, Mr. Vanderkraats objected to the Recommended Decision. He said that negotiations were pending for his connection to the sewer system, so this case should not be dismissed. Motion to Reconsider p. 1.

15. On January 8, 1999, Huntington said Mr. Vanderkraats' opposition to the Recommended Decision was filed too late. Letter p. 1. Should the Commission choose to consider Mr. Vanderkraats' motion, Huntington advised that it supported the Recommended Decision. Id.

CONCLUSIONS OF LAW

1. Ms. Parker was not one of the 33 petitioners who filed on November 25, 1998. She first filed a document in this case after the Recommended Decision was issued. Under

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these facts, the Commission finds that she is not a party.

2. Since Ms. Parker is not a party, she is not able to participate in this proceeding, pursuant to Rule 12.4 of the Commission's Rules of Practice and Procedure. Therefore, the Commission shall not consider Ms. Parker's filing.

3. Since the 15-day period to except to the Recommended Decision expired on January 5, Mr. Vanderkraats' exceptions, filed January 6, are untimely.

4. Since the Commission did not stay the Recommended Decision, the Recommended Decision has become the Commission's order, pursuant to W. Va. Code § 24-1-9(e).

5. Pursuant to Rule 19 of the Commission's Rules of Practice and Procedure, the Commission may consider applications for reconsideration of Commission orders. Since Mr. Vanderkraats is not represented by counsel and his exceptions were filed only one day after the deadline, the Commission shall exercise its discretion and treat Mr. Vanderkraats' late-filed exceptions as a petition to reconsider.

6. The Commission may review a general protest to Huntington's rate ordinance, pursuant to W. Va. Code § 24-2-4b(c)(1), only if 25 percent of Huntington's customers petition for review. Huntington serves 22,392 customers, so petitions from 5,598 customers are required. In this case, only 33 petitions were received. Thus, not enough petitions have been filed to result in Commission jurisdiction.

7. Mr. Vanderkraats alleged discrimination, so it is possible that the Commission could review Huntington's rate ordinance under subsection (2) or (3).

8. Under subsections (2) and (3), the Commission can review a municipal rate change when a customer who is affected by the rate change presents a petition alleging discrimination. Mr. Vanderkraats is not a customer of the Huntington Sanitary Board, so the Commission does not have jurisdiction via subsections (2) and (3).

9. Subsection (2) applies only to customers who live outside of the city limits and who are affected by the change by the rate change. Even if Mr. Vanderkraats was a Huntington customer, since he lives within Huntington's limits, the Commission does not have jurisdiction via subsection (2).

10. W. Va. Code § 24-2-4b significantly reduced the Commission's ability to review rate changes by municipal utilities. The Legislature laid out the limited circumstances which would trigger Commission review. The statute is clear and not subject to

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interpretation. Therefore, Mr. Vanderkraats' equitable argument -- that he someday will be a customer -- is not permitted by statute and should be rejected.

11. In sum, none of the petitions presented is sufficient to trigger the Commission's authority to review Huntington's rate ordinance.

12. The Commission should adopt the Recommended Decision, as modified by this order.

ORDER

IT IS THEREFORE ORDERED that the Recommended Decision is adopted, as modified by this order. The suspension of the use of Huntington's revised sewer rates and charges is lifted. Huntington may charge the revised rates for all sewer service rendered on or after December 10, 1998.

IT IS FURTHER ORDERED that Mr. Vanderkraats' petition to reconsider is denied.

IT IS FURTHER ORDERED that this proceeding be removed from the Commission's docket of active cases.

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

CLW/lfg
981465c.wpd

A True Copy, Teste:

Sandra Squire
Executive Secretary

by given
that on the 13th day of
October, 1998 at the
hour of 7:30 p.m., or as
soon thereafter as the
matter can be heard,
the Council of the City
of Huntington, West Vir-
ginia, at the Council
Chamber in the City
Hall in Huntington, West
Virginia, proposes to
finally vote on the adop-
tion of an ordinance, the
subject matter of which
is as follows:
AN ORDINANCE SET-
TING FORTH SEWER
RATES, DISCONNEC-
TION CHARGE, RE-
CONNECTION
CHARGE ANDN LATE
PAYMENT PENALTY
FOR SERVICE TO
CUSTOMERS OF THE
SEWERAGE SYSTEM
OF THE CITY OF
HUNTINGTON.
Dated this 29th day of
September, 1998.
ANN C. SHAYE
City Clerk
LH-1606 10-2,9,98

AFFIDAVIT OF PUBLICATION

WEST VIRGINIA,

OF CABELL, TO-WIT:

Webb being first duly sworn, depose and say that I an
for The Herald-Dispatch, a corporation, who publishes at Huntington, Cabell County, Wes
newspaper: The Herald-Dispatch, an independent newspaper, in the morning seven days eacl
ay through Sunday including New Year's Day, Memorial Day, the Fourth of July, Labor Day
and Christmas; that I have been duly authorized by the Board of Directors of such corporatio
is affidavit of publication for and on behalf of such corporation and the newspaper mentione
he legal advertisement attached in the left margin of this affidavit and made a part hereof an
ber LH-1606 was duly published in

Dispatch

one time, once a week for 2 successive weeks, commencing with its issue of the 2nd day o
Oct, 19 98, and ending with the issue of the 9th day of Oct, 19 98, an
was posted at the EAST DOOR OF THE CABELL COUNTY COURTHOUSE
on the 2nd day of Oct, 19 98: that said lega
advertisement was published on the following dates:
October 2, 9, 1998
; that the cost o
publishing said annexed advertisement as aforesaid was $38.29; that such newspaper in which such
legal advertisement was published has been and is now published regularly, at least as frequently as once a
week for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so
published in the municipality of Huntington, Cabell County, West Virginia, for at least one year immediately
preceding the date on which the legal advertisement set forth herein was delivered to such newspaper for
publication; that such newspaper is a newspaper of "general circulation" as defined in Article 3, Chapter 59,
of the West Virginia Code, within the publication area or areas of the municipality of Huntington, Cabell and
Wayne Counties, West Virginia, and
;
that such newspaper is circulated to the general public at a definite price or consideration, that such
newspaper on each date published consists of not less that four pages without a cover; and that it is a
newspaper to which the general public resorts for passing events of a political, religious, commercial and
social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements
and other notices.

Diana Webb

Taken, subscribed and sworn to before me in my said county this 9th day of Oct, 19
98.

commission expires 1-24-2000

Ruth Adkins

OFFICIAL SEAL
Notary Public, State of West Virginia
RUTH A. ADKINS
Rt. 1 Box 70-A
West Hamlin, WV 25571

Notary Public
Cabell County

24

A Regular Meeting of Huntington City Council was held on the 9th day of March, 1998, at 7:30 p.m., in City Hall Council Chambers with Chairperson Larry D. Patterson, presiding.

INVOCATION AND PLEDGE

INVOCATION AND PLEDGE

The Invocation was given by Council Chairperson Larry D. Patterson.

The Pledge of Allegiance to the Flag was led by Councilman Bo Bobersky.

ROLL CALL

ROLL CALL

The following Members of Council were present for this Meeting:

Larry D. Patterson, Chairperson
Bob Bailey
A. F. Bobersky
Burlen W. Ellis
Frances Jackson
Calvin Kent
Renee Maass
Mary Neely
Charles Polan
James Ritter

Absent was: Philip Cline

Also present were: Mayor Jean Dean
Mrs. Jendonnae Houdyschell, City Attorney
Mrs. Ann C. Shaye, City Clerk

SYNOPSIS

SYNOPSIS

Motion by Councilmember Neely, seconded by Councilman Kent, to approve the Synopsis, as submitted. Motion carried unanimously.

REPORTS OF THE MAYOR

REPORTS OF THE MAYOR

Mayor Dean distributed a written report concerning events that have taken place with respect to the slippage concerns, resulting from clear-cutting acreage purchased by a church, close to Sunset Drive and S. Altamont Road. She noted that the residents in that area had spoken with the pastor of the church and it is anticipated that the church will be making every effort to be a good neighbor.

Continuing, Mayor Dean distributed the financial statement for the month ending January 31, 1998 of the Huntington Sanitary Board.

Mayor Dean explained she had just received a report from the Division of Environmental Protection that she wished to share with City Council. It was a copy of a report that was submitted to the U.S. Environmental Protection Agency with regard to the waste water treatment plant. There were no deficiences noted during the inspection. It was actually a letter of commendation as to the operation of the plant. Pointing out that the report was highly technical Mayor Dean noted two paragraphs were of great importance:

Permit

1. The permittee (the Sanitary Board) is currently under Order to repair the Guyandotte force main, to install telemetry systems on all of the lift stations and to upgrade the chlorination facilities at the waste water treatment plant.

Compliance Schedules

2. The permittee is also currently under Order to upgrade the disinfection system, to install telemetry at the lift stations and to repair the Guyandotte force main. The Office of Water Resources has granted some time extensions and as such the facility still has time to accomplish these tasks. Failure to meet the deadlines should be met with strong enforcement actions(s) by the Department of Environment Protection.

Mayor Dean advised she had no other reports.

2ND READ ORD RE: NTRACT FOR AUDITING VICES TO THE CITY.

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO PROVIDE AUDITING SERVICES TO THE CITY OF HUNTINGTON, AS REQUIRED BY THE WEST VIRGINIA DEPARTMENT OF TAX AND REVENUE.

Motion by Councilman Kent, seconded by Councilman Ellis, to adopt this Ordinance. No vote taken at this time.

Mayor Dean explained that the firm of Sullivan, Ware & Hall in Huntington submitted the low bid in the amount of $13,200 to complete the audit for the City (for the period from July 1, 1996 through June 30, 1997). The firm is on the list of auditors that has been prequalified by the state. There were three other proposal submitted.

2ND READ ORD RE: CONTRACT FOR AUDITING SERVICES TO THE CITY - CONT.

Motion to adopt this Ordinance carried ten (10) yeas; zero (0) nays; one (1) absent - Cline.

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 191.06 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, BY AMENDING, MODIFYING AND RE-ENACTING SECTION 191.06 (B) REGARDING COMPENSATION FOR ATTORNEYS FOR SERVICE IN MUNICIPAL COURT.

2ND READ ORD RE: COMPENSATION FOR ATTORI FOR SERVICE IN MUNICIP/ COURT

Motion by Councilmember Neely, seconded by Councilman Bailey, to adopt this Ordinance. No vote taken at this time.

Mayor Dean advised this was proposed by the City Attorney. On occasion the City is obligated to provide attorneys to represent individuals in municipal court. In the past some attorneys have been slow in submitting their invoices. The purpose of the ordinance is to establish a time in which the attorneys must submit their invoices for payment.

Motion to adopt this Ordinance carried ten (1) yeas; zero (0) nays; one (1) absent - Cline.

First Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1960, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF BY ZONING TO B-1 LOCAL BUSINESS FROM R-5 MULTI-FAMILY RESIDENTIAL, PROPERTY LOCATED AT 724 AND 726 NINTH AVENUE AND 822-826 SEVENTH STREET, TAX MAP 44, PARCELS 87-89, 91-92 AND PART OF 90.

1ST READ ORD RE: AMEND ZONING ORDINANCE PROPERTY LOCATED AT 724 & 726 9TH AVE & 822-826 7TH ST.

Mayor Dean advised that this item was before the Planning Commission last Monday and was unanimously approved. The property is the vicinity of the new bank under construction at the corner of Ninth Avenue and Eighth Street.

THIS ORDINANCE WAS ADVERTISED.

First Reading of an Ordinance re: AN ORDINANCE VACATING, CLOSING AND ABANDONING A CERTAIN ALLEY OR RIGHT-OF-WAY BETWEEN THE EASTERLY END OF 31ST STREET AND THE WESTERLY END OF 30TH STREET, IN BLOCK 284, GIDEON DISTRICT, IN THE CITY OF HUNTINGTON, CABELL COUNTY, WEST VIRGINIA BEING A STRIP OF LAND APPROXIMATELY 10 FEET IN WIDTH AND 140 FEET IN LENGTH.

1ST READ ORD RE: ABANDONING AN ALLEY BET. 31st ST & 30TH ST.

Mayor Dean stated that this refers to a 10 foot alley that runs east/west behind the Beard Mortuary. It was before the Planning Commission and has been recommended for adoption. She deferred to the Planning Director, Mr. Richard Dixon for any questions.

Councilmember Maass asked Mr. Dixon why this action had been requested.

Mr. Richard Dixon, Planning Director, explained that the alley runs through the parking lot. The cars are driving at such speeds that there have been some "near-misses" with their patrons and employees.

Mrs. Maass asked if the mortuary owns the property on either side of the alley.

Mr. Dixon replied that they do own the property.

Mrs. Maass asked if this were an unusual situation or if there had ever been a similar occurrence.

Mr. Dixon said that normally alleys are not closed that are used by the general public.

Mrs. Maass asked if there had been any objections by surrounding neighbors.

Mr. Dixon said that there had been objections by neighbors who felt the alley provides them with easy access to 30th Street, rather than having to drive to 31st Street which is heavily traveled.

Mrs. Maass asked if Beard's had an alternative plan should Council not vote to close the alley.

Mr. Dixon said that Beard's will have to fence off their parking lot if the alley isn't abandoned.

Councilman Kent said he had driven to the area and believed that if the alley were closed off the city would be merely trading one safety problem for an even larger safety problem. It will force people to loop all the way around or drive onto 31st Street which is one of the busiest intersections in the City, especially at the rush hour.

Councilman Ellis said that 31st Street, between 3rd Avenue and Merrill Avenue, was turned into one-way traffic which means people have to drive three blocks out of their way in order to get back to 4th Avenue. With reference to the alley it has turned into a "road" rather than an alley. To him, it would remove a safety hazard rather than create another. The alley is too narrow for cars to pass; this forces the cars to drive onto the parking lots.

1ST READ ORD RE: ABANDONING AN ALLEY BET. 31ST ST. & 30TH ST. CONT.

Councilman Polan asked if it would be possible for the Police Department to provide data as to how many accidents have occurred in the alley over the past few years.

The Chair commented that he, too, felt there should be some sort of a study conducted to see if closing the alley would be the best solution to the problem.

Mr. Barry Ransbottom, 209 W. 11th Avenue, explained that he is an employee of Beard Mortuary. The problem occurs when traffic backs up at the 31st Street bridge; people then drive down the alley to avoid the light. They travel at high rates of speed and it has created a dangerous situation. The alley is too narrow for cars to pass; they swerve into the parking lots and there are people going to their cars after visiting in the funeral home. He could see no reason not to close the alley.

THIS ORDINANCE WAS ADVERTISED.

1ST READ ORD RE: SETTING FORTH SEWER RATES

First Reading of an Ordinance re: AN ORDINANCE SETTING FORTH SEWER RATES, DISCONNECTION CHARGE, RECONNECTION CHARGE AND LATE PAYMENT PENALTY FOR SERVICE TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON.

Mayor Dean said that this rate increase has been discussed for sometime; this ordinance will break the increase down into three portions which should help the citizens in paying the fees. The first portion of the increase would occur upon its passage and approval; the second portion would occur one year from then; the third portion would occur two years from the date of adoption. At the end of two years it will almost be the same amount as had been proposed previously. There would be a 4 cents difference. She deferred to Councilman Bobersky, sponsor of the ordinance and Mr. Bob Trocin, executive director of the Sanitary Board.

Councilman Bobersky explained that he had been out of the city when the rate proposal had gone before Council previously. He was disappointed that Council had not addressed the financial concerns of the Sanitary Board and he was concerned about the amount of the increase. After reviewing the issue he concluded it would be less of an impact on the general public if it were done in three steps. He reminded everyone that the city has not had a rate increase since 1984. Most people, who work, have had pay increases since then, property owners have raised their rental fees and utility companies have raised their rates. The sewer rates have remained the same. From 1990 to 1996 the board's operating expenses have increased over 15%; the operating revenue has decreased 2.5%. One of the reasons rates were not increased is that new customers were being added; this is no longer happening. There have been questions about where the money "has gone." He pointed out some of the projects the board had undertaken -- 40th Street, Inwood/Shockey, Stanley Road, the high school, The Woodlands, Seneca Woods, Pleasant Valley and Bostic Road. He estimated the cost of these projects to be at least 5 million dollars. The City has been ordered to do certain projects, the Guyandotte force main at 2.1 million; the chlorination system at 2.8 million; the SCADA system at 2.7 million; the Orchard Avenue sewer at 1 million; Four Pole at $250,000 and the Harveytown upgrade at 3 million dollars. He believed a rate increase to be inevitable. The manner in which this would be structured would cause the first 300 cubic feet to go from $1.75 to $2.49. He noted that his average use is 430 cubic feet of water which will mean that his fee will go from $6.69 to $8.10. He also found his highest bill which had occurred during the summer; he had used 660 cubic feet. The rate will go from $9.57 to $16.43. In the following year there will be an 8% increase on top of that and the next year a 7.4% increase. He read from "City of Huntington, West Virginia Schedule of Findings and Questioned costs for the fiscal year ended June 30, 1995.

Insufficient Rates - Sewerage System

CONDITION:

It was determined that during an examination of the City services that the rates the City of Huntington charges for sewage service are not sufficient to pay all expenses of the system. As reflected in the statement of revenues, expenses and changes in the retained earnings of the proprietary funds, the Sewerage Fund incurred a net loss of $791,841 all during the fiscal year ending June 30, 1995. This is a repeat finding.

CRITERIA:

West Virginia Code 16-13-16 states in part that:

That such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair, replacements and maintenance of the works and for the payment of sums herein required to be paid into the sinking fund.

EFFECT:

Failure on the part of the City of Huntington to adhere to the West Virginia State Code 16-13-16 caused this deficiency.

RECOMMENDATION:

The officials of the City of Huntington are directed to review this statute and comply with the provisions set forth.

RESPONSE:

1ST READ ORD RE: SETTING FORTH SEWER RATES - CONT.

> In order to maintain essential sewerage services without placing an added burden upon users the Huntington Sanitary Board has been utilizing accumulated reserve funds from prior years to cover expenses which are in excess of current year revenues. The City is aware that this condition exists and realizes that it will have to address the question of a rate increase as reserve balances reduce."

Continuing, Mr. Bobersky said that during the time he was running for City Council he had visited people who live on Arlington Boulevard. They had told him that their children had played in raw sewage, after a hard rain. To get these problems corrected there will have to be sewer rate increase. If any Council member decides to vote against this then they should have an alternative plan to salvage the Sanitary Board and the City of Huntington.

Councilman Ritter asked if this were the same as the ordinance that had been before Council previously.

Councilman Bobersky answered that it was not since it is a step increase. He noted his increase would only be $1.40.

Mr. Ritter said that he could afford the raise, but not all citizens can. He believed he heard the Mayor say the amount was basically the same as had been in the former ordinance. He believed this was a way to push a rate increase through. The monies that will be spent are public monies, not Council's money. There needs to be a final resolution with reference to the investigation, audit being conducted by the Public Service Commission before citizens are charged a 62% increase in their sewer rates, which is what the other ordinances was asking.

Chairman Patterson asked the City Attorney for her opinion as to whether or not this ordinance is simply a "rehashing" of the other ordinance.

The City Attorney, Jendonnac Houdyschell, stated that she believed this is substantially different since there are three different tiers. The rates are not identical.

Councilmember Maass asked the Chair if she could ask Mr. Trocin a few questions.

Councilman Ritter asked if he did not still have the floor.

In response, the Chair advised he did.

> Motion by Councilman Ritter, seconded by Councilmember Jackson, to table this Ordinance. Motion carried six (6) yeas; four (4) nays - Bobersky, Kent, Maass, Neely; one (1) absent - Cline.

Before moving forward on the agenda, Mayor Dean asked to make a statement. She pointed out that both new members of the Sanitary Board supported the Ordinance and that both were Council's appointees. She felt it most unfortunate that a rate increase would not be considered until sometime in the future. Council has complained for a long time about the manner in which the board has been run. Now that the new members are Council appointees it still does not appear that the majority of Council is willing to give the board the money that it needs to meet the demands being made upon it and the mandates upon which the board is under. The continual disregard for the sewer rate increase will impact the City at some point and she believed, further, it would be very costly to the Sanitary Board.

Chairman Patterson said he wished to comment also. His problem, he stated, was the fact that the same items that the City has been mandated to do were mandated long before the Inwood/Shockey project came along. At that time there was no attempt to deal with the Guyandotte force main. He knew there had been attempts to get a telemetry system, adding that he had voted for this twice. The concern, to him, would not be "where we are at this particular point, but where we've been so that we know where we're going."

Councilmember Neely said that she had received a telephone call from Mr. Webb, one of the Sanitary Board members, advising her that he was in favor of the Ordinance at this time.

Councilman Polan asked if water and sewer projects could be a permissible use for Community Development Block Grant funds.

Mayor Dean advised these monies could only be used in designated areas. The Bostic Road and 40th Street project were done with CDBG funds, but the majority of the projects that need to be done could not make use of these monies. The Orchard Avenue project may qualify; however, it is not one of the mandated projects.

Councilman Ellis asked if the Guyandotte force main could not be paid for by CDBG funds and if the telemetry system could not come out of thedistrict, which would cut down on the cost.

Mayor Dean answered that one of the main reasons these projects would not qualify is that they are maintenance items, such as the collapse of the force main. Community Development Block Grant funds cannot be used, purely, for maintenance.

RESOLUTION RE: LEASE AGREEMENT WITH CENTRAL CITY MARKET

Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH CENTRAL CITY MARKET CORPORATION.

Motion by Councilman Bailey, seconded by Councilmember Neely, to adopt this Resolution. No vote taken at this time.

Mayor Dean said the Farmers Market will be completed this summer. In order to have the necessary agreements in place for the administration of the market the City is proposing to enter into an agreement with the Central City Market Corporation.

THIS RESOLUTION WAS ADVERTISED.

GOOD AND WELFARE

GOOD AND WELFARE

Councilman Polan asked Mayor Dean for an up-to-date report on the status of the Stanard Building with reference to the plans for it housing the Police Department.

In response Mayor Dean stated that the Huntington Municipal Development Authority met with the architect on February 27 to review the situation with the bids since they had come in higher than anticipated. The various options were discussed. Those options were (1. to negotiate with the low bidders and endeavor to arrive at a figure within the budgeted amount, (2. to negotiate with the one lowest bidder (the two low bidders were very close, $81,000 apart), (3. to negotiate with all the current bidders, (4. or reject all bids and readvertise after the architect has reworked the project. The latter option is the one that was chosen by the Authority. The architect is currently reworking the project, removing certain items that would not adversely affect the project. Examples of that would be that the fourth and fifth floors, which will remain empty until a tenant is located, would not even be roughed in; the elevator that goes to those two floors would not be installed at the present time. The plans should be completed by the end of this month. It will be readvertised and rebid.

Councilman Polan said there had been discussions previously with the architect who said that he could design the project so that it would come in under the budgeted amount. He questioned how it came in so far over the budget.

Mayor Dean said she believed it was merely a case of getting carried away with the amount of space existing in the building. Sometimes when there is a lot of space, the thought is to use all of it. It is not unusual for a project to come in over budget. Nor is it unusual for a project to be reworked in order to get it under budget.

Mr. Polan asked if the Mayor thought the Stanard Building should still be the focus rather then to go back to the more fundamental question of location.

In response, Mayor Dean said she believed that to be somewhat premature since it is not costing anything to have the plans reworked.

Mr. Polan said he had read in the newspaper that something had occurred with regard to the old Huntington High School building and he wondered if the Mayor would bring him up-to-date on that.

Mayor Dean said the two-phase report that was funded by the City and the Cabell County Commission has been completed.

Having this feasibility study it is now possible to move forward with the different entities who wish to be a part of it. The study outlines the steps to be taken, what the cost may be and how each entity will function. The report is somewhat voluminous; however, she advised any member of Council was welcome to borrow it.

Mr. Polan said he had been assured that it was not the intention of the City to subsidize the project. He asked if that were still the case.

Mayor Dean said it was not the City's intention to subsidize it in the sense of ongoing maintenance or administrative costs. However, it has been suggested that possibly some Community Development Block Grant funds may be used in order to help the project move forward.

Mr. Polan asked if anyone else has committed funds to the project.

Mayor Dean answered that on one had other than the city and the county, i.e., in paying for the study. The Board of Education still retains ownership of the building and has continued to maintain the utilities.

Councilman Kent asked the Mayor to convey his thanks and admiration to the Fire Department for the job they did when the house at the corner of Washington Boulevard and Spring Drive caught on fire this past Wednesday. The words used to describe the actions of the department were gallant, heroic and courageous.

Mayor Dean said she would be happy to and suggested that he might put his thoughts in writing so that it could be circulated in the Fire Department.

Mr. Sean Walters, Route 1, 1166 Box A, Wayne, WV asked if something could be done to get more curb cuts for the handicapped in Huntington.

Mayor Dean said the City would continue to see that this does take place in the City; however, it cannot all be done at once. It is an ongoing project.

GOOD AND WELFARE - CONT

Councilman Ellis asked if the utility companies, working around the corners of sidewalks, were not required to put in curb cuts upon completion.

Mayor Dean said she was not sure if they were required or if they have been doing it to help the handicapped.

Mr. Ellis asked if that could be looked into and an ordinance prepared if it is not mandatory for the companies.

Mr. Sean Walters said a bill had been passed in the Legislature and questioned why the City has not taken advantage of this.

Mayor Dean asked if he were referring to volunteers to fine cars that are illegally parked in handicapped spaces.

Mr. Walters said that is what he meant.

Mayor Dean said she would not support it here; she believed the Police Department enforces the parking in handicapped spaces quite stringently. She felt the volunteer program could be very dangerous for the volunteers and anyone involved in it.

Councilman Bailey asked if this were not referring to private property, such as Krogers, etc.

Mayor Dean said the bill was to allow the volunteers to take photographs of any illegally parked cars, whether on private property or on public streets.

Councilman Ritter asked if the Police Department is allowed to go onto private property with reference to handicapped spaces.

The response from some of the members of Council was that they can.

Councilman Polan asked the Mayor what the policy is with respect to the Police Department going onto private property.

Mayor Dean said she did not know; however, she would ask the Police Chief.

Mr. Leo Mulvey, Adams Landing Apartments, said he agreed with Mr. Walters and was upset that the Mayor would not allow Huntington to take part in the volunteer program.

Mr. John Brumfield, 1830 Jefferson Avenue, said he could not understand why the City would not initiate the program that had been passed in the Legislature. In Columbia, South Carolina this was put into practice and there have been no problems. It reduced the number of those parking illegally in the handicapped parking spaces from 900 to 19 during the first year. He did not feel it would cause any confrontational problems.

Mayor Dean said she was not sure why she had been singled out for criticism. She had merely made a statement to a few in her administration that she could not support it if it were passed.

Hearing no other business to come before this Council, the meeting was adjourned.

LARRY D. PATTERSON, CHAIRPERSON

ANN C. SHAYE, CITY CLERK

A Regular Meeting of Huntington City Council was held on the 28th day of September, 1998, at 7:30 p.m., in City Hall Council Chambers with Chairperson Larry D. Patterson, presiding.

INVOCATION AND PLEDGE

INVOCATION AND PLEDGE

The Invocation was given by Councilman Calvin Kent.

The Pledge of Allegiance to the Flag was led by Councilman Bob Bailey.

ROLL CALL

ROLL CALL

The following Members of Council were present for this Meeting:

Larry D. Patterson, Chairperson
Bob Bailey
A. F. Bobersky
Philip Cline
Burlen W. Ellis
Frances Jackson
Calvin Kent
Renee Haass
Mary Neely
Chuck Polan
James Ritter

Also present were: Mayor Jean Dean
Mrs. Jendonnae Houdyschell, City Attorney
Mrs. Ann C. Shaye, City Clerk

SYNOPSIS

SYNOPSIS

Motion by Councilmember Ellis, seconded by Councilmember Neely, to approve the synopsis. Motion carried unanimously.

REPORTS OF THE MAYOR

REPORTS OF THE MAYOR

Mayor Dean distributed the September 1, 1998, Sanitary Board minutes. She also announced that on Friday, October 2, at 7:00 p.m. in the Radisson Hotel, the City of Huntington Foundation will induct into the Greater Huntington Wall of Fame four new honorees. She hoped many would attend the ceremony since this is a fund-raising event for the City of Huntington Foundation. She recalled some of the activities of the Foundation, e.g., the renovation of the Council Chambers, the lobby in City Hall, the auditorium and the Mayor's suite of offices, etc.

2ND READ ORD RE: AUTHORIZING CONTRACT FOR DEMOLITION SERVICES

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT FOR DEMOLITION SERVICES TO BE PERFORMED ON CERTAIN PROPERTY LOCATED WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF HUNTINGTON.

Motion by Councilman Ellis, seconded by Councilman Kent, to adopt this ordinance. No vote was taken at this time.

Mayor Dean explained this would serve to award three contracts for demolition of various properties. The first contract would be awarded to KAR Construction of Logsage, WV, in the amount of $21,230; the second one would be awarded to R. L. Fannin Trucking, Inc. in the amount of $25,900 and the final one would be awarded to Scarberry & Son Demolition in the amount of $5,360.

Mr. David Roach, 725 5th Avenue, Guyandotte, asked if the city would see that sewer taps are marked when the demolition has been completed.

Mayor Dean deferred to the public works director, Mr. George McClennen.

Mr. McClennen stated the location of the sewer taps is on file in City Hall.

Motion to adopt this Ordinance carried eleven (11) yeas; zero (0) nays.

2ND READ ORD RE: AUTHORIZING CONTRACT FOR PAVING OF CERTAIN STREETS AND ALLEYS

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR, MATERIALS AND EQUIPMENT TO PAVE CERTAIN STREETS AND ALLEYS WITHIN THE CITY OF HUNTINGTON.

Motion by Councilmember Neely seconded by Councilman Bobersky, to adopt this Ordinance. No vote was taken at this time.

Mayor Dean explained that the low bidder for the city's annual street paving project is West Virginia Paving, Inc., of Dunbar, WV. The unit price, at this point, totals $298, 227.21. She noted council had been supplied with the list of streets, adding that there will be a few more to be added. These will be funded with Community Development Block Grant funds.

The Chair asked for ...

Responding, Councilman Ritter said "I was looking at the list, hoping that the area in Cabell County that I represent will get some streets, with Community Block Grant money, because they didn't get any in the list I was given. Westmoreland got one section of street paving on Piedmont Road and that's all they got. Maybe the Mayor and I don't get along, I don't know, but the people down in Westmoreland supported you heavily. And they got a little section of Piedmont Road."

2ND READ ORD RE: AUTHORIZING CONTRACT FOR PAVING OF CERTAIN STREETS AND ALLEYS - CONT.

Responding, Mayor Dean said "Well, Mr Ritter, I certainly appreciate the support from the voters in Westmoreland; I can assure you that the allocation of money to street resurfacing was not based upon that criteria. However, each list of streets submitted by members of Council was taken into account, and I think that the memorandum given to you on Friday explains exactly how we go about determining which streets are put on the list. It would make me very happy if I could provide that every Council member's street request be fully granted and everyone else who askes that a street be resurfaced. But that simply isn't possible; we are doing the best we can with the small amount of money that we have each year."

Mr. Ritter asked if this would be put in the paper.

Answering his question, Mayor Dean said she had no idea what would be put in the paper.

Mr. Ritter said he wondered so that people would know what is going on.

Mayor Dean advised that those people could have a copy of the list.

Councilman Bobersky said his section of town, the southeast hills, had only one street as well.

Councilman Cline reported that he received his request, one street.

Councilmember Neely thanked Mayor Dean for having included Westview Avenue and Napier Street since she had received a number of calls about the condition of these streets.

Mr. Tom McCallister, 336 W. 5th Avenue, said he noticed District 2 received two streets. He pointed out the area between Washington Avenue and Adams Avenue, where an automotive store, a drug store and a food store are located, has a street (W. 5th Street) next to it that is in terrible condition. He hoped it would be given consideration since the companies pay the city many dollars in fees.

Mr. John Brumfield, 1830 Jefferson Avenue, asked if there were any provisions for curb cuts when the roads are resurfaced.

Mayor Dean stated that during a meeting with Mr. Brumfield he had explained he believed that when resurfacing takes place curbs should be made handicapped accessible and, when necessary, replaced. An access program has been initiated and the city will be working out from the downtown section of the city. There is no provision in the contract for curb cuts, etc. She noted she did not share his interpretation of the current ADA law as it applies to street resurfacing. She believed the ADA requires that the city make a good effort in order to make the streets handicapped accessible; however, she did not feel it required that it be made handicapped accessible at the same time street resurfacing is done.

Mr. Brumfield responded by indicating he felt Council would be in violation of federal law should it adopt this ordinance. He quoted from Title II, section 35.151 of the Americans with Disabilities Act: "It requires that all newly constructed or altered streets, roads or highways must contain curb ramps or other sloped areas at any intersection having curbs or other barriers through entry from the street level pedestrian walkway."

Councilman Polan asked if Mr. Brumfield had made any specific requests to the Mayor or had he asked for the changes to be made when streets are resurfaced.

Mr. Brumfield said he had asked this be done when streets are resurfaced.

Mr. Polan asked if the city attorney would provide a legal opinion.

The City Attorney, Jendonnae Houdyschell, advised the Mayor had asked her to research the issue. Hopefully, she would have a response very soon.

Councilman Cline said he believed what Mr. Brumfield read was referring to new streets; therefore, he felt Council could legally take action.

Mr. Brumfield said he had mentioned newly constructed streets; however, it also included "altered" streets which would be resurfacing.

Chairman Patterson asked when this work would be started and completed.

Mayor Dean advised the streets would not be finished until sometime in the spring and the work would begin within 30 days after the award of the contract.

- Motion to adopt this Ordinance carried eight (8) yeas; three (3) nays - Bailey, Patterson, Ritter.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 190 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, BY AMENDING, MODIFYING AND RE-ENACTING SECTION 190.02 REGARDING ATTENDANCE REQUIREMENTS.

1ST READ ORD RE: AMENDING ARTICLE 190 OF THE CITY CODE REGARDING ATTENDANCE REQUIREMENTS

1ST READ ORD RE: AMENDING ARTICLE 190 OF THE CITY CODE REGARDING ATTENDANCE REQUIREMENTS - CONT.

Chairman Patterson asked the sponsor, Councilman Polan, to explain the ordinance.

Councilman Polan stated that it occurred to him there should be an attendance requirement for the various boards and commissions. He felt it would be beneficial to the organizations. Currently the attendance is poor for some of the entities, to the point that some agencies have trouble attaining a quorum. This ordinance would provide that the appointees would have to attend a minimum of 50% of the meetings. Further, the boards and commissions would have to report to Council annually on the attendance for the preceding year.

Councilman Cline pointed out that in the City Charter, Section 14.17, it states the attendance requirement for boards, agencies, commissions shall be 40%. Based on that he believed if Council were to adopt the ordinance it would be in violation of the City Charter.

Councilman Bobersky asked who would be in charge of policing this, and why this has not been done.

Mayor Dean advised she felt it would be up to each board and commission.

Chairman Patterson said if there were any violations, the governing body would have to address the matter.

Mayor Dean commented that originally Mr. Polan had the figure of 40% in the ordinance and after talking with him she had asked that he change it to 50%, since 40% is very difficult in terms of computation.

Chairman Patterson advised that question would have to be answered before the next meeting.

> Motion by Councilman Kent, seconded by Councilman Polan, to amend as follows: on the second line of paragraph a, between the words "Huntington" and "appointed" insert the words "who has been" and on the third line between the words "member" and "appointed" insert the word "was" for the word "is."

Tom McCallister, 336 W. 5th Avenue, referring to the Charter, said it would be up to the Mayor to "police" the attendance records of the boards and commissions. He noted the Charter states 40%; therefore, it could not be changed to 50%.

> The motion to amend carried ten (10) yeas; one (1) nay - Cline.

THIS ORDINANCE WAS ADVERTISED.

1ST READ ORD RE: AMEND ZONING ORDINANCE BY ZONING TO B-1 FROM R-4 PROPERTY LOCATED ON THE SW CORNER OF ADAMS AVENUE AND 9TH STREET, WEST

First Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1960, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO B-1 LOCAL BUSINESS FROM R-4 TWO-FAMILY RESIDENTIAL PROPERTY LOCATED ON THE SOUTHWEST CORNER OF ADAMS AVENUE AND 9TH STREET, WEST, PARCELS 365-367 TAX MAP 27.

Mayor Dean explained that this issue had been before the Planning Commission and the petitioner, Mr. John Garton, was present for any questions.

Mr. John Garton, 233 11th Avenue, stated he would like to have the property rezoned in order to locate his insurance agency on the corner of 9th Street, West and Adams Avenue.

Councilman Bobersky asked to see a drawing of the proposed facility.

Mr. Garton responded by passing one around to Council members.

Councilman Ritter asked if anyone had spoken at the commission's meeting with reference to this being "spot zoning."

Councilman Bailey said there is a pest control business across the street, a carpet company and also a factory in that immediate area. He felt this would be a great improvement.

Councilman Kent said he believed Council had been told this would be in compliance with the Comprehensive Plan.

THIS ORDINANCE WAS ADVERTISED.

1ST READ ORD RE: AUTHORIZING CONTRACT FOR REPLACEMENT SANITARY MANHOLE FOR HUNTINGTON INDUSTRIAL PARK

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING MAYOR JEAN DEAN, CHAIRMAN OF THE HUNTINGTON SANITARY BOARD, TO ENTER INTO A CONTRACT TO PROVIDE A REPLACEMENT SANITARY MANHOLE FOR THE HUNTINGTON INDUSTRIAL PARK.

Mayor Dean stated that the recommendation would be to award the contract, in the amount of $68,900, to Famco, Inc. of Huntington, WV. This will be a reimbursable item from the Huntington Industrial Center.

THIS ORDINANCE WAS ADVERTISED.

Motion made by Councilman Bobersky, seconded by Councilman Kent, to remove from the table the ordinance setting the sewer rates, disconnection charges, late payment penalty for services to customers of the sewerage system of the City of Huntington.

The motion carried eight (8) yeas; three (3) nays - Jackson, Ritter, Bailey.

ON THE TABLE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON

First Reading of an Ordinance re: AN ORDINANCE SETTING FORTH SEWER RATES, DISCONNECTION CHARGE, RECONNECTION CHARGE AND LATE PAYMENT PENALTY FOR SERVICES TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON.

OFF THE TABLE FOR 1ST READING: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON

The sponsor, Councilman Bobersky, explained this would be an incremental rate increase. For the first year it would increase the rates 42%. There would be an additional increase in the next two years for a total increase of 65%. The initial rate charges were given to Council in cubic feet. For the first 300 cubic feet or less, per month, or 900 cubic feet or less per quarter there would be a 74 cents and a 38 cents increase. He felt a good analogy would be to compare it with the cost of a "cheeseburger, fries and a medium Coke." The rates would conform to the water usage.

Mayor Dean advised that the Sanitary Board, for some time, has needed a rate increase in order to not only maintain the operations at the wastewater treatment plant but to also accomplish three large mandated projects. There is no money to do this. The board has not had an increase in the last 14 years. The city has the lowest rate in the entire state of West Virginia. She noted that both a board member and the executive director were present for questions.

Mr. Bob Trocin, Executive Director, 103 Whitaker Boulevard, said the need for the increase is vital at this point. In addition to the mandated projects there are other numerous projects and contracts, some of which have resulted from the action of City Council. One agreement has been to work with developers of subdivisions, etc., with reference to providing materials for the sewer system in order to have the properties annexed into the city. This is a very expensive proposition. Most other municipalities in West Virginia have had rate increases, some very recently. Effective January, 1999, the board will have no money. When people cannot be helped when their sewers are not working, when dig-downs cannot be accomplished, etc., the entire city will suffer.

Councilmember Neely commented that the sewer system is over 100 years old, it continues to deteriorate and few municipalities can say they can function without an increase. The safety of the public has to be considered.

Councilman Kent referring to the spread sheet distributed, asked Mr. Trocin about capital expenditures, specifically the number of items that would not be accomplished this year if there is no increase.

Mr. Trocin answered that none of the projects could be done.

Councilman Kent asked how much of the rate increase would be allocated for the existing system and how much would be allocated for capital improvements.

Mr. Trocin explained that capital expenditures are listed, beginning in 1999 of $5,852,332. This is offset by some loans to take care of these expenditures. The remaining funds will be used for operations.

Dr. Kent asked if the mandated projects were not done would the city be in violation of state and/or federal law.

In response, Mr. Trocin said the city would be in violation of both stae and federal law.

Dr. Kent said it seemed there would need to be approximately $504,000 per year for debt repayment. The rest of the money that will come from the increase, will in the first year amount to approximately $1,800,000. It will escalate each year after that by approximately $500,000. The rest of the money will be used for projects and maintenance of the system.

Mr. Trocin confirmed that to be the case.

Dr. Kent said he understood there was no backup on many essential services, equipment.

Mr. Trocin said the problem at the plant occurs when major equipment is installed. An effort is made to have at least one backup for every motor, pump, etc., and hopefully two. At this time there is only one backup in every situation. Should this one "go" the plant would have to be closed down.

Dr. Kent said this would mean there is no margin for safety since there has not been sufficient revenue for the redundant equipment needed. Continuing, he noted he had received a letter from the bond counsel which indicated the city is in technical violation of bond covenants. He asked Mr. Trocin to explain that.

Mr. Trocin said if further financing were to be needed by the City of Huntington the reviewing agency would rate down the city because of that.

Dr. Kent said he believed it had been stated, in the last three audits, that the city was in violation of state law having not raised the sewer rate fees. Was that the case?

Mr. Trocin stated that it was the case.

1ST READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON CONT.

Continuing, Dr. Kent said it appeared to him that even with the rate increase that by the year 2002 the board will be back in a deficit position. This would only provide funds for three years

Mr. Trocin replied that this would be the case, only if there were no major catastrophes, such as West 7th Street which cost the board $250,000

Dr. Kent said it was his understanding that there are no monies to take care of "non-critical" matters. For example, one of his constituents has a cave-in, due to the sewer system, in her back yard. This has not been repaired because there is no leakage and because there is no money. Additionally, this would be the case in many more cases throughout the city.

Mr. Trocin said that was true.

Councilmember Maass asked if there would be layoffs if the rate increase did not go through.

Mr. Trocin advised that there would be, and no later than January 1, 1999.

Mrs. Maass asked how many people the board employs and what impact this might have.

Mr. Trocin explained there were 64 and the impact would be significant.

Councilman Bobersky, referring to WV State Code, 16-13-16, asked what the penalty would be to the city for being in violation of that law.

Mr. Trocin did not know, but he felt there could be legal action.

Mr. Bobersky asked if the Public Service Commission could, conceivably, take over the operation of the Sanitary Board facilities.

Mr. Trocin said that was a good possibility.

Mr. Bobersky felt, at that point, the rates would increase measurably.

Chairman Patterson said that would be very speculative; he felt the primary concern should be addressed at this time.

Councilman Polan asked under what authority the PSC could take over the operation of the Sanitary Board.

Mr. Trocin said the PSC has never said it would do that; however, it was indicated that it does have the authority with public service districts and therefore, the assumption was made that it would also be true for municipalities.

Mr. Polan asked Mr. Trocin to provide him with the appropriate code citation.

Mr. Trocin answered that he would.

Councilman Ritter asked if any work had been done in-house on any of the mandated projects.

Mr. Trocin said no work had been done, in-house; however, there are plans to do all three of the projects.

Mr. Ritter asked if the Guyandotte force main had not been mandated in 1994.

Mr. Trocin said that it had been.

Mr. Ritter commented that he had a problem with that, raising the citizens' rates, if that had been mandated in 1994 and still has not been done. There have been problems with the Sanitary Board, as many people know, and he did not think it right to raise rates (65%) for mistakes the board has made. He questioned where "the money" had gone.

In explanation, Mr. Trocin said that if Mr. Ritter would look at the spread sheet he would see the board has been running a deficit all the time. This deficit has been financed out of the reserves; now the reserves are gone.

Mr. Ritter said his concern was that if this went through, how could he be assured the job would be done better.

Councilman Polan said he had read what had been provided, adding that he had a problem understanding the distinction between capital expenditures and maintenance expenditures. He was seeing, on the sheet in front of him, an accumulative net income loss in year 2002. It looked as if that were after both operating expenses and capital expenditures were subtracted from the revenues. He asked if that were a usual and customary accounting treatment for these kinds of expenditures.

Mr. Trocin advised that what he was looking at was a cash flow statement; therefore, it would be different from a profit and loss statement.

Mr. Polan asked if he did not have a board member who is a certified public accountant, and if so could he prepare a projection for the year 2002 based on generally accepted accounting principles. He wondered if this would show the same loss.

Mr. Trocin said it probably would not; but this type of statement must be used in order to explain what is happening with the dollars.

Mr. Polan said that might [illegible]

1ST READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON CONT.

Mr. Trocin agreed that this was somewhat difficult. It had been decided to reflect, properly, all capital expenditures and all maintenance expenditures. What had been done in the past was a little gyration of accounting to make it possible to utilize reserves to do maintenance jobs, that are called capital expenditures. This was necessary in order to keep the flow of things going at a time when there were no adequate rates.

Councilman Ellis said he had seen an inspection report of the wastewater treatment plant which said that the chlorination system was doing a good job and had been approved to the year 2001. Now Council has been told it is not in good condition.

Mr. Trocin said this would be a case of doing a "good job" with what the plant has versus what the federal law states the plant must have in place. The federal law says the current system is not adequate and they will not continue to accept that.

Mr. Ellis said that might be the case; however, there are a number of senior citizens in the city on fixed incomes who cannot afford a big increase in their bill. The increase is too high. These people would like to know where the money has gone that the board had.

Mr. Trocin said the citizens have had a break over the past 14 years ... now something has to be done.

Councilman Kent said he had seen documents that indicated the $10,000,000, that people wonder about, is what has been used in order not to raise rates. The surplus that the board had, has now been spent. He asked Mr. Trocin to bring the documents to the next meeting that will show how the bills were paid over this period of time, using the surplus. If there is no money left, there is simply no other way other than to raise rates to provide the city with the most necessary of all services, sanitary services.

Councilman Cline asked Mr. Trocin if it would be fair to say that the board operated off of the interest earned on the reserve funds. Once the board had to begin using the reserve funds and the interest rates dropped, there was not enough money to cover the operating expenses.

Mr. Trocin advised this to be the case.

Councilman Bailey asked for confirmation of the number of employees, 64, and also the amount of the board's annual payroll.

Mr. Trocin said that 64 was the correct number but he was not sure of the annual payroll; he thought it to be approximately $1,200,000.

Councilman Bobersky said he had been looking at a report which indicated that operating revenues have been flat since 1984 and the operating costs have increased by more than 15%.

Mr. Trocin said that was correct.

Mr. Bobersky said the report also explained there was $10,000,000 in 1991 and it was below $5,800,00 in 1996. The reserve funds fell, the overall assets decreased, and the reserve monies had to be used.

Chairman Patterson said he felt there needed, at this point, to be another direction taken. He suggested Council conducting a work session or two in order to have more in-depth discussions and also to provide a time for the public to discuss the issue, before a vote is taken.

Councilman Cline noted there are some dates that should be corrected.

Mr. Trocin asked that Council amend the ordinance to reflect the correct dates since there is a requirement that a legal ad be published 10 days prior to the final reading.

Councilman Cline made a motion to change the date, under Section 4, from the 23rd to the 12th and from March to October, 1998. Under the Certification and Notice, the March 9, 1998 date should be changed to September 28, 1998. Additionally, it also reads "and adopted on the first reading ..." which should be changed to delete the words "and adopted"; seconded by Councilman Kent.

The motion to amend carried nine (9) yeas; one (1) nay - Ritter; one (1) absent - Bobersky.

Councilman Bailey asked Mayor Dean to provide an answer as to how much the city is paying the WV American Water Company to collect the sewer rate fees. Could this be done in-house? He also asked how many attorneys were on retainer for the Sanitary Board.

Mayor Dean advised there is only one attorney, Mr. Robert M. Levy. However, another attorney has been asked to look at the contractual situation with respect to the Inwood sewer project.

Mr. Bailey asked that Mayor Dean provide the amount of money paid to Mr. Levy since January 1, 1998.

Councilman Kent said he felt there should be another meeting to discuss the issue.

1ST READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

Chairman Patterson asked if this would be what Council would like to do. Hearing no definitive responses, the Chair indicated he felt this would not be the wish of Council.

THIS ORDINANCE WAS ADVERTISED.

CONFIRMATION OF APPT. TO HUNTINGTON HUMAN RELATIONS COMMISSION

Confirmation of Appointment to: HUNTINGTON HUMAN RELATIONS COMMISSION

Motion by Councilman Bailey, seconded by Councilmember Neely, to confirm the appointment of Dr. William J. Radig to a three-year term.

Mayor Dean explained this will be Dr. Radig's first, three year term.

Motion to confirm Dr. William Radig carried eleven (11) yeas; zero (0) nays.

GOOD & WELFARE

GOOD & WELFARE

Councilman Ellis asked the Chair to appoint a committee in order to make a decision as to who is to make appointments to the different boards and commissions. He would like that committee to make a decision, based on its findings, as to which appointments have been in compliance with the State Code and the City Charter and which have not been in compliance. Should there be any that are not in compliance, corrective action should be taken.

Councilman Cline asked if there were not a standing committee that could take care of the issue.

Chairman Patterson advised it would be the legal standing committee, whose members are Councilman Ellis, Bobersky and Kent.

Councilman Bailey asked Mayor Dean to check into a situation regarding repair of a sidewalk located at 2nd Street and 7th Avenue. The Bocooks, who live there, now have their money to take care of their portion.

Mayor Dean said she would take care of the matter.

Councilman Kent explained that one of his constituents, who lives on 14th Avenue, had called him before the meeting to let him know there appears to be a parking lot that has been created between 14th and 17th Avenues. There are no curb cuts, and it is being used as a parking lot. Very large lights have been installed on poles. These lights are shining into the residents' homes and it appears they are on city light poles. Is the city paying for the electric? Can the property be used, legally, as a parking lot?

On another matter, Dr. Kent noted that the new signal light on Hal Greer Boulevard, close to the hospital, is hidden by tree limbs. He hoped the limbs would be removed.

Councilman Polan said that before this evening's meeting, Mr. Harrington had delivered to him a report that he had requested concerning the rental status of Level I Fasteners. He continued as follows: "If I am reading it correctly, Level I Fasteners owes the city almost $120,000 in back rent. And if I am reading it correctly, during the initial five-year lease, in the initial 60-month period, only during four of the 60 months did Level I Fasteners pay their rent. The other 52 months they made no rent payments. As I understand the report, for the current lease - I guess they must now be in the early months of the second five-year term - the rent is supposed to be $8,520 per month and they are actually paying $1,800 per month. I had understood that they were in arrears and were hoping all this would be reconciled, if and when they purchased the building. But I only realized, myself, when I saw this report this evening that during that initial five-year period - I thought that it had only been recently that rent payments were not being made - I was very surprised to see that during the five-year period they never made any rent payments, with the exception of four months in 1994. I would like to know who authorized them to continue occupying city property during the term of that lease without making any regular rent payments. I don't understand how that could happen."

Chairman Patterson asked Mayor Dean if she would address the issue.

Mayor Dean said "I don't have the benefit of the information Mr. Polan apparently has and no I am not prepared to answer it, since I don't have that."

Mr. Polan said "It was given to me by Mr. Harrington at the beginning of the work session."

Mayor Dean said "I don't doubt that, but I don't have it."

Mr. Polan then said "Do you have another copy, Dave?"

Chairman Patterson told Mr. Polan he had an extra copy, if needed.

Mayor Dean said "Obviously, this is not a question I am going to answer off the top of my head; I am not doubting what Mr. Polan is saying nor what this report is saying that has just been handed to me. But I'm not in a position to answer the question. I was not aware of the circumstance that Mr. Polan is referring to."

Mr. Polan said "It is a question that has been discussed, raised and discussed at previous Council meetings, but [illegible]"

GOOD & WELFARE-CONT.

Mayor Dean said "Mr. Polan, what I said was I am not aware of the fact that they have not been paying their rent. And it's obviously something that, without knowing the circumstances and the figures, I am not in a position to answer tonight."

Mr. Polan said "Maybe Mr. Harrington ... if I have mischaracterized his report I would certainly want the record to be corrected. Maybe Mr. Harrington could shed some additional light on the subject."

Chairman Patterson asked Mayor Dean if she had any further remarks or would Mr. Harrington have any comments.

Mr. Polan said again "Well if I have mischaracterized his report I would certainly hope he would speak up because that was not my intention."

Mayor Dean said "Well, I think we all know that this type of particular agreement which was entered into back in 1992 or 1993, has certain provisions within it about employment and improvements to the building, etc. And I personally, without having that agreement in front of me, do not know if that has any effect on the way the rent is paid up and that is why I am not prepared to answer it, Mr. Polan."

Mr. Polan said "Well, maybe Mr. Harrington would."

Chairman Patterson interrupted to say that perhaps in order to get the answer that is deserved the Mayor and Administration should have some time to prepare an answer.

Councilman Ritter remarked that it was given to Council just prior to the meeting. "Why was this given to us if nobody's got an answer?"

Mayor Dean said "Well, had we known the questions were going to be asked we would have had the answers. But we didn't and we don't."

Mr. Polan said "One last point that would certainly be of interest to me is that I would like to know when the Administration first became aware that the rent was delinquent."

Mayor Dean said "Approximately five minutes ago, Mr. Polan."

Chairman Patterson said there would need to be further dialog with the Administration to determine the status, etc. He suggested the City Clerk make notes and forward Mr. Polan's questions to the Mayor.

Councilman Ritter said there had been an ordinance that referred to the attendance of boards and commissions and the percentage of attendance of its members. Should there be an ordinance, as well, to limit the appointment of the same people to boards and commissions?

Chairman Patterson said that he felt the Unite Rally was very successful this past weekend. He was appreciative of all who worked hard to add to its success.

Mr. Tom McCallister, 336 W. 5th Avenue, stated that there was an ordinance that established the Huntington Municipal Development Authority. The ordinance, itself, established that Council makes the appointments. There are four plans of government. Plan Two is the one chosen by the citizens of Huntington. It clearly states that Council is the governing body. The Mayor is the Administrator. He asked if Council had approved, by ordinance, bonds to cover the $4,000,000 project (the Jean Dean Public Safety Building). He did not believe this had been done.

Mr. Paul Dempsey, 1678 14th Avenue, said that the had returned home this evening from having worked all day only to find that at the normal time it usually gets dark, his bedroom was filled with light. He went outside and saw that seven large, quartz halogen lights had been installed on city poles. He believed that Cabell Huntington Hospital had done this to illuminate what, they hope, will become their parking lot. He asked if there were not a city ordinance which provides that any city parking lot, large enough for four or more cars, must be paved with a concrete or asphalted surface. He asked if that exists.

Chairman Patterson confirmed that to be true.

Mr. Dempsey asked if anyone knew that the hospital has been in violation of the ordinance for the entire summer. Hearing no answer, he explained that he had called City Hall on more that one occasion and had been shuttled from one office to another. Continuing, he explained that this past Tuesday he went outside and began counting cars on the "parking lot" -- he stopped at 72. He then called the Inspection Division at City Hall and learned that many people had called. However, apparently the "people" from the hospital had come to City Hall and "that was the end of it." Continuing, he siad someone from the Inspection Division had called his wife and told her that the City Attorney's office should be contacted.

Subsequently, he did this. The City Attorney told him to call the Compliance Office. He asked if the law were going to be obeyed or not.

Chairman Patterson said he certainly hoped so, adding that he knew the hospital was intending to build parking lots in his neighborhood.

Mr. Dempsey said that irrespective of that, the hospital has not covered the ground with concrete nor an asphalt surface. Therefore, it does not meet the requirements to be a parking lot. Talking about the lights, he said they were on the level of

GOOD & WELFARE - CONT.

his bedroom. He had driven around the immediate area to see that all of the other similar lights were shaded, so that the beam would go straight down. This is not the case with the lights installed outside his home. He asked if this could be considered "harassment"? He expected it to be dark when he goes to bed.

Referring to the street paving ordinance, Mr. Dempsey said that 14th Avenue had not recieved a teaspoon of blacktop in the 25 years that he had lived there. Additionally there is an enormous pothole in front of his home. It appeared that 14th Avenue had been abandoned... he was not sure. However, he hoped the city would remember that there are six people who still live there. These residents pay taxes -- the hospital does not.

Mr. Tom McCallister, 336 W. 5th Avenue, said the people in that area are being held hostage. He urged Council to take some action and go to the County Commission to see what can be done to help the citizens.

Mrs. Barbara Dempsey, 1678 14th Avenue, asked if Council members would take the time, after the meeting, to drive to their neighborhood to see spotlights shining all over their homes.

Miss Hazel Parker, 1115 22nd Street, said that she had learned that in March, 1998, it became apparent to Council that part of the utilities of the building, which houses the Police Department and Level I Fasteners, have been paid by the City of Huntington, and recorded as an expense of the Police Department. This has not been paid back. It is planned to be taken care of with an adjusted sale price. This adjustment would not cover the fact that the books were not correct. She hoped Council would consider this.

Hearing no other business to come before Council, the Chairman adjoiurned the meeting at 9:50 p.m.

LARRY D. PATTERSON, CHAIRPERSON

ANN C. SHAYE, CITY CLERK

A Regular Meeting of Huntington City Council was held on the 12th day of October, 1998, at 7:30 p.m., in City Hall Council Chambers with Chairperson Larry D. Patterson, presiding.

CHAIRPERSON'S REMARKS

CHAIRPERSON'S REMARKS

Chairman Patterson explained that Council had received information from the Attorney General's office that no action could be taken on items on the agenda since this was Columbus Day, a state legal holiday. It was the decision of City Council to meet and provide the public with an opportunity to discuss the proposed ordinances, etc. The items will be postponed until the next regularly scheduled meeting.

INVOCATION AND PLEDGE

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The Invocation was given by Councilman Philip Cline.

The Pledge of Allegiance to the Flag was led by Councilman A. F. Bobersky.

ROLL CALL

ROLL CALL

The following Members of Council were present for this Meeting:

Larry D. Patterson, Chairperson
Bob Bailey
A. F. Bobersky
Philip Cline
Burlen W. Ellis
Frances Jackson
Calvin Kent
Renee Maasa
Mary Neely
Chuck Polan
James Ritter

Also present were: Mayor Jean Dean
Mrs. Jendonnae Houdyschell, City Attorney
Mrs. Ann C. Shaye, City Clerk

SYNOPSIS

SYNOPSIS

Motion by Councilman Ritter, seconded by Councilman Ellis, to approve the Synopsis of the last regular meeting, as submitted. Motion carried unanimously.

REPORTS OF THE MAYOR

REPORTS OF THE MAYOR

Mayor Dean distributed the September 17, 1998, Sanitary Board minutes as well as the Financial Statement for the board, period ending June 30, 1998.

Reporting further, Mayor Dean explained that an infrastructure task force had been organized approximately one year ago. She noted Council would be given a copy of its report. The beginning of the report speaks of Huntington as a beautiful city; the goal is to maintain that beauty. One of the qualities contributing to the beauty is the friendliness of the citizens. The report used the analogy of a stool as supporting our city; one leg would represent the people and their friendliness. The second leg would be the fact that Huntington is a safe place in which to live. For further insight, Mayor Dean deferred to Mr. David Fox, chair of the infrastructure task force.

Mr. Fox began by calling attention to the fact a stool could not remain upright without three legs. The third leg of the stool would be comfort. With respect to infrastructure, comfort could certainly be the provision of a toilet rather than an outhouse, indoor running water rather than a well, and paved roads rather than rutted, muddy ones. Past citizens have contributed to the infrastructure of the city. Now, he believed, would be the time for the present citizens to continue the task of maintaining the infrastructure in order for Huntington to remain a beautiful city. He introduced the people who were on the committees and applauded them for their many hours of work toward arriving at the task force's recommendations to the city. Mr. Fox stepped aside while chairpersons of the subcommittees briefly outlined their findings.

Mr. Monty Fulton, sanitary sewers subcommittee, explained that his committee had toured the wastewater treatment plant, had ventured into some of the city's sewers. They reviewed plans which revealed some of the sewers to be well over 100 years old. The committee was made aware of the mandated projects the city must undertake. He called attention to the problem of the sanitary and storm sewers being connected. Without more funds coming into the Sanitary Board none of the mandated projects can be done nor can any improvements be made to the present sewer system. He felt the situation to be critical.

Mr. Doug Morris, bridge subcommittee, explained that the city has 70 bridges within it. The city owns 10 of them. The committee recommended that the Roby Road bridge be

deeded to the state in order for them to replace it; the Beechwood bridge should be replaced and the Madison Avenue and Whitaker Boulevard bridges be renovated. Another recommendation would be to replace or renovate the six remaining bridges. The total cost would be approximately 2.4 million dollars.

REPORTS OF THE MAYOR CONT.

Mr. Joe Rardin, storm sewers and floodwall subcommittee, found that one of the most troubling problems is that of flooding in the city after a hard storm. He pointed out areas that flood, including some of the viaducts. Their recommendation leaned heavily toward the maintenance of the present sewer systems. He explained that various catch basins are full of leaves and have grass growing out of them -- obviously preventing water from draining into and through them. Another recommendation is for the city to divert the storm water into the creeks, rather than into the sanitary sewers. In closing, he pointed out that the city must take measures to at least "get started" with what must be done.

Ms Judy Rule, streets, curbs and sidewalks subcommittee, explained that the members had learned that most citizens are in favor of brick streets rather than asphalted streets. The subcommittee would like a test area established to determine the cost of both the repair of existing brick streets and the surface removal of those that have been asphalted. It was felt the city should budget, annually, 1.5 million dollars for street repair, resurfacing. The public should be made aware that the sidewalks are the responsibility of the property owner.

Mr. Andy Fischer, Finance subcommittee, stated the problems found will not go away overnight; however, they must be addressed and a way to pay for them must be found. The members recommended a rate increase in order to maintain operations and to replace obsolete systems. There has not been a rate increase since 1984. It was also the recommendation of the members to propose an excess levy dedicated to the solving of these problems. A plan must be established for payment of the needed projects, whether it be through a local institution, a state agency, etc. A study should be conducted, in conjunction with the Corps of Engineers, on the issue of storm/sanitary sewer separation.

Mr. Randy Richardson, vice chairperson of the Infrastructure Task Force, called attention to the fact that there is nothing more importantn than taking care of the city's infrastructure. Although it is expensive, it is essential and absolutely critical. He urged Council and the city to earnestly consider this.

Mayor Dean asked the Council members to read, carefully, the report being distributed. It will take many years to correct the problems but a first step has been taken by the task force. She expressed her appreciation to those members who took part in the process. The next step will be to work toward accomplishing the recommendations put forth.

Second Reading of an Ordinance: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 190 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, BY AMENDING, MODIFYING AND RE-ENACTING SECTION 190.02 REGARDING ATTENDANCE REQUIREMENTS.

2ND READ ORD RE: AMENDING ARTICLE 190 (SECTION 190.02) OF THE CITY CODE REGARDING ATTENDANCE REQUIREMENTS

Motion by Councilman Polan, seconded by Councilman Kent, to bring this ordinance to the floor. The motion carried unanimously.

Councilman Polan stated that it has been the view of many members of Council as well as the Mayor to enact an ordinance that follows the dictates of the City Charter which requires a minimum attendance standard for members of municipal boards and commissions. It will require a 40% attendance requirement over the course of a calendar year. It will also provide that each board make an annual report to Council addressing the attendance of their respective members for the prior year.

Motion by Councilman Kent, seconded by Councilman Ellis, to postpone the ordinance until October 26, 1998. The motion carried nine (9) yeas; zero (0) nays; two (2) absent - Bobersky, Maass.

Second Reading of an Ordinance: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1960, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO B-1 LOCAL BUSINESS FROM R-4 TWO-FAMILY RESIDENTIAL PROPERTY LOCATED ON THE SOUTHWEST CORNER OF ADAMS AVENUE AND 9TH STREET, WEST, PARCELS 365-367 TAX MAP 27.

2ND READ ORD RE: AMEND ZONING ORDINANCE BY ZONING TO B-1 FROM R-4 PROPERTY LOCATED ON THE SW CORNER OF ADAMS AVENUE AND 9TH STREET, WEST

Motion by Councilman Bailey, seconded by Councilman Kent, to bring this ordinance to the floor. The motion carried unanimously.

Mayor Dean stated that this issue had been before the Planning Commission and was recommended for adoption. The petitioner, Mr.John Garton, wishes to move his insurance office and construct a new building.

Motion by Councilman Kent, seconded by Councilman Bailey, to postpone the ordinance until October 26, 1998. The motion carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

2ND READ ORD RE: AMEND ZONING ORDINANCE BY ZONING TO B-1 FROM R-4 PROPERTY LOCATED ON THE SW CORNER OF ADAMS AVENUE AND 9TH STREET, WEST

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING MAYOR JEAN DEAN, CHAIRMAN OF THE HUNTINGTON SANITARY BOARD, TO ENTER INTO A CONTRACT TO PROVIDE A REPLACEMENT SANITARY MANHOLE FOR THE HUNTINGTON INDUSTRIAL PARK.

Motion by Councilman Kent, seconded by Councilmember Neely, to bring this ordinance to the floor. The motion carried unanimously.

Mayor Dean stated there is a manhole at the industrial park which is critical to the 7th Street sewer trunkline as well as to the center itself. The low bid was in the amount of $68,900, submitted by Famco, Inc. of Huntington, WV. This will be a reimbursable item partly from the Huntington Industrial Center, CDBG funds (assigned to the center) and partly from a state grant.

Motion by Councilman Kent, seconded by Councilman Ellis, to postpone the ordinance until October 26, 1998. The motion carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

✓ 2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON

Second Reading of an Ordinance re: AN ORDINANCE SETTING FORTH SEWER RATES, DISCONNECTION CHARGES, RECONNECTION CHARGE AND LATE PAYMENT PENALTY FOR SERVICES TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON.

Motion by Councilman Bobersky, seconded by Councilman Kent, to bring this ordinance to the floor. The motion carried unanimously.

The sponsor, Councilman Bobersky, stated this proposed incremental rate increase will occur over a three-year period. The first year will bring about a 42% increase; in the following two years there will be slight increase which will equal a 65% increase. It is obvious the operating revenues of the Sanitary Board have been flat over seven years; the costs have increased, the sewer system is deteriorating and there is no money available for repair. Something must be done.

Mayor Dean explained that she serves as chair of the Sanitary Board, adding that both the executive director of the board and the two board members were present for questions.

Chairman Patterson asked the executive director, Mr.Robert Trocin, to step forward.

Councilman Bailey asked Mr. Trocin how much the board pays the water company to collect the sewer fees each month.

Mr. Trocin said that when he became the director the amount was $1.25 per month, per customer. Considering that excessive, he was able to get the fee reduced to 79 cents per month. He noted he had looked at the possibility of the board doing this in-house. He visited the Sanitary Board in Charleston, WV, since that board does its own billing. He learned their cost is in excess of 79 cents.

Councilman Bailey asked the amount paid to the water company each year. He asked if it could be done in-house.

Mr. Trocin said it is approximately $17,000 per month. To provide the service would require new equipment and it could not be done for 79 cents per month.

Mr. Bailey asked if the city did not have the right to purchase the water company.

Mayor Dean answered that when the franchise agreement came up for renewal, the section that allowed the city to take over the water company was eliminated. That option is no longer available.

Mr. Bailey asked if there were any provisions in the proposed rate increase to help people on fixed incomes, handicapped citizens, etc.

In response Mr. Trocin said there are 2,183 customers who pay the minimum. He found these customers to be, for the most part, retired. Therefore, the fees for those on fixed incomes are not being raised from $2.00 per month.

Councilman Kent asked for confirmation that the proposed rates will take care of the repayment for the cost of bonding three of the major projects, the Guyandotte force main, the SCADA system and the chlorination system.

Mr. Trocin said that was true.

Councilman Kent asked if the rates would be sufficient, over time, to do all the other projects, such as the Orchard Avenue project, the Hal Greer extension, the Four Pole pump station upgrade, the Harveytown upgrade, etc.

Mr. Trocin said it would enable the board to start those projects. He explained that the board has obtained CDBG funding for the Orchard Avenue project. Grants will be sought for other projects, if possible.

Dr. Kent said it appeared there would be a high probability the other projects would be undertaken.

On another issue, Dr. Kent asked Mr. Trocin if he had received a copy of the October 5 decision of the Public Service Commission. He asked if all of the compliants levied against the Sanitary Board were consolidated into that report.

2ND READ ORD RE: ORDINANCE SETTING FORT SEWER RATES AND RELATI CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

Mr. Trocin said all were consolidated in that one report.

Dr. Kent read, from the report, into the record:

"For the reasons stated above, all allegations contained in these consolidated complaints involving the installation and operation of the sewer project will be dismissed as unsubstantiated by the complainants or as satisfied by the defendents."

Hearing Mr. Trocin's agreement with what was read, Dr. Kent said that would mean the problems were solved where the problems existed or there was no substantiation for the problems. The issues that have been raised so many times have now been resolved by the Public Service Commission.

Mr. Trocin said that was correct.

Chairman Patterson noted the report has not gone before the Public Service Commission. What was read was a report of hearings that took place.

Mr. Trocin said the Administrative Law Judge had made the decision and it would now go to the PSC for final action.

Councilman Ritter said the Administrative Law Judge also said the Mayor had broken WV State Code 16-13-3 by not having approval of the governing body to start the Inwood-Shockey project.

Mayor Dean said that had not been mentioned in the report just read.

Mr. Ritter said that what he was referring to was a case now in Judge Cummings' court.

Mayor Dean said she did not believe that statement to be accurate.

Mr. Ritter said there is a case in Judge Cummings' court pertaining to WV State Code 16-13-3.

Mayor Dean said she believed his statement was to the effect that she had done something that was not correct.

Mr. Ritter read from the Public Service Commission's report, June 25, 1997, wherein the Administrative Law Judge said:

> "The Sanitary Board has apparently violated 16-13-3 in not obtaining City Council's approval prior to the awarding of the construction contract."

Mr. Trocin interrupted to say that he felt it should be clarified that this issue was found to be unsubstantiated and was dismissed by the judge in the case being discussed.

Mayor Dean pointed out he had read "the Sanitary Board" was not in compliance. She noted that whether that was correct or incorrect, it did not say "the Mayor."

Mr. Trocin said that Judge Cummings has dismissed the case on two other separate occasions.

Continuing, Councilman Ritter asked about the figures provided to Council to arrive at an average rate.

Mr. Trocin said they had taken the individual units, the residential, industrial, etc. and found their average usage and multiplied it by the amount of the increase that would apply to them. It would apply according to the volume of use. The major users of water are the industrial, commercial users. They represent 54%; the remaining dollars are generated from the combination of two other groups. Those are the out-of-city (for which the board does processing) residents and those within the city.

Councilman Ritter said he was extremely confused about the amount of the rate increase, the average. He asked Mr. Trocin to look at the figures under the word "domestic." These would be the people paying the bills.

Mr. Trocin explained that the "domestic" users are those who use the system; that word does not refer to a household. He then distributed information to Council for further clarification.

Mr. Ritter asked if the following figures were correct, 2,000 people would be charged $2.00, 4,600 would be charged $2.22, 14,718 would be charged $3.78. This would total $845,000. Who would pay the remaining $2,000,000?

In response, Mr. Trocin said the industrial and outside-of-the-city users would pay that.

Councilman Bobersky asked Mr. Trocin to confirm the following:

1. The rates, in the first year, for the first 200 cubic feet rate will go from $1.75 to $2.49. (74 cents increase)

2. The next 19,700 cubic feet will go from $1.20 to $1.71. (51 cents increase)

3. At the next point 980,000 cubic feet will go from 91 cents to $1.30. (39 cents increase)

4. Up to 3,000,000 cubic feet will go from 62 cents to 88 cents.

2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON -CONT.

Mr. Bobersky commented that before his children moved away from his home his cubic feet usage was anywhere from 360 to 660 cubic feet. Translated into gallons, 660 cubic feet would be approximately 4500 gallons. The current rate on that is $8.85. The increase on that, for the average user, would be $12.60 after the rate increase, in the first year. That would be a $3.75 per month increase. Based on there being 2,183 customers on fixed incomes, their fee would be $2.00. Over the three-year period there would be approximately a $5.75 increase for an average user.

Mr. Trocin confirmed Mr. Bobersky's statements to be true.

On another issue, Mr. Bobersky asked Mr. Trocin to explain how the Sanitary Board is operated. He had received calls from constituents who asked that this be explained.

Mr. Trocin said the state statute clearly says the Sanitary Board is a separate entity from the city. It is a municipal utility. The Mayor, by virtue of being the mayor, is chair of the board. There are two other members, Mr. L. D. Riddle and Mr. Charles Webb. There are many needs, each day. A request from the operating department goes to the purchasing director. After being approved by the purchasing director, purchases up to $4,999 are forwarded to the executive director and the board for approval. Purchases of $5,000 and over are advertised and forwarded to the board for approval. If any are in excess of $24,999 they are forwarded to City Council for approval. All invoices are reviewed and approved by the board before being paid.

Councilman Ritter said he was still confused; he thought the numbers provided were different. One sheet shows 22,000 domestic users. On another sheet, it says there are 21,500 domestic users.

Chairman Patterson suggested that Mr. Trocin further review the figures and provide an explanation.

Councilman Cline said he had arrived at a figure of 892, as a difference; he wondered if the city did not have 892 businesses. That would be the answer.

Mr. Trocin said he would look more into this and find the answer.

Chairman Patterson asked if the Sanitary Board has a contingency plan, if the board finds itself to be out of monies in January.

Mr. Trocin said the board has dealt with the issue and has advised that no money be spent at all, at this point, unless it is a dire emergency.

Councilman Polan asked what "don't spend any money" meant, in terms of staffing.

Mr. Trocin said that no one will be replaced if anyone should resign, etc. There is a need to have, in place, a safety director. Staffing levels have been going down over the past three years.

Mr. Polan asked for an explanation of that statement.

Mr. Trocin said there were 68 or 69 employees at the beginning of the year and the number is now down to 65.

Mayor Dean asked that Mr. L. D. Riddle, board member, address City Council.

Mr. Riddle stated that he and Mr. Charles Webb had been appointed to the board in February. Since that time they had reviewed every expenditure, looked at the staff, inspected the sewage treatment plant, met with employees, etc. During the fiscal year 1997 the board spent $846,000 more than its revenues. During this past fiscal year it spent $1,252,000 more than its revenues. At practically every board meeting money is transferred from the emergency construction fund account to pay normal operating expenses. There are three major projects on the drawing board at the present time. There is an erosion problem in the east end of the city, along the river, at the foot of 24th Street. There are 800' of sewer main in danger of failing. Even with federal funds it would still cost the city $150,000. The normal operation of the sewage system, for just this year, will cost at least $5,000,000. The board will only take in $4,400,000. The rate increase is absolutely necessary. Speaking about those on "fixed incomes," Mr. Riddle believed everyone's income goes up, somewhat, each year. A 65% rate increase is just that. If a citizen pays $10 as a sewer fee this month, the increase will raise it to $16.50.

Councilman Kent said the 65% rate increase would not be for everyone. The people who are using only the minimum will not see an increase. For the people using only a moderate amount, there will not be a 65% increase. It will be for the people using a significant amount, the major portion being the business and the industrial community.

Councilman Ritter asked if the mandated projects would amount to $7,000,000. The bonding for that amount will be approximately $500,000 annually. He asked if that were correct.

Mr. Riddle said the money will be borrowed and repaid over a period of years.

Mr. Ritter said the increase would generate $3,000,000; why could not there be a 25% increase, which would mean a million dollars annually.

Mr. Riddle said the money will be spread over the operations of the board. There will be increases in salaries, etc. There are, also, unexpected problems. For example, no one expected the problem with the river bank at 24th Street.

Mr. Ritter asked about the surplus funds as shown on information provided to Council. In 1993 there was a surplus of $263,000; in 1994 there was a surplus of $[illegible]

2ND READ ORD RE: ORDINANCE SETTING FORT SEWER RATES AND RELATE CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON -CONT.

Mr. Riddle said he was not familiar with that information.

Chairman Patterson said that would be another matter for Mr. Trocin to answer.

Councilman Ellis said the problem at the river has nothing to do with the city being at fault. This has resulted from the Corps of Engineers raising the level of the river.

Mr. Riddle said the Corps never raises the level of the river. The problem would be due to upstream storms. The Corps' intent is to keep the flood level down.

Councilman Ritter expressed his appreciation for Mr. Riddle's interest and comments.

Councilman Bailey asked if a portion of the increase would be used for raises for the employees.

Mr. Riddle said, over a period of time, that would have to be addressed.

Mayor Dean stated the contract with the local union, at the treatment plant, was opened for negotiations prior to October, 1997. However, due to the financial situation there has been no conclusion to the negotiations. They are due to receive some kind of a consideration, according to their contract.

Mr. Bailey said he had no problem with raises; however, he merely wanted it clarified that part of the monies would be used for this.

Councilman Cline asked that the City Clerk enter into the record, Mr. Riddle's report. He, too, thanked both members for their work on the board.

The report is as follows:

"You appointed Mr. Charles Webb. Certified Public Accountant, and me as members of the Huntington Sanitary Board in February, 1998. We have observed the performance of the Staff, inspected the Sewage Treatment facilities and met with sanitary department employees at several job sites. We have attended seminars to learn techniques of municipal operations. We review every expense of the Sanitary Board to insure an efficient operation.

During fiscal year '97, the Sanitary Board spent $846,232 more than its revenues. During the fiscal year ending June, 1998, the board had a net loss of $1,252,366. We have routinely transferred funds from the emergency construction savings account to meet normal operation expenses. User fees are not keeping pace with expenses and the savings accounts will be depleted by January, 1999.

Three major construction projects are in the plans and specifications state, i.e., Pump Station Telemetry System, Guyandotte Force Main Replacement,and Treatment Plant Disinfection/Odor Control. Engineering estimates for these three projects exceeds 3.7 million dollars. The sludge incinerator has just been repaired and environmental testing is underway at the treatment plant. Erosion along the Ohio River at East 24th Street has endangered 800 feet of sewer main. We have requested federal funds to assist in repairs, but the Sanitary Board's share for this municipal sewage system will cost more than five million dollars this fiscal year, 1999. The current sewer service charges will provide only $4.4 million. The West Virginia Division of Environmental Protection representatives have indicated their patience is wearing thin concerning our delays in moving ahead with their mandated improvements.

The report of the Public Service Commission dated October 5, 1998, indicates the investigations, newspaper stories, court hearings and complaints about the Sanitary Board are without foundation. It is requested you take the necessary measures to increase the Sanitary Board revenues, as soon as possible."

Mr. Charles Webb, Sanitary Board member, referred to the document Mr. Ritter addressed with respect to a surplus. The excess would be the surplus of funds available for debt service versus the funds that are needed for debt service. He assured Council that any questions from members could and would be answered. One question that has come up, repeatedly, is "where did the $10,000,000 go?" In reviewing the past five years, he saw that on June 30, 1993, in both operation funds and restricted funds the board had, available, just under $10,000,000. Of that $9,400,000 was restricted. At the end of 1998 there was $4,300,000. During the five-year period the board brought in approximately $5,000,000; this was used from operations funds to pay for capital improvements. In addition to this the board reduced debt, $2,400,000. There is now approximately $4,300,000 left. No entity can be operated without some cash, month to month. Of that money $1,400,000 is required to be placed in the municipal bond fund for debt. The $2,400,000 is to be used for capital improvement items.

Referring to the June 30, 1998, financial statement, Dr. Kent asked if he had any reason to doubt the reported net loss in 1997 of $846,000. In 1998 the loss was $1,252,336.

Mr. Webb said the actual cash will fluctuate since there are changes, each day. Equipment, personnel cannot be replaced based on this. What has been said is that unless it is absolutely necessary to keep the sanitary sewers working, don't spend any money. Even with a rate increase this must be followed.

Councilman Ritter thanked Mr. Webb for his efforts. He asked if it would be possible to have provided, for Council, the amount of money spent at the treatment plant and an explanation of its use.

2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

Mr. Webb said that information should be available. Referring to a list showing various expenses, Mr. Webb explained monies could be spent for anything, from the annual renovation of the furnace to the purchase of a calculator.

Mr. Ritter asked for a copy of that list.

Mr. Webb advised he would provide that information.

Councilman Bobersky asked Mr. Webb if he had looked at the past audits of the Sanitary Board. If so, had he seen the recommendation that there be a rate increase.

Mr. Webb answered that he had seen the audits and he had seen the recommendations for an increase.

Councilman Cline asked if Mr. Webb had compared Huntington's rates with any other cities.

Mr. Webb replied this had not been done.

Mr. Cline said he had been provided with a number of rates, e.g., his daughter who lives in Jacksonville, Florida, must pay seven times the amount of her water bill, for the sewer rate fee. In Marietta, Ohio, the sewer rates are more than the water bills. He asked if Mr. Webb thought the proposed increase would be enough for what needs to be accomplished.

Mr. Webb answered that he did not think it would be; the board will still be on a very tight string. He added that he would not be willing to spend money for materials for new subdivisions to be annexed into the city. The board simply does not have the money to do that; however, the city cannot grow unless it has new growth in terms of subdivisions, etc.

Mr. Cline asked if a new business were to come to town and it required a sewer line, could the city do it?

Mr. Webb responded that the Sanitary Board could not do it because there is no money.

Councilman Polan said he remembered reading that the Sanitary Board in Charleston is considering an increase. He asked if this is still under review or has it been done.

Mr. Trocin said he thought it was still under review.

Mr. Polan asked him to provide that information, with respect to the range of their increase, etc. He asked if their current rates were above Huntington's rate.

Mr. Trocin said he would check into the matter and provide an answer.

The chair opened the floor to the public at this point.

Miss Hazel Parker, 1115 22nd Street, said she did not feel the present ordinance was the proper vehicle for getting a sewer rate increase. She wondered if an incremental increase would be legal.

Mayor Dean said it was her understanding that any incremental increase for utilities is perfectly legal.

Miss Parker suggested that the cubic feet be converted into gallons. This would be a lot easier for the public to comprehend. There had been a lot of talk about Huntington being so much lower than other cities - that is wonderful; however, it should have nothing to do with the rate increase since this is to be based on "need."

Mr. Larry Tucker, 356 Highland Street, stated that even though Council has all the facts, the public does not have those facts. The public should be given an answer about the funds that have been discussed, over the past few years, with respect to the $10,000,000" the board had, which is no longer there. Accountability is important to the citizens.

Mr. Tom McCallister, 336 W. 5th Avenue, asked if anyone had read the June 22, 1998, report regarding the Inwood Shockey project. The report stated that the Mayor and the Sanitary Board were in violation of state law. There are surplus funds, over four years, of $2,500,000.

Mr. Arley Johnson, 1111 12th Avenue, a former Council member, expressed his concerns over a 65% rate increase. He recalled a point in time when the board reputedly had $14,000,000 in reserve. This money was placed in different accounts, some in interest-bearing accounts. He had asked the question as to why the board was not spending some of that money to repair and replace the sewer system. He recalled there was a list of five - ten important items that were top priority items. These didn't appear to get done. He supposed the city lost some businesses and the revenues began to decrease. He also questioned why the problems of water and sewage backing up into residents' homes was never addressed and corrected. He was not sure there should be a rate increase until these problems are solved. He asked if City Council or the governing body has taken any action against Chester Environmental, the former consulting engineering firm.

Mr. Patterson said he thought that the Sanitary Board has indicated that they are looking into that matter.

Mr. Johnson said that in 1991 and 1992 he was chairman of Council. Mayor Nelson at the time wanted to do the Inwood/Shockey project. He had not understood that, since it was not on the priority list. He had suggested that before a rate increase was proposed

monies needed to be spent on the priority projects. Why did the Sanitary Board take it upon itself to spend two or three million dollars on a project that is still not a top priority project? He concluded that the majority of the citizens don't fully understand the magnitude of a 65% increase.

2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

Councilman Bailey said that he had requested the amount paid to attorneys, by the Sanitary Board. One of the attorneys is Robert Schaub who is handling litigation against Chester Engineers.

Mr. Johnson said "If nothing was done back then we need to clear Chester and put that behind us. The lack of credibility is a serious lack because there has been so much bad information, or lack of information or hidden information coming from the Sanitary Board from the number of years I was on Council and the subsequent years after that and the public needs to fully understand."

Mr. Bob LeTendre, 2095 Miller Road, referred to the statement made earlier by Dr. Kent with reference to all of the claims, etc. to the Public Service Commission. It had been said that all of the problems had either been solved or the claims were unsubstantiated. Mr. LeTendre said the complaint to which he had referred was a separate one and had nothing to do with the claims going forward with the Public Service Commission. After two days in one hearing, the administrative law judge ruled that the Sanitary Board apparently did violate WV State Code 16-13-3. There is still a suit in Judge Cummings' court. Had that specific code (16-13-3) not been violated, 16-13-5 was violated since it states an ordinance should have been passed. There was never an ordinance for the Inwood Shockey project.

Councilman Bobersky looking at copies of documents, from the PSC, said he was confused about the different cases. He asked which one was still pending.

Mr. LeTendre answered that what he was reading was not actually the major case. That is yet to be heard.

Mr. Monty Fulton, 65 Grand Boulevard, said that since he had served on the task force he had learned that Huntington is at the lowest rate in the state. That would be fine if there were no problems. He noted there is a public service district, (Wayne County) within a few miles, that is largely rural. It had a rate increase the first of the year that is larger than the city's base rate. It is a relatively new system, 10 years old. It is unfortunate there have been problems with the board; however, that needs to be set aside in order for the city to move forward and do what must be done.

Motion by Councilman Kent, seconded by Councilman Bobersky, to postpone the ordinance until the next regularly scheduled meeting. The motion carried nine (9) yeas; zero (0) nays; two (2) absent - Jackson, Maasa)

GOOD & WELFARE

GOOD & WELFARE

Councilman Kent advised that he had received several favorable comments about the paving on Washington Boulevard and Woodland Drive.

Councilman Bobersky was appreciative of the work done on Green Oak Drive.

Councilman Bailey said that between Washington and Virginia Avenues there is a street (Lee Street) that is being heavily used by parents driving their children to the new school. Cars are speeding and there are a number of children walking on the street. He asked if there could be a "no speeding" sign erected.

Councilman Ritter asked about the report from the committee appointed to check into the appointments to the various boards and commissions.

Chairman Patterson advised there had been a meeting and believed there would be another one.

Mr. Ritter commented that he had looked at the book containing the information about the boards and commissions. He learned there were, sometimes, the same people on some of the boards. Since some of the boards vote on spending large amounts of money and because some members do not always attend the meetings he believed this was not a good practice.

Mrs. Mattie Moore, 822 15th Street, expressed her concerns about the proposed rate increase. There are a number of places in the Fairfield West community, where sewage backs up into the basements. There are also areas in the streets that flood, after hard storms. The city looked at the water and sewage backing up into residents' homes and the people were told "that's your problem." She felt these problems should be corrected before the rates are increased.

Mr. Paul Dempsey, 1648 14th Avenue, said that on October 2, 1998, the lights he had complained about at the past Council Meeting were turned off. Additionally, the parking lot was shut down and the pothole in front of his home had been filled and repaired. Everyone in the neighborhood was very grateful and most appreciative.

Mr. Tom McCallister, 336 W. 5th Avenue, referred to a letter in 1976 from a former attorney general. In the letter which was in response to a question from Parkersburg, WV, the attorney general ruled that the governing body appoints people to boards and commissions, under the strong mayor form of government. On another issue, Mr. McCallister asked the name of the present consulting engineer for the Sanitary Board.

GOOD & WELFARE - CONT.

Chairman Patterson asked Mayor Dean if there were a consulting engineer at the present time for the board.

Mayor Dean answered there is not one at the present time.

Mr. McCallister asked if Woolpert Engineering is serving in that capacity for the board.

Chairman Patterson asked Mr. McCallister to explain why he was asking the question.

Mr. McCallister said that in Fayetteville, WV, there is a court case lodged against Woolpert Engineering.

Mrs. Mary Anderson, 1423 Grove Street, applauded all who took part in the Unite Rally. It was extremely successful.

Mr. Bob LeTendre, 2095 Miller Road, said that the Northern Wayne district, referred to earlier, is getting ready to go into receivership. This has happened due to grinder pumps having been installed.

Hearing no other business to come before Council the Chairman adjourned the meeting at 10:40 p.m.

LARRY D. PATTERSON, CHAIRPERSON

ANN C. SHAYE, CITY CLERK

A Regular Meeting of Huntington City Council was held on the 26th day of October, 1998, at 7:30 p.m., in City Hall Council Chambers with Chairperson Larry D. Patterson, presiding.

INVOCATION AND PLEDGE

INVOCATION AND PLEDGE

The Invocation was given by Chairperson Patterson.

The Pledge of Allegiance to the Flag was led by Councilmember Jackson

ROLL CALL

ROLL CALL

The following members of Council were present for this Meeting:

Larry D. Patterson, Chairperson
Bob Bailey
A. F. Bobersky
Philip Cline
Burlen W. Ellis
Frances Jackson
Calvin Kent
Renee Maass
Mary Neely
Chuck Polan
James Ritter

Also present were: Mayor Jean Dean
Mrs. Jendonnae Houdyschell, City Attorney
Mrs. Ann C. Shaye, City Clerk

SYNOPSIS

SYNOPSIS

Motion by Councilman Ellis, seconded by Councilmember Neely, to approve the Synopsis of the last regular meeting, as submitted. Motion carried unanimously.

REPORTS OF THE MAYOR

REPORTS OF THE MAYOR

Mayor Dean, noting the length of the agenda, advised that she had no special reports.

MOVE AGENDA ITEMS

Motion by Councilmember Neely, seconded by Councilman Kent, to move items 12 and 13 forward on the agenda. No vote was taken at this time.

Chairman Patterson noted the items would become 4(a) and 4(b).

The motion carried ten (10) yeas; one (1) nay - Ritter.

1ST READ ORD RE: LEASE OF PUBLIC SAFETY FACILITY AND CIVIC ARENA

First Reading of an Ordinance re: AN ORDINANCE WITH RESPECT TO THE LEASE FROM THE HUNTINGTON MUNICIPAL DEVELOPMENT AUTHORITY OF A PUBLIC SAFETY FACILITY AND A CIVIC ARENA.

Mayor Dean explained the purpose of the ordinance would be to combine the financing for the Civic Arena, which was approved last year, with the financing for the Public Safety Facility. It will reduce the payments by receiving a lower interest rate. She deferred to the bond counsel, Mr. Lee Hill.

Mr. Lee Hill, Jackson & Kelly Law Firm, stated that last August Council approved the improvements for the Civic Arena. The financing went through and at the same time there were plans to finance the public safety facility. In September of last year, Council approved the lease of the facility. In the interim it was determined that it would be better financially for the city if the two leases and the two financings were combined. This ordinance would be a consolidation of the two.

Councilman Kent asked how much money would be saved.

Mr. David Harrington, Director of Administration and Finance, said while he did not have a fixed dollar amount he could address the issue of rates. At the time the Civic Arena bond was done, on a variable rate basis, that was the lowest rate available. Since that time long-term fixed rates have come down so that it is now less expensive to borrow on a long-term basis rather than by short-term variable rates.

Councilman Kent asked that the exact figures be provided for the next Council meeting.

THIS ORDINANCE WAS ADVERTISED.

Resolution re: A RESOLUTION OF COUNCIL APPOINTING MEMBERS OF THE HUNTINGTON MUNICIPAL ECONOMIC DEVELOPMENT AUTHORITY.

Motion by Councilmember Neely, seconded by Councilman Kent, to adopt this Resolution. No vote taken at this time.

In explanation, Mayor Dean said in order that there be absolutely no question when it is time for the sale of the bonds, it is wished that Council adopt this resolution. This will legalize the appointment of the members of the Authority.

Councilman Ritter said he did not remember interviewing any of the candidates. He had spoken to Dawn Warfield in the Attorney General's office. He learned that in most cities in West Virginia the mayor is a voting member of the Council. However, in Huntington, the Mayor is not a voting member of Council and therefore Council is the governing body. He referred to two boards on which there are two city employees. Both of these boards are responsible for spending millions of dollars. He did not think this was fair nor did it look good to the public.

Mayor Dean said that one of the city employees referred to was not a city employee at the time of the appointment. If there are concerns it should be remembered that all of these issues come to Council for final approval. She said that once the opinion from the Attorney General's office is received a decision can then be made. However, it could be some time before the opinion is received. She did not want to see the projects involved drawn to a halt. She felt all of the members of the authority to be citizens of great integrity.

Councilman Ellis said it is clear that Council appoints the members based on the West Virginia State Code. He stated he could not support it based on that law.

Mayor Dean pointed out that in the resolution that appointed the current authority members the words in the resolution were very clear that Council appointed the members to the authority. These members, with the exception of two persons, are the same people.

Councilman Ellis said he still felt the names should come from City Council.

Councilman Kent said he found this to be a semantic difference. Every appointment, every recommendation from the Mayor has to come before Council. To him that would be the governing body "appointing." If a Council member would not sponsor the appointment or if the Mayor's recommendation were not upheld by the Council then the nomination would die. This is how the City Attorney interpreted the question.

Chairman Patterson commented that when he became a member of Council, he had to relinquish his seat on some of the city boards. Those boards, however, did not expend any monies.

Councilman Polan said the authority has acted in a most responsible manner; however, he questioned if all of the members have met the 40% attendance standard.

Mayor Dean said that in the memorandum sent to Council a few weeks ago it was noted there was, she believed, at least one member who did not meet the 40% requirement.

Councilman Polan said it appeared that she did not view that as a serious flaw.

Mayor Dean said she did not, since it has not presented a problem. Now that it has been brought to her attention she would more seriously question whether the individuals wished to be on the board.

Mr. Polan asked if she felt there should be no concern at this particular juncture.

Mayor Dean said she did not feel it that important. With all of the questions that have been raised etc., the opinion from the Attorney General should be reviewed first. All of the issues could then be resolved at one time.

Mr. Polan asked, specifically, what Council was waiting to hear from the Attorney General's office.

The City Attorney, Jendonnae Houdyschell, said the specific request was for the Attorney General to ascertain who, exactly, the governing body is with a strong mayor form of government, under the city's charter.

Councilman Cline advised that he is one of the members of the Development Authority and has been unable to attend 40% of the meetings due to work commitments out of town. Specific meeting times have now been scheduled and most members have said they could be present at those meetings. If Council would want to reappoint him he asked that his address and telephone number, as they now appear, be changed.

Councilman Ritter recalled that, according to state code, Council made the appointments of the two members who now serve on the Sanitary Board. They were interviewed and appointed by Council.

Councilman Cline said the members were not interviewed.

Mayor Dean added that the reason Council did appoint the two new members was the result of a compromise agreement.

Councilmember Neely said the reason no interviews were conducted was the fact there were only two who were willing to accept the appointments.

Councilman Polan asked that Mr. Lee Hill answer the question as to why the resolution is worded to say that Council is appointing the members.

RESOLUTION RE: APPOINTING MEMBERS OF HUNTINGTON MUNICIPAL ECONOMIC DEVELOPMENT AUTHORITY

FULL TEXT OF THIS RESOLUTION MAY BE FOUND ON PAGES 14 AND 15 OF THESE MINUTES

RESOLUTION RE: APPOINTING MEMBERS OF HUNTINGTON MUNICIPAL ECONOMIC DEVELOPMENT AUTHORITY - CONT.

FULL TEXT OF THIS RESOLUTION MAY BE FOUND ON PAGES 14 AND 15 OF THESE MINUTES

Mr. Lee Hill, bond counsel, said the purpose is to make sure that no issue arises as to whether or not the Development Authority is properly constituted. The resolution provides that for purposes of this board that Council is going to appoint the current members to fulfill their terms. The reason it is being presented before Council receives the ruling from the Attorney General's office is a practical one. If the financing is to go forward the authority will have to meet and adopt an ordinance to put in effect the financing. If the board is not properly constituted the bond counsel would not sign an opinion that the bonds have been properly issued. The sooner the question can be resolved, the sooner the financing can be kept at a forward moving pace.

Councilman Polan said it would seem he had some question as to whether the board is currently constituted.

Mr. Hill said his firm is in the position of having to sign an opinion that $7,000,000 in bonds are being properly issued. It is the firm's opinion that the board is properly constituted; however, the issue will have to be disclosed in the public market. This matter could have an adverse affect on the pricing of the bonds. It would cost the city more money until this is resolved. His firm will not give their opinion because if their opinion were to be wrong then the firm would be responsible for the $7,000,000.

Mr. Tom McCallister, 336 W. 5th Avenue, said that both Councilman Cline and Dr. Wade Gilley should not be allowed to serve any longer due to the attendance requirement. A resolution is not valid; WEst Virginia State Code 8-11-3 says there must be an ordinance. He suggested the resolution be tabled until an opinion is received. Council should make the appointments.

Councilman Ellis said he had nothing against any member of the board but he did believe the law should be followed. Therefore, he would vote against the resolution.

Chairman Patterson said he had no problem with any of the members, either; however, he did have a problem with city employees sitting on the board and being responsible for expending monies.

Mayor Dean said a number of projects have been accomplished with the Huntington Municipal Development Authority. The appointments have never been questioned before. She thought it very strange that this would come up now when some members are opposed to the law enforcement building. If the contractor cannot be paid the work will stop.

Council needs to proceed with this; if it is proven to be incorrect when the Attorney General's opinion is received she would then accept that and Council would make the appointments. To do this in the middle of ongoing projects is not a good practice.

Councilman Bobersky said that he had spoken with several local attorneys who told him that if the name is brought to Council and a Councilmember sponsors the person and votes for that person then Council appoints the person. He felt Council is working within the law.

Councilman Bailey said he was looking at WV State Code 8-11-3, and it does say an ordinance should be used.

The City Attorney, Jendonnae Houdyschell, read from Chapter 8 outlining actions requiring an ordinance:

"Levying taxes that provide for the collection of fees of any kind.

Requiring a license to do business.

Relating to offenses and penalties.

Authorizing issuance of bonds and other forms of indebtedness.

Providing for a public improvement.

Providing for the purchase of private property by the municipality.

Granting franchises to public utilities.

Providing for a contractual or other agreement with another jurisdiction and

Realting to such other matters as the charter may require."

Mrs. Houdyschell said she did not see anything relating to the appointing of members to a board that would require that this be done by ordinance. She added that the resolution had been modeled after the resolution adopted September 25, 1995 when the authority was reactivated.

Councilmember Neely said she would have to agree with Mr. Ritter about a city employee sitting on a board. She felt there were a number of citizens who would be willing to fill the positions.

Mayor Dean said the city employee in queation was appointed before she became Mayor. She saw no reason to remove him; however, she would take what Mrs. Neely said under consideration. She felt this matter should be thoroughly investigated and a decision arrived at along with the Attorney General's opinion. It is not something that should be changed in midstream of a project.

Councilman Ritter said both the Huntington Municipal Development Authority and the Huntington Urban Renewal Authority spend monies. He noted that Mr. David Harrington and Mr. Robert Trocin are on both boards and arealso city employees. Mr. Phil Emmons, Mrs. Vicki Shaffer, Mr. Charles Spurlock and Mr. Ron Smith are also [illegible]

RESOLUTION RE: APPOINTING MEMBERS OF HUNTINGTON MUNICIPAL ECONOMIC DEVELOPMENT AUTHORITY - CONT.

FULL TEXT OF THIS RESOLUTION MAY BE FOUND ON PAGES 14 AND 15 OF THESE MINUTES

Mayor Dean asked Mr. Ritter when he had ever submitted a citizen's name.

Mr. Ritter answered that he had suggested Mr. Terry Purdue at an earlier date.

Councilman Kent said it seemed strange to him that this procedure had been followed since 1995 and all appointees have been brought to Council. No one has ever raised the question until recently as to whether this is legal. He felt it had never been questioned because it was fairly obvious that it is within the law. If the Council had objected to city employees sitting on boards it should have been questioned at that time.

Chairman Patterson said he could only question an issue when he became aware of it.

Councilman Cline said he had checked with his attorney who assured him that the members had been properly appointed by City Council.

Councilmember Neely said the employee she referred to earlier had been appointed before she became a member of Council.

Councilmember Maass asked what would happen if the resolution failed. Would contractors, workers go unpaid?

Mayor Dean answered that this is what would take place.

Mrs. Maass asked how long they might have to wait.

Mayor Dean said that the contractors were moving very quickly and she was sure they expected to be paid in an equally speedy fashion. She added that she felt, very frankly, this was directed by those who are opposed to the law enforcement building.

Councilman Polan asked if the Huntington Municipal Development Authority had issued any interim debt thus far, in advance of the sale of the bond instruments.

Mayor Dean deferred to Councilman Cline who serves as the chair of that authority.

Councilman Cline said that any monies the authority has expended or has been asked to expend has always come before Council for approval.

Mr. Polan said he believed Council had approved the $4,000,000.

Mr. Cline advised that this had been done, along with Council's approval of the facility which would mean Council did approve the expenditures.

Mr. Polan asked if there has been any interim borrowing that will be repaid when the bond issue is sold.

Mr. Cline said he was not aware of any; however, he suggested Mr. David Harrington be asked that question.

Mr. David Harrington, Director of Administration and Finance, explained that the board voted to borrow monies, on an interim basis. The reason was to see that the project stayed on track so the exterior work could be completed before the end of the building season. Otherwise, the building could not be closed in, in order to continue working through the winter.

Mr. Polan asked the amount of money borrowed.

Mr. Harrington said the board authorized the borrowing of up to $1,000,000. He believed the actual amount borrowed, to date, is under $500,000.

Mr. Polan asked if that were the money being used to pay the contractors on site.

Mr. Harrington said that was true.

Mr. Polan asked when additional interim financing would be necessary.

Mr. Harrington replied that the contractors submit invoices on a monthly basis. Additional funds will be drawn down during the month fo November. He added that if this resolution were adopted the closing for the bonds would be early to mid-December.

Mr. Polan said he did not recall being informed when the Development Authority made the decision to actually borrow money. He supposed the authority did not have to advise Council, but he felt it to be a good practice.

Mr. Harrington said he thought minutes had been provided to Council; however, if they have not been, he assured Council they would be in the future.

> Motion by Councilmember Jackson, seconded by Councilman Ellis, to table this resolution until an opinion is received from the Attorney General's office. The motion to table failed six (6) nays; five (5) yeas - Bailey, Ellis, Jackson, Patterson, Ritter.

Mr. Tom McCallister, 336 W.5th Avenue, said he did not feel Councilman Cline should have voted since he is a member of the authority. Referring to what the city attorney had read with reference to actions that require an ordinance, he pointed out that she had read "for public improvement." The law enforcement building and the Civic Arena would fall under that category.

Miss Hazel Parker, 1115 22nd Street, said there had been a mention of the "timing" of the opposition to the resolution. She recalled having called this to someone's attention

RESOLUTION RE: APPOINTING MEMBERS OF HUNTINGTON MUNICIPAL ECONOMIC DEVELOPMENT AUTHORITY - CONT.

The resolution was adopted six (6) yeas; five (5) nays - Bailey, Ellis, Jackson, Patterson, Ritter.

2ND READ ORD RE: AMENDING ARTICLE 190 (SECTION 190.02) OF THE CITY CODE REGARDING ATTENDANCE REQUIREMENTS

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 190 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, BY AMENDING, MODIFYING AND RE-ENACTING SECTION 190.02 REGARDING ATTENDANCE REQUIREMENTS. (Postponed)

Motion by Councilman Polan, seconded by Councilman Bobersky, to adopt this ordinance. No vote was taken at this time.

Chairman Patterson deferred to the sponsor, Councilman Polan.

Councilman Polan commented that he had spoken about the issue previously and actually had nothing new to add.

Councilman Kent said at the previous meeting several amendments were proposed and the City Attorney was asked to prepare and incorporate those amendments into a new ordinance. He explained that one amendment would change the attendance requirement to a 40% requirement, another would set the beginning date and the third change would have an annual report submitted to the Mayor and City Council.

Motion by Councilman Kent, seconded by Councilman Polan, to amend in accordance with these changes. The motion to amend carried eleven (11) yeas; zero (0) nays.

Chairman Patterson asked if the amendments would constitute a material change.

The City Attorney advised what had been voted upon would not constitute a material change.

Motion to adopt this Ordinance carried eleven (11) yeas; zero (0) nays.

2ND READ ORD RE: AMEND ZONING ORDINANCE BY ZONING TO B-1 FROM R-4 PROPERTY LOCATED ON THE SW CORNER OF ADAMS AVEHUE AND 9TH STREET, WEST

Second Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1960, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO B-1 LOCAL BUSINESS FROM R-4 TWO-FAMILY RESIDENTIAL PROPERTY LOCATED ON THE SOUTHWEST CORNER OF ADAMS AVENUE AND 9TH STREET, WEST, PARCELS 365-367 TAX MAP 27. (Postponed)

Motion by Councilman Bailey, seconded by Councilman Ellis, to adopt this Ordinance. No vote was taken at this time.

Mayor Dean stated that the approval of this ordinance will permit the construction of an insurance office at the corner of Adams Avenue and 9th Street, West. She advised that the current owner of the insurance company, Mr. Jon Garton, was present for any questions.

Councilmember Neely asked Mr. Garton how many employees he would have.

Mr. Jon Garton, a State Farm Insurance agent, answered that he will have two employees.

Mr. David Hazelett, 1747 Madison Avenue, supported the ordinance by saying he thought the building would be an enhancement to that area. Since Adams Avenue leads into our city he thought the addition of another business on that avenue would be more pleasing to motorists than seeing houses in disrepair.

Chairman Patterson said he still had concerns about rezoning from residential into business. In this particular case he felt Mr. Garton would construct an insurance office; however, there is nothing at the present time, for future cases, that ensures the petitioner will carry out the original intent for the rezoning. In his community he recalled an example. A parcel was rezoned to B-1 but the petitioner did not carry out the intended plans. This has left a parcel in the midst of a residential area that has been rezoned to B-1.

Councilman Cline said he agreed; however, in his neighborhood garages were constructed in front yards because residents did not want them extending over the back of the lot. After it has been done, there is no recourse.

Councilman Bailey said in this particular area there are already three businesses; he felt this would be an asset.

Chairman Patterson said he did not mean to imply that Mr. Garton would not fulfill his intent; he merely wanted to reiterate what he felt was a continuing problem.

Mr. Jon Garton said he appreciated the chair's concern. He assured Council that construction would begin in the spring.

Motion to adopt this Ordinance carried eleven (11) yeas; zero (0) nays.

2ND READ ORD RE: AUTHORIZING CONTRACT FOR REPLACEMENT OF SANITARY MANHOLE FOR HUNTINGTON INDUSTRIAL PARK

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING MAYOR JEAN DEAN, CHAIRMAN OF THE HUNTINGTON SANITARY BOARD, TO ENTER INTO A CONTRACT TO PROVIDE A REPLACEMENT SANITARY MANHOLE FOR THE HUNTINGTON INDUSTRIAL PARK. (Postponed)

Motion by Councilman Kent, seconded by Councilmember Neely, to adopt this Ordinance. No vote was taken at this time.

Mayor Dean explained the low bid submitted was $68,900, submitted by Famco, Inc. of Huntington, WV. This will be financed partly from the Huntington Industrial Center, CDBG funds (assigned to the center) and partly from a state grant.

Councilman Cline asked for a ruling by the chair. He explained that he owns part of a concrete company that has done business with the company before. However, he had no idea if his company would be furnishing concrete for this project. Would he be allowed to vote on the ordinance?

Chairman Patterson deferred to the city attorney.

Mrs. Jendonnae Houdyschell, City Attorney, said that generally the conflict arises if there is a pecuniary interest in something that is being voted upon. Since Mr. Cline indicated that he did not know if his company would supply the concrete she did not feel there would be a conflict; however, he could excuse himself from voting if there might be a monetary interest.

Councilman Cline asked if that would mean, in the future, if a member might "think something could happen" that they would not be permitted to vote.

Chairman Patterson said that would be up to the individual Councilmember. He said the city attorney had given him an option.

Councilman Polan urged Mr. Cline to vote since he did not want to see a precedent set where Council members would not vote, based on the ability to predict the future.

Mr. Cline read from the Charter, Section 14.10, Conflict of Interest:

> "Any city officer or employee who has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation in any contract with the city or in the sale of any land, material, supplies or services to the city or to any contractor supplying the city shall make known that interest to the Mayor and Council and shall refrain from voting upon or otherwise participating in his or her capacity as a city officer or employee in the making of such sale or in the making of performance of such contract."

After reading this, Mr. Cline said he called this to Council's attention since he knew his company had supplied Famco with concrete in the past.

Councilman Polan said at this time it would be purely speculative. This should not be a standard for Council in that there would be no method of predicting events that have not yet occurred.

Mayor Dean pointed out that the Sanitary Board's contract is with Famco, Inc. The board does not contract with any of the subcontractors. A supplier of concrete would be a subcontractor.

Hearing that, Mr. Cline advised that he would vote on the issue.

Mr. Tom McCallister, 336 W. 5th Avenue, asked if Mr. Cline had ever supplied the city with concrete. He stated that he had seen one of his concrete trucks pouring concrete on 8th Street.

Councilman Cline said he wished to categorically deny that he had done any business, through Monumental Concrete, with the city. He noted that he had gone over every invoice of his company. There was never one to the City of Huntington.

Mr. David Harrington, Director of Administration and Finance, said he had spoken with Mr. McCallister earlier about the potential conflict of interest issue. At that time, Mr. McCallister brought up the 8th Street issue. He told Mr. McCallister that 8th Street is a state highway and the contract that was performed was through the state. Therefore, there was no conflict of interest.

Motion to adopt the Ordinance carried eleven (11) yeas; zero (0) nays.

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2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON

Second Reading of an Ordinance re: AN ORDINANCE SETTING FORTH SEWER RATES, DISCONNECION CHARGE, RECONNECTION CHARGE AND LATE PAYMENT PENALTY FOR SERVICES TO CUSTOMERS OF THE SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON. (Postponed)

Motion by Councilman Bobersky, seconded by Councilman Kent, to adopt this Ordinance. No vote was taken at this time.

Chairman Patterson deferred to the sponsor, Mr. Bobersky.

Councilman Bobersky siad that he had received numerous phone calls since the last meeting. He found there to be many misconceptions. Hoping to clear up these misconceptions, Mr. Bobersky explained the following:

2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

1. For the first 300 cubic feet, the rate will go from $1.75 to $2.49. (74 cents increase)

2. For the next 100 cubic feet, above the 300 cubic feet, the rate will go from $1.20 to $1.71. (51 cents increase)

Further, if a household would use 300 cubic feet, the first year, the rate would increase $2.22 per month. If a household would use 400 cubic feet the rate increase would be $2.73 per month. For 500 cubic feet the rate increase would be $3.24 per month and for 600 cubic feet the rate increase would be $3.75 per month. Some citizens believed there could be an $11.00 per month increase. He wanted people to know this was not true.

On another issue, he had been asked if he felt there was a good accounting of the $10,000,000 and how it had been spent. Based on documents he had reviewed, he learned there were improvements which cost approximately $5,000,000. A study conducted showed that operating revenues had remained flat for many years and the operating costs had increased 15%. He felt there was a good accounting of the monies: In 1995 and 1996 the audits included recommendations that the rates should be raised. The Public Service Commission had also suggested an increase. He hoped this would help clarify the questions asked to him.

Mayor Dean said that in all of the discussions about the rate increase, two questions have continued to be asked:

1. Where did all the Sanitary Board money go?

2. Why do we need a rate increase?

In answer to the first question, Mayor Dean explained that six months before she took office the Huntington Sanitary Board placed $6,579,726 in an investment account. For several years the board used the interest to supplement its operating expenses and to keep the low sewer rates Huntington has had since 1984. She felt it important not to confuse the $6,579,726 with the monies the board has to pay to the State Municipal Bond Commission for the retirement of the bonds which financed the construction of the waste-water treatment plant. Those funds are restricted by law. Time after time people have included the bond monies, asking about the $10,000,000 and "where did it go"? This is not what happened. The board drew down on the interest from the $6,579,726 to supplement the low sewer rates. Now, people ask where that money is. That money has been used to provide sewer line extensions, the Pleasant Valley properties, the Seneca Hills subdivisions, the new Huntington High School; it has been used for major sewer line repairs such as those in Harveytown, the 7th Street trunk line, the temporary stabilization of the Guyandotte force main. It has also been used for improvements and repairs at the many ejector stations, the sewer lift stations and the pumping stations. None of these items is done cheaply. In fiscal years 1995-1997 an average of 1.339 million dollars annually was spent on labor and materials. The sewer rate enacted in 1984 did not amount to sufficient dollars to make the repairs and still cover the daily operation of the treatment plant. She felt this could be equated to a savings account. If one's paycheck has not been sufficient to cover the cost of one's needs then the savings account is used. When that is depleted there must be an additional source of income. That is the condition in which the board now finds itself.

In response to the second question, the increase is needed because the investment account has been used up and it can no longer be used. In the past five years the board has ceased to rely upon a firm, at high hourly rates, to maintain and direct its daily operation. It has hired an executive director to do that, at an annual savings of several hundred thousand dollars. The board has brought its accounting procedures in-house and has reduced its billing costs by over 60%. Staffing levels have been reduced to a minimum. It has done all it can do to be cost efficient. It must now rely on the understanding of the public and the good sense of Council in order to continue to operate.

Councilman Bailey commented that in voting for this, Council will be voting on three items: (1. the sewer rate increase, (2. the municipal surcharge increase, (3. the city tax increase. He pointed out that the water company has applied for a rate increase and he felt it would be granted. This will be a burden to those on fixed incomes. While it may be needed, he could not vote for it.

Councilman Ritter said he had been called by a citizen prior to the meeting to ask if Amendment One were voted in, would that be double-dipping.

Mayor Dean said that Amendment One will provide for new economic development activities, not for the repair and meaintenance of existing sewers. It must be for a new project that will bring in new property taxes.

Councilman Kent confirmed that to be true. For new developments, such as the Business and Technology Park, the city might receive monies.

Councilman Ritter said that with a 65% increase it would generate $3,000,000. He asked why not 20% per year. He had also heard the chlorination system is good until 2002, so there would be only two mandated projects.

Mayor Dean deferred to Mr. Bob Trocin, the executive director of the Sanitary Board.

Mr. Trocin said the amount of the increase will be somewhat in excess of $2,000,000. That money is dedicated to, primarily, covering expenses that are in excess of $1,200,000. The remainder of the dollars are to be spent on capital improvements. He did not know where he had heard the chlorination system was good until 2002. The state had mandated all three projects. The projects are in the range of $2,500,000 each.

2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

Mr. Ritter said the force main had been mandated in 1994; why was it not done then? The Mayor had just said there was $6,000,000 at that time. Why wasn't some of that used?

Mr. Trocin said he could not answer that since he was not here then. He only knew that the Department of Environmental Protection has said to do it.

Mr. Ritter said he had heard about the chlorination system from Councilman Ellis. Additionally, the Inwood Shockey project was done at almost $4,000,000 without Council's approval. That was not a priority.

Councilman Ellis said that in December of this past year, a report had come from the state which said the chlorination system was good to 2002. The following month a report came from the state to the Sanitary Board which said the system was no longer good. That did not make sense to him.

Mr. Trocin said the report he had received said the existing chlorination system would be good to 2002; however, that system is not adequate to do the job currently required under the Department of Environmental Protection. Additions must be made to the system.

Mr. Ellis said that should have been told to Council originally. If the system is good until then, wait until then.

Mr. Trocin said there are two separate systems - one is the existing system and the other is an additional system put upon the board by the DEP.

Chairman Patterson asked if the report that Mr. Ellis mentioned came from the DEP. And if so, did the additional requirement come from the DEP?

Mr. Trocin answered "yes."

Councilman Ellis said that two weeks ago it was mentioned on the Council floor that everyone, even those on fixed incomes, gets an increase every year, even if a small one. He received a call from a former school teacher who said she had been receiving pension checks for eight years. Her check had not gone up even one penny in those years. Those on social security checks have received a small increase, 1.3%. He felt the projects should be done as needed and if the treatment plant could wait until 2002, then wait until then.

Councilman Cline recalled that Council appointed two members of the Sanitary Board. These two members, along with the chair, have said there must be a rate increase. At the last meeting he had asked one of the board members if this would be enough. He had answered that he doubted if it would be. The city must have a sewer system that works.

There might be a burden for some people, but all must face burdens at one time or another. If this isn't done, the system will become inoperable. If new industry doesn't come into the city the city will not grow; it cannot happen without sewers.

Councilmember Maass echoed Mr. Cline's comments. She had received letters and calls and some have not been in support of the increase. However, the city must provide this service for citizens. The infrastructure must be improved.

Councilman Polan said this was the most agonizing issue he has had to face since becoming a member of City Council. After reviewing records of the Sanitary Board, listening to innumerable discussions, etc. he had learned that there is much more involved than just the sanitary sewers. All capital needs, such as storm sewers, curbs, street paving, etc. have suffered gross neglect over the years. The time has come to face the issue and take action. Regardless of whether this ordinance is adopted or whether it fails he hoped that Council would work with the Mayor to find ways to extract monies from both Community Development Block Grant funds and the General Fund and see that they are spent on capital improvements.

Councilman Ritter said he had talked with the plant manager at BASF earlier in the day. He had asked him what the plant's sewer rate is. The answer was a quarter of a million dollars. A 65% increase would be quite an increase.

Miss Hazel Parker, 1115 22nd Street, said she had asked at another meeting if it were legal to include three years in one ordinance. She wondered if there was an answer.

Chairman Patterson said it is legal.

Mr. David Hazelett, 1747 Madison Avenue, suggested a flat fee rather than the proposed method. He also felt that those on fixed incomes would not be impacted as much as those who have large families. The citizens do not understand what "cubic feet" means; there needs to be a more simple way of explaining the usage. He asked if the rate increase helps to give the employees a raise. He knew some of the employees and he did not feel they were getting fair wages for the work they do. He also wondered if more employees would be hired.

Mayor Dean answered that it is not anticipated that new employees will be hired. An increase in pay will have to be addressed since it has been over a year since their contract called for a reopening of wage issues. There have been several meetings and the union has been most understanding. However, there will have to be a resolution to the situation.

Chairman Patterson asked Mr. Trocin if he had any method to discuss the rate increase in terms of gallons, as opposed to cubic feet.

2ND READ ORD RE: ORDINANCE SETTING FORTH SEWER RATES AND RELATED CHARGES FOR SEWERAGE CUSTOMERS IN HUNTINGTON - CONT.

Mr. Trocin said the best way to approach the problem is to consider what an average family uses in terms of gallons. The average family uses 4500 gallons per month. This results in an $8.85 charge for the board. Additionally, there are 2,183 customers who use the minimum, a 500-gallon range per month. The minimum rate will remain the same.

Mrs. Nancy Donahoe, 6339 Aracoma Road, said she was representing the Tri-State Rental Properties Association. She explained she owns the Grace Apartments and pays a commercial rate. Her rate will increase from $35 - $40 per month. She hoped the ordinance would not be adopted.

Councilman Bobersky asked Mrs. Donahoe how long she had owned the apartments and if she had raised the rent during that time.

Mrs. Donahoe said she had owned them since 1984 and had raised her rent during that time. She did not know how many times.

Councilman Ritter asked if she had raised the rent 65%.

Mrs. Donahoe answered "no."

Miss Diana Arthur, 1219 Jefferson Avenue, hoped there would be a method of performing certain tasks, e.g., billing in-house and audits by someone in City Hall. She felt this would save a lot of money. There are many, many people who are on fixed incomes who also have large medical bills. This raise will affect many people.

Mrs. Clara Bowman, 924 Jackson Avenue, said a lady who lives across the street has a husband who is quite ill; their water bill is $75 each month. She felt there were many others in similar situations. She hoped this ordinance would not be adopted.

Mr. Tom McCallister, 336 W. 5th Avenue, to protest various actions of the city, said he would soon be circulating a petition which will require the city to conduct a special election. The citizens will have an opportunity to vote to reframe the City Charter and elect a new Charter board.

Mrs. Mary Anderson, 1423 Grove Street, explained that she had attended a board meeting of the League of Women Voters and this organization wishes to support the proposed rate increase. This, they felt, will be more cost effective than to have to make costly repairs in the future.

Mr. Frank "Matt" Matthews, III, 828 11th Avenue,said he knew this would be an extremely difficult vote. He explained that he had spoken with a good friend, Richard Jemiola, who now lives in Virginia. The former Colonel with the Huntington District Corps of Engineers reminded him of the time he was in ROTC at Marshall University. They had been taught to be very decisive, confident in their decisions and to use extreme prudence. Matt hoped council Members would use good judgment and not let any political agendas influence the vote. He also hoped members would seriously consider the impact of their vote for the future of the City of Huntington.

Mr. Gray Hampton, 1207 Kanawha Terrace, said he had over many years depended upon the city to care for his needs, i.e., to provide police, fire protection as well as sanitary sewers. He did not feel there is much of a choice. He had worked with citizens on fixed incomes; he hoped there would ge a way to help these people. However, he felt it to be extremely important to take action before it is too late.

Chairman Patterson, bringing the discussion to a close, reiterated former comments that this issue has been extremely difficult for Council members. He urged all members to consider the issue carefully.

✔ Motion to adopt this Ordinance carried seven (7) yeas; four (4) nays - Bailey, Ellis, Jackson, Ritter.

Chairman Patterson at this point called for a 10-minute recess (at 9:55).

Reconvening at 10:05 p.m., Chairman Patterson called for item no. 9 on the agenda. He noted that Councilmember Maass, who was not feeling well, left the Chambers.

1ST READ ORD RE: AMENDING ARTICLE 190.03 REGARDING ATTENDANCE REQUIREMENTS

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AMENDING, MODIFYING AND RE-ENACTING ARTICLE 190 OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON, AS REVISED, BY AMENDING, MODIFYING AND RE-ENACTING SECTION 190.03 REGARDING ATTENDANCE REQUIREMENTS.

Motion by Councilman Ellis, the sponsor, seconded by Councilman Ritter, to amend the ordinance to read, under paragraph (b), "No individual except those elected officials shall be permitted to serve on two or more boards, agencies or commissions that have the ability to incur debt.

Mayor Dean asked which agencies or boards could actually incur any debts.

Mr. Ellis answered that the Huntington Municipal Development Authority and the Huntington Urban Renewal Authority both incur debts. He believed there were enough citizens who would be willing to become members of the various boards rather than to keep appointing the same people.

Councilman Cline asked if this would not constitute discriminatory practices. This would be limiting who could serve on the boards. There are people who have expertise in

Councilman Kent said he felt that on certain boards there should not be multiple memberships; however, the approach to this is too broad.

1ST READ ORD RE: AMENDING ARTICLE 190.0[illegible] REGARDING ATTENDANCE REQUIREMENTS - CONT.

The motion to amend carried nine (9) yeas; one (1) nay - Cline; one (1) absent - Maasa.

Councilman Kent said he felt this was too broad for the intended purpose and he saw no relevance to paragraph (a). He felt there is a problem with two boards -- that issue should be addressed.

Mayor Dean asked that the city attorney confirm that paragraph (a) is already in the Charter.

Mrs. Jendonnae Houdyschell said that was true; however, she had included it since if someone were looking for "eligibility" he or she would find both provisions together.

Mayor Dean pointed out that she has never been unwilling to listen to suggestions for appointees from Council members. She felt this situation could have been resolved in another manner.

Councilman Ellis said this had nothing to do with the Mayor, on a personal basis. He merely felt this would take care of any problems in the future.

Councilman Cline reiterated his former comments about certain individuals who have expertise in specific areas. He recalled it having been difficult to find an engineer who was willing to serve on the Sanitary Board. What if there were a requirement for an engineer, accountant, etc. to serve on more than one board and there were few engineers, accountants, etc. who were willing to serve.

Councilmember Neely said that Mayor Dean had asked for recommendations and one of the people she had recommended was on the agenda for appointment at this meeting.

Councilman Ellis agreed that the Mayor had asked for recommendations but he still felt there was an entire city from which to select and the membership should not be limited to a few people.

Councilman Ritter said he had never seen it advertised that the city is looking for citizens to serve. The public should be made aware of the need. He did not think the same people should sit on the same boards, especially those that spend millions of dollars.

Mayor Dean said she hoped it would be made clear that this issue is not under discussion because it is felt there is a lack of integrity with certain individuals on the boards.

Mr. Ritter said "absolutely not."

THIS ORDINANCE WAS ADVERTISED.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT FOR THE ANNUAL REQUIREMENT OF SODIUM CHLORIDE (ROCK SALT) FOR THE CITY OF HUNTINGTON.

1ST READ ORD RE: AUTHORIZING CONTRACT FOR ANNUAL REQUIREMENT OF ROCK SALT.

Mayor Dean deferred to the Purchasing Director, Mr. Darryl Miller.

Mr. Miller explained that the low bid was submitted by Central Salt of Overland Park, Kansas, in the amount of $31.64/ton. Salt will be purchased, as needed. Last year the city purchased 302 tons at a cost of $10,011.

Councilmember Neely asked how much salt was left over from last year.

Mr. Miller answered that the city has approximately 100 tons from last winter.

THIS ORDINANCE WAS ADVERTISED.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING MAYOR JEAN DEAN TO ENTER INTO AN AGREEMENT FOR ADDITIONAL ENGINEERING SERVICES FOR THE ORCHARD AVENUE SEWER EXTENSION PROJECT.

1ST READ ORD RE: AUTHORIZING MAYOR TO ENTER INTO AN AGREEMENT FOR ADDITIONA ENGINEERING SERVICES FOR ORCHARD AVENUE SEWER EXTENSION PROJECT

Mayor Dean stated that this will be a Community Development project for the sewer extension. Engineering firms were interviewed, after advertisements were placed. L. Robert Kimball & Associates was the firm selected.

Councilman Cline asked what funds will be used.

Mayor Dean explained that while it is a Sanitary Board project, the funding will come from CDBG funds.

Councilmember Neely said she was extremely pleased to see this since the sewer extension is definitely needed.

Councilman Polan asked if this project were competitively bid.

Mayor Dean replied that it was not competitively bid since that is not required for engineering and architectural services. It was done in compliance with Chapter 5 (g) of the State Code whereby advertisements are placed, the firms which apply are interviewed, one is selected and the fee is negotiated. If this cannot be accomplished with the first choice, then the Sanitary Board would move down to the second choice.

1ST READ ORD RE: AUTHORIZING MAYOR TO ENTER INTO AN AGREEMENT FOR ADDITIONAL ENGINEERING SERVICES FOR ORCHARD AVENUE SEWER EXTENSION PROJECT - CONT.

Mr. Polan asked how many bids were received.

The executive director of the board, Mr. Bob Trocin, said there were responses from five firms. Three of those were interviewed.

Mr. Polan asked if L. Robert Kimball has an office in West Virginia.

The Public Works Director, George McClennen, advised there is an office of L. Robert Kimball in Charleston, WV.

Mr. Polan asked if there were any engineering firms in West Virginia capable of doing this kind of work. He asked how the project was advertised.

Mr. Trocin said there were two advertisements in newspapers of general circulation. There were five responses.

THIS ORDINANCE WAS ADVERTISED.

WAIVE THE RULES

WAIVE THE RULES

Motion by Councilman Bobersky, seconded by Councilman Kent, to Waive the Rules in order to hear an additional item, an ordinance authorizing the Mayor to enter into an agreement between the City and the Tri-State Transit Authority.

The motion carried ten (10) yeas; zero (0) nays; one (1) absent - Maasa.

1ST READ ORD RE: AUTHORIZING MAYOR TO ENTER INTO AN AGREEMENT BETWEEN THE CITY AND THE TRI-STATE TRANSIT AUTHORITY.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT BETWEEN THE CITY OF HUNTINGTON AND THE TRI-STATE TRANSIT AUTHORITY.

Mayor Dean, referring to the intermodal facility to be developed on the Superblock, explained that the Tri-State Transit Authority will be receiving federal highway administration funds. Since the City, the Parking Board, HURA and the developer will be involved as well, this agreement allows the City to work with the Transit Authority.

Chairman Patterson asked why Council needed to hear the item this evening.

Mayor Dean said the City must move along quickly with the project; she believed the engineering was already underway.

Councilman Polan, looking at the agreement, asked from what source the city will find its matching 20%.

Mayor Dean answered that the state will provide that money.

Mr. Polan asked if that will require legislative appropriation.

Mayor Dean said she believed it would be coming through the Department of Highways' budget.

Mr. Polan, considering the remote possibility that this might not happen, asked what the city would then do.

Mayor Dean replied it would not come from the General Fund and if that were to happen (which she did not feel would take place) there would have to be a contingency plan.

Mr. Polan asked if there were a contingency plan.

Mayor Dean said there was not one, at this point.

Referring to another section of the agreement, Mr. Polan asked if the agreement covered the construction, design and engineering.

Mayor Dean advised that, in a sense, it does; however, this is merely the agreement between the City and the Transit Authority to work together.

Mr. Polan asked if there were a threshold, above which Council would review the expenditures. Or, would this be the only time Council would be considering this matter?

Mayor Dean deferred to the director of the Authority, Mrs. Vicki Shaffer.

Mrs. Shaffer, in response to Councilman Polan's question, said she felt the issue would be coming back to Council. She believed that since there is a local share of funds that it would have to return to Council. The Transit Authority is the grant recipient and the board would then award contracts for construction. These awards will be subject to approval by the review team, which involves the city departments. City Council is not directly involved, however, in the review team.

Mayor Dean expressed her opinion that the $6,000,000 coming from the state would come to the city. Therefore, it would come to Council for the acceptance of those monies. Continuing, Mayor Dean explained that any construction contract in excess of $5,000 from the General Fund or from CDBG funds would return to Council. However, with reference to this issue, the questions posed have not been discussed. The city will have to abide by the regulations of the FTA.

Mr. Polan asked if, aside from those regulations, there would be a requirement for Council approval. Or would Council approve the matter initially and the different boards, review teams, etc. make the decisions on spending funds.

1ST READ ORD RE: AUTHORIZING MAYOR TO ENTER INTO AGREEMENT BETWEEN THE CITY AND THE TRI-STATE TRANSIT AUTHORITY - CONT.

Mayor Dean said she was not saying that since the issue had not been discussed.

Mrs. Shaffer said the agreement says that the contracts will be awarded by the TTA board because that board has all the liability for the expenditure of the funds.

The City Attorney pointed out that the agreement does say that any and all commitments by the city shall be subject to the approval of Council before becoming an obligation of the city.

Mrs. Shaffer assured Mr. Polan that the Transit Authority would not spend federal funds in advance of a local share.

Councilman Cline felt this to be a good idea; however, he wanted it known that the individuals serving on the involved boards already serve on other boards.

Councilman Kent asked for clarification from Mrs. Shaffer. He asked for confirmation that if the state would not provide the city with its share that the city would not be obligated to find the money, from another source.

Mrs. Shaffer said that was correct.

Councilman Ritter said the agreement also contained a statement which said that if there were any excess costs the city would be responsible. He asked if it were anticipated there would be some excess costs.

Mrs. Shaffer said this was merely a method to make clear that if there were any additions to the facility, not funded by the federal monies, the costs would be the city's responsibility.

Mr. Ritter asked what was wrong with the present facility on 4th Avenue.

Mrs. Shaffer said there is nothing wrong with it; however, there are plans for the Greyhound station to be used as a coordinating center for all of the services provided for the senior citizens and those who are handicapped.

THIS ORDINANCE WAS ADVERTISED.

WAIVE THE RULES

WAIVE THE RULES

Motion by Councilman Kent, seconded by Councilmember Neely, to waive the rules to hear an ordinance which considers renaming the 500 and 600 block of Elm Street.

The motion to waive the rules carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AND THE MAYOR RENAMING THE 500 AND 600 BLOCK OF ELM STREET WITHIN THE CITY OF HUNTINGTON TO JOHN MARSHALL DRIVE.

1ST READ ORD RE: RENAMING 500 AND 600 BLOCK OF ELM STREET AS JOHN MARSHALL DRIVE.

The sponsor, Dr, Kent, explained that after the unveiling of the statue of John Marshall there was a suggestion that Elm Street be renamed John Marshall Drive since the statue now stands at the end of Elm Street.

Mayor Dean said the request had come from the university, adding that the statue is quite remarkable.

The City Attorney said the ordinance had been drafted in haste and as a result there appeared to be a few mistakes that should be, by a motion to amend, corrected.

Motion by Councilman Kent, seconded by Councilmember Neely, to have certified copies sent to the U. S. Post Office, the Department of Highways, Marshall University, and members of John Marshall's family; additionally the word "resolution," where it appears, shall be changed to "ordinance."

The motion carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

THIS ORDINANCE WAS ADVERTISED.

WAIVE THE RULES

WAIVE THE RULES

Motion by Councilman Bobersky, seconded by Councilman Kent, to waive the rules to hear another item concerning an agreement with Burgess & Niple, engineers and architects for services at the Huntington Business and Technology Park.

This item was on the agenda as a resolution. It should have been an ordinance; therefore the rules needed to be suspended in order to do this.

The motion carried ten (1) yeas; zero (0) nays; one (1) absent - Maass.

1ST READ ORD RE: AUTHORIZING MAYOR TO ENTER INTO AGREEMENT WITH BURGESS & NIPLE FOR ENGINEERING AND ARCHITECTURAL SERVICES

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH BURGESS & NIPLE, LIMITED, ENGINEERS AND ARCHITECTS, FOR ENGINEERING AND ARCHITECTURAL SERVICES AT THE HUNTINGTON BUSINESS AND TECHNOLOGY PARK.

Mayor Dean deferred to Mrs. Judy Rose, Department of Development, for an explanation.

Mrs. Rose explained that this 95-acre tract of land is at the intersection of Route 10 and I-64. This site will become a business park, as an entry-way into the city. The contract will permit the city to move forward with a full engineering design. After advertising for engineering services, 10 responses were received. Four firms were interviewed, and the recommendation was to award the contract to Burgess & Niple.

Councilman Polan said the agreement refers to an amount to be shared with the Huntington Area Development Council.

Mrs. Rose said there is a joint endeavor with HADCO, similar to what took place with the Huntington Industrial Center. The Council has agreed to share in the engineering costs, up to $70,000. The city will put its money in first and HADCO will add its money after January 1999.

Councilman Polan asked if the city's share is already contained in the Huntington Municipal Development Authority's budget.

Mayor Dean said the money is in the city's General Fund budget.

Councilman Kent asked, for the record, if the drainage problems will be thoroughly investigated. There are many people who are concerned about the runoff into Four Pole Creek.

Mayor Dean confirmed that this will take place. One of the prime concerns is the flood control. If it would be determined there are problems, the city would not proceed with the project. She did, however, feel after discussions with the Corps of Engineers that it can be controlled.

Councilman Polan asked if there is a contractual relationship and in what amount.

Mayor Dean said there has not been a contract let at this point.

THIS ORDINANCE WAS ADVERTISED.

RESOLUTION RE: APPROVING SALE OF LAND AT THE HUNTINGTON INDUSTRIAL CENTER

Resolution re: A RESOLUTION OF COUNCIL APPROVING THE SALE BY THE HUNTINGTON DEVELOPMENT AUTHORITY OF LAND AT THE HUNTINGTON INDUSTRIAL CENTER.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HUNTINGTON, CABELL AND WAYNE COUNTIES, WEST VIRGINIA, that the Council does hereby APPROVE the sale by the Huntington Municipal Development Authority of land at the Huntington Industrial Center. A copy of the Contract of Sale by and between the Huntington Municipal Development Authority and The Arbor Investment Company is attached hereto and made a part of this Resolution.

Motion made by Councilman Kent, seconded by Councilmember Neely, to adopt this resolution. No vote was taken at this time.

Mayor Dean stated that the Arbor Inveatment Company of Georgia wishes to construct an assisted living facility on slightly less than three acres of land to the south of the Huntington Industrial Center. She noted that Mr. Parker Ward has been working with the company. This resolution will approve the purchase of the land for $400,000.

Councilman Ritter asked if it had been before the Board of Zoning Appeals.

Mayor Dean said that after this is approved it will go before the Planning Commission and then, if approved, before the zoning board for rezoning.

Mr. Parker Ward, 232 11th Avenue, explained that the front section of the facility will be on the Memorial Boulevard side. The entrance will be from the West 7th Street side since the park property must be maintained.

Councilman Bobersky asked for confirmation of the purchase price, $400,000, and the number of rooms.

Mr. Ward said the price is correct and there will be 63 residential suites, consisting of either one or two bedrooms. There will be a restaurant, beauty parlor, recreation facilities, etc. It will employ approximately 50-60 people.

Councilman Polan asked for a profile of the residents and what the monthly fee would be.

Mr. Ward said this will accommodate people who have planned for their retirement years, and the monthly rent will be approximately $2,500 to $3,000. There is no money required to move in. He noted the company has been very successful with 14 facilities, around the country.

Mr. Polan said this appeared to be a little less cost-wise than a skilled nursing home. He also asked if there were any third-party reimbursement.

Mr. Ward said there are skilled people to assist individuals, and they, in turn, work with the family to make the right decisions to move the person to the next skilled facility. There is no third-party reimbursement.

Mr. Polan questioned if there were many people in the community who could afford this type of facility.

Mr. Ward said studies have been conducted, and it appears that there are people who can afford this.

Mr. Polan asked who negotiated the price.

Mr. Ward said the management of HADCO was approached and over several months they provided an asking price. He then, as a realtor, along with HADCO conducted some studies to come up with a fair market price. That offer was submitted, a counter price was made and the purchasers accepted the counter price.

Councilman Ritter said he wished to make sure a resolution was the correct vehicle for this issue.

Mayor Dean said this is actually approving an action of the Huntington Municipal Development Authority.

Motion to adopt this resolution carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

RESOLUTION RE: APPROVING SALE OF LAND AT THE HUNTINGTON INDUSTRIAL CENTER - CONT.

Resolution re: A RESOLUTION OF COUNCIL AND THE MAYOR RECOMMENDING AND SUPPORTING RENAMING THE HUNTINGTON CABELL WAYNE ANIMAL CONTROL SHELTER TO THE HUNTINGTON CABELL WAYNE ANIMAL CONTROL SHELTER PATRICIA F. THOMAS CENTER.

RESOLUTION RE: RENAMING H-C-W ANIMAL CONTROL SHELTER FOR PATRICIA F. THOMAS

WHEREAS, the Council and the Mayor wish to pay tribute to Patricia F. Thomas for her twenty-seven (27) years of dedicated service to the citizens of the City of Huntington, Cabell County and Wayne County as the Director of the Huntington-Cabell-Wayne Animal Control Shelter; and

WHEREAS, the Council and the Mayor are desirous of recognizing Patricia F. Thomas for her diligent efforts, loyalty to the patrons of the Animal Control Shelter and kindness, compassion and love for the animals at the Animal Control Shelter; and

WHEREAS, the Council and the Mayor recommend and support renaming the Huntington-Cabell-Wayne Animal Control Shelter in honor of Patricia F. Thomas for her dedication to the City of Huntington and her commitment and hard work to provide the City of Huntington with a quality animal control shelter.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL AND THE MAYOR OF THE CITY OF HUNTINGTON, CABELL, AND WAYNE COUNTIES, WEST VIRGINIA, that the Council and the Mayor do hereby RECOMMEND and SUPPORT that the Huntington-Cabell-Wayne Animal Control Shelter be renamed as the "Huntington-Cabell-Wayne Animal Control Shelter patricia F. Thomas Center."

BE IT FURTHER RESOLVED that, upon the adoption of this resolution by the Council and its approval by the Mayor that a certified copy of this Resolution be sent to the President of the Cabell County Commission, the President of the Wayne County Commission and the Huntington-Cabell-Wayne Animal Control Shelter Board for further action upon the same.

Motion by Councilman Bailey, seconded by Councilman Polan, to adopt this Resolution. No vote taken at this time.

Mayor Dean advised that Mrs. Thomas, the director of the shelter, will retire at the end of this month. Both Cabell and Wayne counties have passed resolutions supporting renaming the shelter in honor of Mrs. Thomas.

Councilman Polan said he thought this to be an excellent idea; however, he had never heard of her referred to as "Patricia." He had always known her as "Pat." Had anyone asked her which she preferred?

Mayor Dean, understanding his comments, said the other two entities had adopted similar resolutions and she did not know if they had contacted Pat to ask her which she preferred.

Motion to adopt this resolution carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

Full text of resolution concerning appointing members of the Huntington Municipal Economic Development Authority. Records of discussion and adoption of this resolution appear on pages 2-5 of these minutes:

RESOLUTION RE: APPOINTING MEMBERS OF HUNTINGTON MUNICIPAL ECONOMIC DEVELOPMENT AUTHORITY - FULL TEXT

WHEREAS, by Resolution adopted by the Council of the City of Huntington on September 25, 1995, the Huntington Municipal Economic Development Authority was reactivated and initial appointments made thereto, and

WHEREAS, since the initial appointment of members as their relative terms expired, members have been appointed or re-appointed through the "confirmation of appointment" process at various times including, but not limited to, November 25, 1996, September 22, 1997, February 23, 1998 and September 14, 1998; and

WHEREAS, an issue has arisen as to the validity of these appointments inasmuch as they were appointed under the "confirmation of appointment" process: appointed by the Mayor and confirmed by the Council; and

RESOLUTION RE: APPOINTING MEMBERS OF HUNTINGTON MUNICIPAL DEVELOPMENT AUTHORITY - FULL TEXT CONT.

WHEREAS, it was the intention of the City Council by confirming the appointments of these members to the Huntington Municipal Economic Development Authority to appoint members to this body; and

WHEREAS, it is the desire of the Council to eliminate any and all concerns raised due to the manner in which appointments have been made to the Huntington Municipal Economic Development Authority,

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF HUNTINGTON, CABELL AND WAYNE COUNTIES, WEST VIRGINIA, that this Council does hereby APPOINT, upon the Mayor's recommendation, the following persons to the Huntington Municipal Economic Development Authority to continue to serve for the terms under which they are currently serving:

Business Representatives:

Huey Perry
West Virginia Building
910 Fourth Avenue
Huntington, West Virginia 25701
(304) 522-3577
Appointed: November 25, 1996
Expiration: November 25, 1999

Vicki Shaffer
Tri-State Transit Authority
Post Office Box 7965
Huntington, West Virginia 25779
(304) 529-6094
Appointed: September 25, 1995
Expiration: September 14, 2001

Ron Smith
Chili Willi's Mexican Cantina
841 Fourth Avenue
Huntington, West Virginia 25701
(304) 529-4857
Appointed: September 22, 1997
Expiration: September 22, 2000

Industry Representatives:

Phil Emmons
1314 12th Street
Huntington, West Virginia 25701
(304) 523-2272
Appointed: November 25, 1996
Expiration: November 25, 1999

Bob Trocin
103 Whitaker Boulevard
Huntington, West Virginia 25703
(304) 525-1907
Appointed: September 25, 1995
Expiration: September 14, 2001

Labor Representatives:

Charles A. Spurlock
3714 Third Avenue
Huntington, West Virginia 25702
(304) 523-8125
Appointed: November 25, 1996
Expiration: November 25, 1999

Sherman Nicholas
2905 Winters Road
Huntington, West Virginia 25702
(304) 525-7886
Appointed: September 22, 1997
Expiration: September 22, 2000

City Council Representative:

Phil Cline
11 Parkway Drive
Huntington, West Virginia 25704
(304) 525-8339 (home) (800) 283-2479 (work)
Appointed: September 22, 1997
Expiration: September 22, 2000

Additional Representatives:

Mayor Jean Dean
The City of Huntington
Post Office Box 1659
Huntington, West Virginia 25717-1659
(304) 696-4496
Appointed: September 22, 1997
Expiration: September 22, 2000

David L. Harrington, Jr.
The City of Huntington
Post Office Box 1659
Huntington, West Virginia 25717-1659
(304) 696-4496
Appointed: September 25, 1995
Expiration: September 14, 2001

John Speer
706 Ridgwood Road
Huntington, West Virginia 25701
(304) 525-2244 (home) (304) 525-4357 (work)
Appointed: February 23, 1998
Expiration: November 25, 1999

Dr. J. Wade Gilley
1040 Thirteenth Avenue
Huntington, West Virginia
(304) 529-7956 (home) (304) 696-2300 (wk)
Appointed: September 25, 1995
Expiration: September 14, 2001

W. Don Smith
58 Mayfair Way
Huntington, West Virginia 25701
(304) 523-9122 (home) (304) 526-2052 (work)
Appointed: September 25, 1995
Expiration: October 13, 2000

Confirmation of Appointment to: HUNTINGTON PLANNING COMMISSION

CONFIRMATION OF APPT. TO HUNTINGTON PLANNING COMMISSION

Motion by Councilman Ritter, seconded by Councilmember Jackson, to confirm the appointment of Richard Thompson to a three-year term. No vote was taken at this time.

Mayor Dean said a term of office is expiring on the commission. Before making the appointment, she noted that she reviewed the address of each member. She learned that one member lives in Altizer, one in Guyandotte, two in Fairfield West and four in the Southside. Finding none from Westmoreland she specially sought someone from that section of town. She added that, in view of the recent discussions, she had also learned that the appointments are made by the administrative body and Council confirms the appointment.

Councilman Cline said he would highly recommend the appointment; however, he pointed out that Mr. Thompson also sits on the Airport Authority.

Motion to confirm Mr. Thompson carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

Confirmation of Appointment to: HUNTINGTON HUMAN RELATIONS COMMISSION

CONFIRMATION OF APPT. TO HUNTINGTON HUMAN RELATIONS COMMISSION

Motion by Councilmember Neely, seconded by Councilman Bailey, to confirm the appointment of Mrs. Sharon Neff Hampton to a three year term. No vote was taken at this time.

Mayor Dean stated that Mrs. Hampton was suggested to her by Councilmember Neely. She advised the appointments are made by the administration and confirmed by City Council.

Motion to confirm Mrs. Hampton's appointment carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

Confirmation of Appointment to: BOARD OF PLUMBING EXAMINERS

Motion by Councilman Ellis, seconded by Councilman Kent, to confirm the appointment of Mr. Edgar Holstein to a two-year term. No vote was taken at this time.

Mayor Dean pointed out that the Mayor makes the appointments to this board with the approval of Council. Mr. Holstein will be serving his second term.

Councilman Polan asked if Mr. Holstein would meet the 40% requirement.

Councilman Ellis said Mr. Holstein attends all the meetings.

Councilman Cline asked if this appointment required plumbing experience, and if so did Mr. Holstein have that experience.

Mayor Dean explained that the board is comprised of one master plumber, one journeyman plumber and one resident member. Mr. Holstein is the latter.

Councilman Ellis commented that Mr. Holstein has read the code book, has discussed the issues extensively and is well read on the matters.

Motion to confirm Mr. Holstein's appointment carried ten (10) yeas; zero (0) nays; one (1) absent - Maass.

GOOD & WELFARE

GOOD & WELFARE

Councilman Bobersky said he had received several phone calls to thank the city for having paved streets in Guyandotte.

Mayor Dean commented that she was happy to see this done and had received expressions of appreciation from other citizens as well. She mused as to what might be done if there were a street and/or infrastructure levy.

Councilman Ritter said he attended a service at Reverend Harper's church in Guyandotte for all candidates and that it was a good experience. He then invited everyone to a soccer game on Tuesday between Cabell Midland High School and St. Joe High School.

Mrs. Mattie Moore, 822 15th Street, asked if the turn signal lights could be returned to the traffic signal light on 9th Avenue and Hal Greer Boulevard. She also asked that a tree be removed on the corner of Primrose Avenue and 15th Street. It is a safety hazard. And finally there are a number of trees on 8th Avenue as one enters it from 15th Street. These trees are obstructing the view of motorists and are very dangerous. They should either be removed or trimmed extensively.

Hearing no other business to come before Council, the Chairman adjourned the meeting at 11:40 p.m.

LARRY D. PATTERSON, CHAIRPERSON

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF CABELL, TO-WIT:

I, **Linda Waddell** being first duly sworn, depose and say that I am Legal Clerk for The Herald-Dispatch, a corporation, who publishes at Huntington, Cabell County, West Virginia, the newspaper: The Herald-Dispatch, an independent newspaper, in the morning seven days each week, Monday through Sunday including New Year's Day, Memorial Day, the Fourth of July, Labor Day, Thanksgiving and Christmas; that I have been duly authorized by the Board of Directors of such corporation to execute this affidavit of publication for and on behalf of such corporation and the newspaper mentioned herein; that the legal advertisement attached in the left margin of this affidavit and made a part hereof and bearing number **LH-944027** was duly published in

The Herald-Dispatch

one time, once a week for 2 successive weeks, commencing with its issue of the **28** day of **09**, **2000** and ending with the issue of the **05** day of **10**, **2000** and was posted at the **East door of the Cabell County Courthouse on 28** day of **09**, **2000**: that said legal advertisement was published on the following dates:

September 28, October 5, 2000;

that the cost of publishing said annexed advertisement as aforesaid was **$169.32**; that such newspaper in which such legal advertisement was published has been and is now published regularly, at least as frequently as once a week for at least fifty weeks during the calendar year as prescribed by its mailing permit, and has been so published in the municipality of Huntington, Cabell County, West Virginia, for at least one year immediately preceding the date on which the legal advertisement set forth herein was delivered to such newspaper for publication; that such newspaper is a newspaper of "general circulation" as defined in Article 3, Chapter 59, of the West Virginia Code, within the publication area or areas of the municipality of Huntington, Cabell and Wayne Counties, West Virginia, and that such newspaper is circulated to the general public at a definite price or consideration, that such newspaper on each date published consists of not less than four pages without a cover; and that it is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices.

Linda Waddell

Taken, subscribed and sworn to before me in my said county this **05** day of **10**, **2000**.

My commission expires 11-18-2009

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
RUTH A. ADKINS
118 RIVERVIEW DR.
ST. ALBANS, WV 25177
My Commission Expires November 18, 2009

Ruth Adkins

Notary Public
Cabell County
West Virginia

Revised 7-99

NOTICE

Notice of Public Hearing

THE CITY OF HUNTINGTON NOTICE OF PUBLIC HEARING ON SEWER REVENUE BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of The City of Huntington (the "City") to be held on October 10, 2000, at 7:30 p.m., in the Council Chambers at the Huntington City Hall, 800 Fifth Avenue, Huntington, 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 HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (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.

The above-entitled Ordinance was adopted by the Council on September 25, 2000.

The above-quoted titled 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 said Ordinance in one or more series from time to time. The proceeds of the Bonds will be used to provide permanent financing of the existing public sewerage facilities 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 of the City for review by interested parties during regular office hours.

Following said public hearing, the Council intends to enact said Ordinance upon final reading.

Dated September 28, 2000.

Jean Dean
Mayor

LH-944027

9-28-00
10-5-00

First Reading of an Ordinance re: AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND THE 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.

Mayor Dean deferred to the Director of the Huntington Sanitary Board, Mr. Robert Trocin.

Mr. Trocin explained that the bond issue relates to the mandated project referred to as the SCADA Project - the telemetry control of the pump stations. There are 27 pump stations throughout the city, each of which is controlled by hand. It is very important for the board to be able to control the flow at these stations; however, the flows vary in accordance with where the rain is the heaviest. A telemetry system will allow the city to do this very efficiently.

Councilman Cline, referring to page 3 of the ordinance, under H., it states "The estimated revenues to be derived in each year after completion of the project from the operation of the system will be sufficient to pay all costs of operation and maintenance of the system, the principal of and interest on the prior bonds and the Series 2000 Bonds and to make payments into all funds and accounts and other payments provided for herein." Continuing, Mr. Cline pointed out that in a case brought before the West Virginia Supreme Court by the town of Ripley, WV it was indicated that bonds payable from revenues are not debt, i.e., bonds issued by municipal corporations to finance a public utility and payable solely out of the revenues therefrom, do not create a debt within the meaning of this section. With reference to the City of Charleston, he read that obligations incurred by a city under the authority permitting the issuance of revenue bonds for the construction of sewers are not to be deemed debts.

Councilman Bobersky asked if this had been before City Council prior to this meeting.

Mr. Trocin said that when the rates were set approximately two and one-half years ago, this was included in the process to see that the rates would go up each year (in a certain amount) to compensate for the additional cost of the system.

Councilman Patterson noted that this issue had come before the last City Council on three different occasions. The first time it was on an agenda, as he recalled, it was defeated. He believed it had also been before the previous Council on two other occasions. He believed the year might have been 1994.

This ordinance will be advertised.

Resolution re: RESOLUTION OF COUNCIL AUTHORIZING THE EXPENDITURE OF FUNDS IN ANTICIPATION OF PARKING BOARD FINANCING. (Postponed)

Councilman Cline made a motion for adoption; seconded by Councilman Bobersky.

Mayor Dean deferred to the Director of Administration and Finance, Mr. David Harrington.

Mr. Harrington explained that this resolution speaks exclusively to the funds of the Huntington Municipal Parking Board that may be expended in anticipation of the financing by bond counsel - which was voted upon earlier in this meeting. The anticipated bonds will be a total of $2,212,458; the completion of the Sixth Avenue parking lot will be $363,442. This will involve the demolition of the existing structures, the acquisition of two of the four parcels, asbestos abatement, pavement and the necessary equipment to go on the lot. A multi-space meter will be required for the parking lot and the cost of that will $10,240. Approximately fifty-five new meters will be purchased which will be installed in the 800 and 900 blocks of Fourth Avenue and on Ninth Street between Third and Fifth Avenues. That cost will be $27,276. The budgeted amount for the Third Avenue garage renovations will be an amount of not-to-exceed $900,000. The final element will be the retirement of the 1977 Series A Parking Revenue Bonds which were issued to construct the Third Avenue parking garage. The payoff, after liquidating the reserve fund, will be a net of $911,500.

Councilman Bobersky asked if the bonds will be paid off by funds generated by the parking board.

Mr. Harrington replied that this will be a 10 year bond issue and will be paid off from the revenues generated by the parking board.

Councilman Polan asked, under the existing outstanding indebtedness, when the bonds will be paid off.

Mr. Harrington said it will be in 2006.

Mr. Polan commented that this would mean the time will be extended to 10 years.

Mr. Harrington answered that this is correct.

Mr. Polan asked if any consideration had been given to using any existing cash reserve that the parking board might have in order to minimize the new debt that will have to be created.

In response, Mr. Harrington said the parking board has already used its available cash to make the initial purchases, of the first two parcels. The board does not have sufficient cash reserves to go beyond that.

Mr. Polan asked if the board will be reimbursed for the expenditures made to date.

Mr. Harrington said that is not the intent of this bond issue.

Mr. Polan asked if it is permitted.

According to discussions with bond counsel, Mr. Harrington replied that any expenditure the board has made within the past 60 days for this project would be a qualified reimbursable expenditure. However, based on this budget, there are not sufficient funds available to do this.

Councilman Patterson said it appeared that the estimated amount would not exceed $500,000.

Mr. Harrington confirmed that.

Reverend Patterson said he hoped that when the new multi-space meter is installed that the numbers will not be on the ground, where it is virtually impossible to see them.

Mr. Tom McCallister, 336 W. 5th Avenue, said that what Mr. Cline had read into the record earlier dealt with a treatment plant, not a parking authority. He asked if there would be an ordinance to follow.

Councilman Polan asked the Assistant City Attorney if he believed that by adopting this resolution it would, indeed, constitute a legal action.

Mr. Scott McClure, Assistant City Attorney, said that as he understood the resolution it will authorize paying back from the bond money items that have been already approved by ordinance.

Mr. McCallister asked if Council had already approved an ordinance relating to the parking lot.

Chairperson Neely answered that it had done so.

The resolution was adopted. (8 yeas; 3 nays - Ellis, Jackson, Ritter)

Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A LEASE AGREEMENT WITH THE CITY OF HUNTINGTON FOUNDATION, INC.

Councilman Ellis made a motion to adopt; seconded by Councilman Kent.

Mayor Dean explained that the City of Huntington Foundation has leased the auditorium for the past few years. This resolution will authorize the lease agreement. She noted the agreement will allow the city to continue to use certain portions of the second floor for storage.

Councilman Kent asked if there are plans for waterproofing the west wall in the auditorium.

Mayor Dean said as soon as funds are available.

The resolution was adopted. (11 yeas; 0 nays)

Confirmation of Appointment to: TRI-STATE TRANSIT AUTHORITY

Councilman Cline made a motion to confirm the appointment of Mr. Bob Bailey; seconded by Councilman Polan.

Mayor Dean advised this will be Mr. Bailey's second term on the authority.

The appointment was confirmed. (10 yeas; 0 nays; 1 abstention-Bailey)

GOOD & WELFARE

Councilman Bailey expressed his appreciation for the improvements in the west end of the city with respect to curb cuts and improved sidewalks.

Councilman Ritter said he had been driving on 11th Avenue recently, pulling a boat. Driving at 15 mph the fenders on the boat trailer were knocked off. He asked why the road was in such a condition and if work were being done. How could this be, he asked.

Mayor Dean said she had not been on 11th Avenue recently and she was not aware of any work being done. Responding to "how could this be?" Mayor Dean replied that there is simply not enough money at the present time to pave all streets.

Councilman Bobersky commented that he had recently talked with a Councilman from Lexington, Kentucky. He remembered that when he was a student at Marshall in the 1960's he had gone to Lexington to visit friends. At that time it was a "ghost town" and Huntington was where all the action was. Since then, Lexington has gone to the metro-form of government which

encompasses the county. After having done this a regional airport went in, a 2 1/2 % employment tax was imposed along with the municipal fees. The population is currently just under 300,000. The general fund balance is $226,000,000. He urged all citizens to vote for those legislative candidates who understand the problem and who will take action to help the cities.

Councilman Ellis thanked CSX for having corrected the railroad crossings at 3rd Street.

Councilman Patterson thanked Mayor Dean for the city's help in making the recent multi-cultural festival a huge success.

Councilman Cline asked when the portion of Virginia Avenue next to the post office, will be reopened.

In response, Mayor Dean said the work at the post office should be completed by Thanksgiving. There have been discussions as to when the road will be reopened; it is hopeful that it will be soon.

On another issue, Mr. Cline referred to the West Virginia Constitution which states, as decided upon by the West Virginia Supreme Court, that a purely self-liquidating project as considered in the case of Brewer vs. The City of Point Pleasant and Casto vs. The Town of Ripley does not involve a debt within the meaning of this section. He explained that as long as he has been a Councilmember he has never voted for any issue that has not been self-liquidating by fees or for payments of some sort - that do not require the general funds of this city.

Councilman Polan said that he recalled Council having rezoned a parcel on the corner of Memorial Boulevard and 7th or 8th Street, West for the construction of a personal care home. He noted there is currently a "for sale" sign on the property. He asked what had happened.

Mayor Dean responded by explaining that the company that was initially planning to build the facility became partners with another company. Following that, there was some sort of a dispute about continuing with the project and she assumed, since there is a for sale sign, that it has been determined not to proceed with the project.

Mr. Polan said it concerned him that Council authorized the rezoning and that now it might be used for some purpose that would not be attractive for that site.

On another matter, Mr. Polan noted there had been stories in the newspaper about the business and technology park and the fact that objections had been filed by several federal agencies. He asked how the city arrived at the 90% level of

completion, with respect to the engineering, without hearing the concerns of these agencies before now. He asked the current status.

Mayor Dean said that two federal agencies, along with two residents, lodged complaints against the project. The two federal agencies are the Fish and Wildlife Agency and the Environmental Protection Agency. These complaints are being reviewed and will be answered by the city's engineers, at which time they will be sent back to the Corps of Engineers for evaluation. She anticipates a meeting in the future, adding that this has not meant any change in the plans.

Councilman Kent said he had citizens comment to him that they wondered where the federal agencies were when the development across from the proposed business and technology park site took place. He believed that to be a good question.

Mayor Dean said that apparently no efforts had been made by these agencies to investigate the work going on to the south of the business and technology park, outside the city.

Chairperson Neely said the president of the Southside Neighborhood Association had called her this past Tuesday to let her know the guest speaker had just cancelled. He asked if there were any way for her to find someone. Knowing there are always concerns about trees, abandoned vehicles, refuse, debris, etc. she contacted Mr. I.J. Earls who is the supervisor for the compliance and inspection division. Mr. Earls said he would be glad to help and brought the compliance officer for that district (Mrs. Mary Ann Dolen) with him. She thanked both for having done such a good job.

Mr. Tom Olson, 103 9th Avenue, prefaced his remarks by saying that he has been a citizen of Huntington for 50 years, that he formerly served as chair of the Planning Commission and had served on the Traffic Advisory Board. Additionally, he and his wife were instrumental in establishing the Southside Neighborhood Association. Having said that, he explained that he had made every effort to avoid bringing his complaint to a public forum. He said he had called Mrs. Neely who recommended that he go to the Mayor. He did this, taking a video tape that he asked her to view. He explained that he had been shown out of the office after Mayor Dean realized that he expected the city to make restitution. The problem, he said, was about what had happened to hemlock trees that he and his wife had planted some years ago. These trees were planted between the sidewalk and the curb to act as a sound and dust barrier. He added that he had regularly trimmed the trees to the sidewalk and curb line making sure they were not a hindrance to either pedestrian or automobile traffic. Approximately one month ago he had been told that Mrs. Neely had received a complaint from someone, out of town, who ran the stop sign (on 1st Street and 9th Avenue) going from south

to north. There are four stops signs at that point and the person driving must have seen the stop signs at 11th Avenue, at 10th Avenue. He asked Chairperson Neely, at this point, if the person had been issued a citation for having run the stop sign.

Chairperson Neely said she wished to start from the beginning, when she received a call from a woman who was visiting a relative in her district. The woman, who was very upset, said she did not see the stop sign because of the trees. Mrs. Neely said her first concern had to be for the safety of the citizens traveling in that area. Based on that, she asked that a compliance officer investigate the situation to make a determination as to whether or not the trees were obstructing the view of the stop sign. She added that she lives in that district and drives on 1st Street frequently. In approaching 9th Avenue she has not seen the stop sign, but always stops because she knows there is a stop sign there.

At this point, Mr. Olson displayed a large drawing of the area, to scale, which depicted the trees, the distance and the stop sign. He pointed out that the stop sign is approximately 10' tall which makes it easily visible.

Councilman Bobersky asked what had happened.

Mr. Olson said the city "chopped up" the trees to the point that they are now totally useless for the purpose for which they had originally been intended. He added that the Mayor had told him the city does not have tree-trimmers on the payroll, to which he responded "why not leave the tree trimming to us home owners."?

Chairperson Neely said "Mr. Olson, you do realize that you planted those trees on a city right-of-way."

Mr. Olson answered, "Yes, of course, and the city allowed me to do that and allowed me to take care of those trees. I believe that implies something, would it not"?

Mr. Scott McClure, Assistant City Attorney, said "I don't think it does."

Mr. Olson said "Then what you are saying is that the city can send out crews to chop up anything they want to chop up because they have a right to trim trees on city property."

Mrs. Neely said "The trees were on city right-of-way, you planted them on the city right-of way. I received a call from a woman who probably was an elderly woman - who was frantic. You, and I and everyone who travels 1st Street know the signs are there. This woman did not know, so my concern is, my utmost concern is not for the trees - it's for the people's

safety. And I think that first and foremost that is what the concern should be."

Councilman Patterson said he did not feel the discussion should go much further, especially since there is a five minute limit for citizens to voice their concerns. His concern would be, at this point, that there might possibly be legal action, over which Council has no control.

Mr. Olson said he strongly felt there had been mistakes made and he felt the city should do something.

Mayor Dean said she did watch Mr. Olson's video, that this was purely an administrative matter, and that after having driven by the trees she did not feel they had been decimated.

Mr. Lorenzo Jones, 311 W. 17th Street, said he had heard so much about the proposed user fee and would like an explanation.

Councilman Patterson said at this point it is merely being discussed; it has not come before City Council.

Mr. David Felinton, 910 4th Avenue, asked Mayor Dean if there has been any word from the Census insofar as the number of citizens in Huntington.

Mayor Dean said that the city will get that information on January 1st.

Mr. Felinton asked how the city will be affected if the administration has allowed the city to drop under 50,000.

Mayor Dean said "Excuse me, if the administration has allowed the population to drop...."

Mr. Felinton said "Right, the administration hasn't done anything to keep the population above 50,000."

Mayor Dean said "For the purposes of our viewing audience they need to know that, of course, you are running against me in the upcoming election. And for you to state that the administration has allowed the population to drop below any figure is certainly a rather bold statement and one with which I greatly disagree."

Councilman Patterson called for a point of order, that all questions should be directed to the chair.

Mr. Felinton asked if it is not the duty of the city to try and attract industry.

Chairperson Neely said that is true; however, his statement was that the administration has allowed the population to decline and that is far from the truth.

Mr. Felinton said that if the population has declined it probably could be attributed to a lack of industry.

Councilman Bobersky said the city is working toward constructing a business and technology park.

Mr. Felinton asked what types of jobs it will attract, Amazon.Com, Sitel, Infocision. He felt there should be something besides telemarketing jobs.

Mayor Dean said she felt that citizens should remember that several months ago she initiated a high tech information technology task force composed of many people who are very well informed and active in that field, including several from Marshall University. That group is plotting a course for the type of company that will be sought for the business and technology park.

Councilman Polan said the only candidate for public office that has been doing his fair share, so far, in keeping the population up in Huntington has been Kevin Craig. His second child was just born recently!

Mr. Felinton said that his point was that there needs to be something more than telemarketing jobs.

Mr. Vince Russo, 153 Oakland Drive, said that the bumps on 11th Avenue, referred to by Mr. Ritter, have been there for at least 25 years.

Mr. Tom McCallister, 336 W. 5th Avenue, said the chair should enforce the five minute rule. He asked that he be provided with an account of how much the city owes in debt, bonds, loans, etc.

Chairperson Neely suggested he attend the Mayor's open house on Wednesdays.

Mr. McCallister said he did not want to do that; he was asking for something in writing.

Chairperson Neely said she would take it into consideration.

Mrs. Lynn Clark, 1020 Jefferson Avenue, said that in Mr. Olson's defense she believed that perhaps the wrong trees were cut. There is a huge holly tree that is obstructing the view of drivers.

Mr. John Vance, 1328 9th Avenue, said there has to be some way to get businesses into the city. Why did the business go to Barboursville, Proctorville, etc.?

Miss Hazel Parker, 1115 22nd Street, said that Council meets to take care business of the city. This meeting has been

turned into a political forum for electioneering. She hoped that would not happen again.

Mrs. John Mayberry, 509 Adams Avenue, said she appreciated the protection from the Huntington Police Department. She explained she had recently been attacked and the police acted quickly.

Mr. Tom Olson, 103 9th Avenue, said he wished to correct a statement by Mayor Dean for the records - that Mayor Dean had not seen all of his video.

Mrs. Trudy Fankhanel, 587 Fairwood Road, thanked the Mayor and City Council for its cooperation in renewing the lease for the auditorium upstairs.

Mayor Dean said that she did not say that she had seen all of Mr. Olson's video, simply that she had seen it. It was extremely repetitive. She watched it for five minutes, which was sufficient in order to understand the situation.

Hearing no further business to come before City Council the chair adjourned the meeting at 9:55 p.m.

Councilman Ritter made a motion to adopt; seconded by Councilwoman Jackson.

Mayor Dean explained that the Sanitary Board approved this item. There were two bids and the low bid was submitted by the Bissnuss Company from Canfield, Ohio in the amount of $220,317.00. She advised that the director of the board was present for any questions.

Councilman Kent asked for confirmation that there is a 10 year warranty.

Mr. Robert Trocin, Executive Director of the Huntington Sanitary Board, advised there is such a warranty.

Councilman Patterson asked if there were any connection with this item and ultraviolet lights.

Mr. Trocin said there is no connection; this is a phase of the upgrading of the plant, before the next phase, the ultraviolet lights.

The ordinance was adopted. (10 yeas; 0 nays; 1 absent - Maass)

Chairperson Neely advised that the next item on the agenda will have three readings since it concerns a bond issue; therefore, this reading would not be considered the public hearing. Mrs. Neely added that because the next Council meeting is scheduled for Columbus Day, it will be held on Tuesday, October 10, 2000.

Second Reading of an Ordinance re: AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND THE 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.

Mayor Dean explained the approval of this bond issue will be for the financing of the SCADA Project, or telemetry control of the city's pump stations. It has been recommended and approved by the Huntington Sanitary Board. At the third and final reading, Mr. Vince Collins (bond counsel) will be present.

Councilman Kent said he did not believe the bids had been let at this point.

Mr. Robert Trocin, Director of the Sanitary Board, said they had not been since the funding must be first established.

Councilman Kent assumed the funding, that will be used, will not be in excess of the bid amount. If it would be less than $3,000,000 then bonds would not be issued for that amount.

Mr. Trocin said that is correct, adding that the contract will be less than the $3,000,000. The terminology for these projects was established "early on." Initially, the terminology used was " $3,000,000;" this has been maintained. However, the actual cost will be less than $3,000,000.

Councilman Patterson asked for clarification about the ordinance being a second reading, but not for public review. He asked if this would not be a public hearing as well as the third reading.

Chairperson Neely said it was her understanding that this is not the public hearing. She asked the city attorney for his understanding.

Mr. Ted Morgan, City Attorney, said he believed the public hearing would be held at the third hearing.

Councilman Patterson said he wondered why the public would not be permitted to speak at this time since it was a second reading.

Mr. Morgan said the West Virginia State Code says the third meeting shall be open to the public. As far as Council allowing the public to speak at this time would be up to the Councilmembers.

Councilman Patterson said that even though there is a third reading, he felt the public should be permitted to speak.

Chairperson Neely asked the opinion of Councilmembers.

By unanimous consent Council voted to allow public comment.

Mr. D. Everett Fullerton, 1657 14th Avenue, asked if there will be another ordinance to authorize purchase of the telemetry equipment. Or will this simply lay out the groundwork for additional ordinances.

Mr. Trocin said the work itself has already been approved.

This ordinance will be advertised for a third reading.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR, MATERIALS AND EQUIPMENT TO PAVE CERTAIN STREETS AND ALLEYS IN THE CITY OF HUNTINGTON.

Mayor Dean stated this is to award the contract for the annual paving program. It is recommended that the contract be awarded to Mountain Enterprises, Lexington, Kentucky in the amount of $359,044. The paving will be in Community Development Block Grant authorized areas. In the spring, providing that general fund financing is available, another list of streets will be presented, ineligible for CDBG funds. There seems to be some confusion among the public as to what constitutes an area being CDBG eligible. She deferred to Mr. Richard Dixon, Planning Director, for an explanation.

Mr. Dixon explained that CDBG funds are used to benefit people of low-to-moderate income. This is determined by the census tracts. There are portions of the West Huntington, Fairfield, Guyandotte, Highlawn areas that qualify. Because this benefits people of low-to-moderate income, commercial districts are generally excluded.

Councilman Kent asked if these areas could change, after the next census count.

Mr. Dixon replied that while it is possible, this will not be known until 2002.

Councilman Cline asked if the paving will be for streets and alleys that have never been paved.

Mr. Dixon said some of the alleys are dirt alleys; however, even though the remaining streets and alleys have been paved before they are in need of resurfacing.

Mayor Dean called attention to a petition that has been circulated by residents of Wallace Circle. The water company did some work there this summer, leaving the road in disrepair. Due to a miscommunication between the city and the water company there was an area left, in need of paving. Mayor Dean said the paving of Wallace Circle will be done and paid for by the water company.

This ordinance will be advertised.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE CITY OF HUNTINGTON WITH ITS ANNUAL REQUIREMENT OF SODIUM CHLORIDE (ROCK SALT).

Mayor Dean said four bids were received to provide the city with salt for the winter snow removal. The low bid was from Central Salt of Overland Park, Kansas. The price for 1,250

tons will be $40,250. The city will only pay for what is needed and there are 50 tons left over from last year.

This ordinance will be advertised.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT FOR ASBESTOS ABATEMENT SERVICES TO BE PERFORMED ON CERTAIN PROPERTY LOCATED WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF HUNTINGTON.

In explanation, Mayor Dean said these properties have been before the Unsafe Buildings Commission and are scheduled for demolition. The asbestos must be removed before that can take place. There are two low bidders being recommended, one of which is Ohio Valley Insulating of Huntington, WV. This company will remove asbestos from the property at 427 and 429 W. 6th Street for an amount of $5,218.38. The second bidder is Hazmat Environmental of Proctorville, Ohio. This company will take care of properties located at 1905 9th Avenue, 812 Lincoln Place and 1405 18th Street. The property at 306 Main Street in Guyandotte is currently under discussion. The contract amount is $8,496.

This ordinance will be advertised.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH BURGESS & NIPLE, LIMITED TO PROVIDE THE HUNTINGTON SANITARY BOARD WITH ENGINEERING AND ARCHITECTURAL SERVICES.

Mayor Dean advised this contract has been approved by the Huntington Sanitary Board. Because the amount is in excess of $25,000 it must come to Council for approval. This will permit engineering services for the installation, plans, and specifications for a new air supply line and the abandonment of the existing air tunnel. The amount of the contract is a lump sum figure of $62,500.

This ordinance will be advertised.

First Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY ZONING TO C-1 NEIGHBORHOOD COMMERCIAL FROM R-5 MULTI-FAMILY RESIDENTIAL, PROPERTY LOCATED AT 943 9TH AVENUE, PARCEL 10, TAX MAP 45.

Mayor Dean said this has been before the Planning Commission and received its recommendation. It concerns property adjacent to the Gino's facility at 9th Avenue and 10th Street. An old apartment house is on the parcel and upon approval of this ordinance it will be demolished and used for parking for Gino's customers.

Councilman Patterson said to him, this was done after the fact. The renovation on the building was already started (which eliminated their parking) before it went before the Planning Commission. To him, the Planning Commission should have been consulted before the renovation started.

Councilman Kent asked if people, when they get a building permit, are required to let the city know if a zoning change is going to be requested.

Mr. Dixon replied that when a person applies for a permit, all the regulations are checked for both rezoning and construction. In this situation it was clear, from the beginning, that there was not sufficient parking on their own property. The company, initially, decided to apply for a variance from the Board of Zoning Appeals. That was granted. Twelve off-street spaces were provided at the rear of the property. At this point, they made a decision to tear down the building next door and provide additional parking. This would require a rezoning.

Councilman Kent said it would appear that the added parking issue was not actually necessary in order for them to get the original permit.

Mr. Dixon said they had a variance from the Board of Zoning Appeals to get the original permit.

Councilman Cline asked what type of a buffer will be provided between the apartment building to the west of the one being demolished.

Mr. Dixon said the owner of that adjacent property was concerned, but not about a buffer. He was concerned that the set-backs along 9th Avenue be maintained. The lot will set back with a grass strip and some landscaping equal to the average set-backs along 9th Avenue. Along the property line will the required 5' planning buffer.

Councilman Patterson, referring to the situation with the Kentucky Fried Chicken restaurant on Washington Avenue, said it concerned him that renovation was started which also meant lost parking spaces. There was a loss of handicap spaces. There have been countless instances of not following the proper guidelines and for the most part citizens feel that if the Planning Commission won't approve something, the Board of Zoning Appeals will. Closing his comments, he said "that is a real problem"!

This ordinance will be advertised.

First Reading of an Ordinance re: AN ORDINANCE TO AMEND THE ZONING ORDINANCE OF THE CITY OF HUNTINGTON, WEST VIRGINIA, 1998, AND THE ZONE MAP ATTACHED THERETO AS A PART THEREOF, BY

ZONING TO R-5 MULTI-FAMILY RESIDENTIAL FROM R-2 SINGLE-FAMILY RESIDENTIAL PROPERTY LOCATED AT 216 RICHMOND STREET, PARCEL 200, TAX MAP 13.

Mayor Dean said this item also has been approved by the Planning Commission. The property was originally zoned R-5, but in the 1998 rezoning ordinance the property was returned to R-2 Single-Family. It has been requested that it be returned to the R-5 Multi-Family Residential zoning. She deferred to the Planning Director, Mr. Richard Dixon.

Mr. Dixon advised that it was rezoned in 1995 from single-family to multi-family. At that time the owners planned to construct a four unit apartment building. This, however, never took place. In 1998 when the city-wide zoning went into effect, this vacant lot was rezoned to R-2 single-family, in conformance with the rest of the neighborhood. Recently, the owner's son decided he wanted to develop the property. He would like to put two homes on the property.

Councilman Patterson said that, unfortunately, there are many parcels in the city that have been rezoned and the proposed plans have not taken place. To him, the efforts made were to keep the residential neighborhood intact. He explained that, as a member of the Planning Commission, he did not support this request. Nor will he vote for this at the next Council meeting.

Councilman Bobersky expressed his concern that this would be considered "spot zoning."

In response, Mr. Dixon said it could be; however, in 1995 the rationale was that this was a commercial area abutting a residential area. This, at that time, provided a transition from the commercial zoning to the single-family residential. On the other hand, if one chose to look at this as an error in mapping (in 1998) it would not be spot-zoning. However, when one parcel is rezoned to a multi-family parcel and that parcel is surrounded by single-family residential, it is normally considered spot-zoning.

Mr. Bobersky suggested this would, then, be illegal.

Mr. Dixon advised that spot-zoning is not defined, but is dealt with on a case-by-case basis. A court would have to make that decision.

Mr. Bobersky said that if it is changed to multi-family, and later the owner decides to construct an apartment building rather than the two homes, nothing can be done.

Mr. Dixon said that as long as the set-back and parking requirements are met, that would be correct.

Mr. Bobersky said there had been another issue before Council which was spot-zoning - he had voted against that. To him, it is illegal.

This ordinance will be advertised.

Resolution re: A RESOLUTION OF COUNCIL RATIFYING, APPROVING AND CONFIRMING AN EMERGENCY PURCHASE PROPOSED BY THE MAYOR PURSUANT TO SECTION 107.01 (k) OF THE CODIFIED ORDINANCES OF THE CITY OF HUNTINGTON.

Councilman Kent made a motion to adopt; seconded by Councilman Patterson.

Mayor Dean explained that this action was necessary in order that the city would not be left with a gap in its property and casualty insurance coverage. On an emergency basis, Mayor Dean advised that she had approved the implementation of the new insurance coverage in the amount of $1,325,992.00 for the coverage to be effective September 15, 2000. It has always been her practice, although not legally required, on an item such as this to bring it to Council for a ratifying resolution.

Councilman Polan asked, for the benefit of the audience, that Mayor Dean explain if this will be renewed at an increased cost to the city over last year's cost - and if so, the amount of the increase. He believed a brief explanation would be helpful to the viewing audience.

In response, Mayor Dean said it is being renewed at a cost in excess of the premium paid last year. The increase is approximately $600,000 more than was budgeted for this. This was due to a practice of reporting all claims, without apparent regard to whether or not they were likely to have been paid by the insurance company, and without regard to the possible exposure of the insurance company. She pointed out that the insurance committee, appointed by Council, had been meeting with the Administration and upon recommendation by the City Attorney the city is now implementing new procedures within the Legal Department. The city is also initiating a risk-management procedure and the hope is that these changes will create a reduction in premium. There have also been large awards and settlements made by the previous carrier. From the insurance company's underwriting standpoint, the result has not been good for the city.

Mr. Polan asked if this amount had been budgeted for the current fiscal year or was the previous amount budgeted. If the previous amount was budgeted, he asked from what source the $600,000 will be sought.

Mayor Dean replied that the lower figure had been budgeted. She advised that the Administration will be presenting Council with a budget revision in October. As to the source of the

funds, Mayor Dean said that the monies will come from the general fund as well as the out-agencies that are covered under the policy. It is anticipated that the city will receive sufficient revenues to cover this. The health insurance assessment changes will also be presented to Council in October.

Councilman Kent asked that the City Attorney explain the issue, including the increases in the deductibles.

Mr. Ted Morgan, City Attorney, said that insofar as the deductibles are involved, each one would be different since the general liability insurance is involved as well as the property damage, police professional, etc. In the loss prevention, risk-management area a somewhat complacent attitude toward safety and loss prevention has been replaced with a more pro-active role. This should reduce the safety risk, increase the education and also hold people accountable for their actions. If this had not been implemented, the cost might have doubled or even tripled.

Councilman Polan asked the City Attorney to explain why this additional increase, over and above the approximately $700,000 (based on last year's premium) that has been budgeted, would not create a deficit budget for the city.

Mr. Morgan said he would not be able to answer that since he is not, of course, the finance director. He did know, however, that the city was able to work with the agent, Wayne Manning, to get the best proposal available to the city.

Mr. Polan said he was not challenging the wisdom of the coverage nor the price - what he did not understand was why this would not create a budget deficit. And if it were considered a budget deficit, that would be illegal. He asked for an opinion from the city attorney.

Mr. Morgan said he did not know how the budget would be revised since the finance director would be in charge of that. Nor could he respond as to whether or not an actual deficit exists at this time or will exist at the end of the fiscal year.

Mr. Polan said he presumed, by the end of the fiscal year, remedial action of some sort will be taken. However, his concern at this point would be whether or not the action taken this evening constitutes the creation of a deficit budget. If so, would that be illegal?

Mr. Morgan said he did not have an answer; he simply did not know without more information.

Councilman Cline interrupted to say that the insurance committee had discussed paying for the insurance premium over

a period of time until there is a budget revision. When that is presented, the city will be in line.

Mr. Polan said it would be nice to have the city attorney state, on the record, that this action is legal.

Mr. Cline said the problem is that so much money has already been set aside in the budget. More than that amount will not be spent until there is a budget revision. When that happens, Council can vote it up or down.

Based on that, Mr. Polan asked if the contemplated action is legal or not legal. He said he was not attempting to put words in Mr. Morgan's mouth; he merely wanted an opinion before voting.

Mr. Morgan said his opinion would be that as long as a budget revision is forthcoming, the proposed action tonight will be legal.

Mr. Tom McCallister, 336 W. 5th Avenue, said he heard Mayor Dean say that bringing this to Council was not something she had to do. However, he believed Councilman Polan had a point since the Mayor would know she could not expend more funds than are in the budget. He maintained to do this will be illegal.

The resolution was adopted. (6 yeas; 4 nays - Bailey, Jackson, Polan, Ritter; 1 absent - Maass)

Resolution re: A RESOLUTION OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A GRANT CONTRACT AGREEMENT WITH THE HUNTINGTON, WEST VIRGINIA-IRONTON, OHIO EMPOWERMENT ZONE, INC.

Councilman Ellis made a motion to adopt; seconded by Councilwoman Jackson.

To explain the resolution, Mayor Dean advised this will enable the administration to transfer from the Empowerment Zone funds in the amount of $50,000 to pay for the flood remediation work on 5th Avenue, between 24th and 26th Streets.

Miss Hazel Parker, 1115 22nd Street, said she had noticed in the document that three figures were shown. She asked if the adoption of this resolution would include the other figures.

Councilman Patterson pointed out the figures to which she referred were on page 3, under Exhibit A.

Mayor Dean said these figures have to do with other projects which do not have to have approval by the city. These projects belong to the Empowerment Zone projects.

The resolution was adopted. (10 yeas; 0 nays; 1 absent - Maass)

Resolution re: A RESOLUTION OF COUNCIL APPROVING THE ASSIGNMENT AND ASSUMPTION AGREEMENT BETWEEN SMG, A PENNSYLVANIA GENERAL PARTNERSHIP AND ARAMARK ENTERTAINMENT, INC. (FORMERLY OGDEN ENTERTAINMENT, INC.), CONCERNING THE HUNTINGTON CIVIC ARENA.

Councilwoman Jackson made a motion for adoption; seconded by Councilman Bobersky.

Mayor Dean pointed out that for the past five years Ogden Entertainment has managed the Civic Arena. Ogden was recently purchased by Aramark Entertainment, Inc. The division of Aramark that will take over the contract is known as SMG. This simply assigns the Ogden Entertainment agreement to them. The company will contribute $50,000 to a marketing fund and also $100,000 to reduce the contribution from the city - which was in excess of what was anticipated for the last fiscal year. At this point, Mayor Dean introduced the gentleman who will be overseeing the Civic Arena from a regional perspective, Mr. Hank Abate. She noted that the name of the new director will be announced at a later date.

Mr. Hank Abate, Regional Vice President for SMG, explained that SMG has been in existence for about 20 years. It specializes in managing stadiums, arenas, theaters, convention centers throughout the world. He said the company is looking forward to working with the city.

Councilman Kent explained that one of the problems encountered with Ogden in terms of getting regional conventions was the very high prices that were charged for the rooms, even when food service was going to be provided. He asked if SMG would be giving this consideration.

Mr. Abate said this has been looked at very closely, adding that this is why SMG contributed $50,000 toward a marketing fund to promote the rental of those rooms. After evaluating the prices that Ogden charged there will be an adjustment if warranted.

Councilman Cline commended Mayor Dean and SMG for working together; he felt the city will benefit from the new company.

Councilman Polan asked for an example of any other facility that is operated by SMG, within half a day's driving distance.

Mr. Abate answered that SMG manages the Baltimore, Maryland arena, the Cleveland State Convocation Center, the Pittsburgh Civic Arena - all of which are within five hours of Huntington.

Mr. Tom McCallister, 336 W. 5th Avenue, asked if this agreement has a 30 day escape clause in it.

Mayor Dean said she assumed it would, since this will be the exact same agreement as the one with Ogden Entertainment.

Mr. Carl Eastham, 340 First Street, Altizer asked if city departments will still be charged to use the Civic Arena. He knew the Fire Department had looked into using it to conduct a promotional examination; however, due to the rates the department was forced to look elsewhere. He thought the city owned the building.

Mayor Dean pointed out that any time fees are waived, it means that the city's general fund will pay for the rental.

Councilman Ritter said he recalled that Council had been told the city would not have to subsidize the arena as much after Ogden took over. However, the city is still contributing a lot to the arena.

Mayor Dean said that for the first three years during the contract with Ogden, the subsidy from the city's general fund was reduced. Two years ago there was an increase because there were extensive renovations at the arena. This renovation work cut into the availability of the arena. Last year there was a slight improvement, but not what was anticipated. This has been discussed with SMG and it is their goal to see that the subsidy is on a downward curve.

Councilman Polan asked the Finance Director when the bonds that were sold to construct the Civic Arena would be paid off.

Mr. Glenn White replied that this is the last fiscal year that payments will be made.

The resolution was adopted. (10 yeas; 0 nays; 1 absent - Maass)

Councilman Kent made a motion to waive the rules to hear another item; seconded by Councilman Bobersky.

The motion carried. (10 yeas; 0 nays; 1 absent - Maass)

Resolution re: A RESOLUTION FOR THE REVISION OF THE FISCAL YEAR 2000-2001 GENERAL FUND BUDGET.

Councilman Kent made a motion to adopt; seconded by Councilman Patterson.

Mayor Dean said "Madam Chairman, it was brought to Council's attention and to my attention at the Friday work session that there was considerable concern in the Westmoreland community that the fire truck, that was purchased with funds from the monies for which the Westmoreland residents have to pay both the city fire fee and the Wayne County fire levy, had been used to purchase a fire truck and that that fire truck had apparently been used as collateral for the city's portion of

the payment on the voting equipment purchased by Cabell County. It was explained that collateral was necessary because the Cabell County Commission owned the new voting equipment and not the City of Huntington. At the time that the city agreed to contribute to the purchase of this new voting equipment it was our understanding that the Cabell County Commission would purchase it over a period of three years and that our payments would be stretched over three years. However, two to three months ago we received a communication from the Commission that they had paid for the equipment in cash and were looking for a lump-sum payment from the city. At that time we decided that this would be appropriate to place it under our existing lease-purchase agreement, which we did. But as I have just explained, since we did not own the voting equipment we were asked to provide collateral. It is not possible to provide for collateral a building or something that cannot easily be repossessed if the city should not meet its payments. In a previous event when we were making improvements to the City Hall Annex we had, at that time, (since you cannot repossess those improvements such as a roof) used a fire truck as collateral. Until Friday I was not aware of what particular fire truck had been used as collateral; however, Mr. Ritter so informed all of us that it was the Westmoreland fire truck and that this was causing considerable concern to the residents of Westmoreland. It was also apparently occasioning some rather wild rumors, which I will dispel at this point. It is not true that the city sold the fire truck to meet a payroll. The city's tight budget has not required us to sell anything to meet a payroll. It is also not true that the fire truck has been repossessed because the city had not met its payments. And there are other rumors, equally wild, which are also untrue. Today, I met with our city attorney and our finance director and our director of administration and finance. And it is our conclusion that in order to give a measure of comfort to the people of Westmoreland that the best thing to do in this situation is to withdraw this Westmoreland fire truck as collateral for the voting equipment, to not proceed to lease-purchase this, as it were - but in an attempt to straighten this out to simply pay for it in cash. And the manner in which we will do that is contained in this budget revision. We currently have $46,000 in our election line; we are requesting that you increase that by $20,717 from our contingency line which would reduce the contingency line to $87,467. This will allow us to pay off the voting equipment and also leave sufficient funds in the election line to meet what is anticipated to meet our costs for that November election."

Councilman Ritter said "As a citizen of Westmoreland, I thank you for this. But I'd like to know, is there a lien still on our fire truck"?

Mayor Dean replied "There was never a lien on our fire truck, Mr. Ritter. It was simply placed as collateral and that is somewhat different."

Mr. Ritter said "Well, let's see. If I take something and put it up for collateral, like a used car or something like that - I'm not sure how that works. So right now we have nothing at all against our fire truck."

Mayor Dean said "Once this resolution is approved and the check is sent to the Cabell County Commission, that is correct."

Mr. Ritter said "And another thing, when things like this are done, shouldn't a resolution or an ordinance... uh, when you take a piece of equipment and use it for collateral and you get a loan on that, shouldn't stuff like that be brought before Council to be voted on"?

Mayor Dean said "Mr. Ritter, it's such an unusual circumstance for this to happen, especially for the city to purchase something in conjunction with the Cabell County Commission that I have no precedent to say 'yes, this should have been done or no, it shouldn't have been done.' It's an unusual circumstance that I don't recall happening before."

Mr. Ritter said "Well, you see, one of the reporters from the Herald Dispatch called me today and he said that you had made a statement to him that this same fire truck was used to do the air conditioning for OIC or the annex building, several years ago."

Mayor Dean answered "Mr. Ritter, I don't know with whom you spoke but I can assure you that I did not make that statement."

Mr. Ritter said "Okay, thank you."

Mr. Tom McCallister, 336 W. 5th Avenue, said "The problem that I have with this thing is that the Mayor made the statement to Mr. Ritter that she didn't make that statement - about the work on the annex building. Unless I am mistaken, that truck was used to be pawned for the work over there. Is that the way you understand it"?

Chairperson Neely replied "No."

Mr. Tom McCallister said "Okay, it wasn't used. At the work session you had said it was suggested by the finance director that that truck had been used before in the annex. That's wrong"?

Chairperson Neely said "You're wrong."

Mr. McCallister said "Well, okay, how 'bout this. What she's requesting or what that Kent is supposedly requesting is a levy adjustment, is that right"?

Chairperson Neely said "Right."

Mr. McCallister said " And what you're doing is taking one line item and basically zeroing it out and borrowing from another line item to make it whole - to get the $50,000. Is that right"?

Chairperson Neely said "That's my understanding."

Mr. McCallister said "Well, guess what - has the Auditor's office been advised that you're about to do this"?

Mayor Dean interrupted to say "Madam Chairman, after the resolution is approved it goes to the state tax commissioner's office."

Chairperson Neely said "Does that answer your question, Mr. McCallister"?

Mr. McCallister said "I didn't understand what she said."

Chairperson Neely said "After the resolution is approved, it will go to the state tax...."

Mr. McCallister said "That isn't the way the law suggests it's done. It suggests it's done prior to that, and by the way the Mayor got in trouble when she was the interim city manager on this very same situation, where that an account was exhausted. Council chose to go ahead and do something - it was to advertise for Wayne Bowers."

Chairperson Neely said "I think you are off the subject."

Mr. McCallister said "I don't think so."

Chairperson Neely said "I think you are; we are talking about a fire truck here, we are not talking about...."

Mr. McCallister said "I'm talking about the resolution you're trying to adopt because it's against the law."

Chairperson Neely said "Well, Mr. McCallister, you are going back to a situation years ago."

Mr. McCallister said "Oh no, I'm saying this person was reprimanded for that years ago, the very same thing."

Chairperson Neely said "We're not talking about that tonight."

Mr. McCallister said "Well, why don't you ask your attorney if that you can do what you're trying to do in a budget, a levy adjustment. When you're zeroing out an account and then bringing money out of another, to move another line out of another account that it takes permission from ... it used to be the state tax commissioner. Now it's the auditor and the chief inspector's office. And the law is very clear about that."

Councilman Patterson said "Madam Chair, if I'm reading this correctly we're not actually zeroing out any accounts from here. I'm reading that it's taking $20,717 from the contingency, adding it then to the already $46,000..."

Mr. McCallister said "You're moving money out of contingency."

Chairperson Neely said "Let him finish Mr. McCallister, he's speaking."

Councilman Patterson said "It's not zeroing out an account."

Mr. McCallister said "That's not even of any consequence. You're moving money again into an account line item, which is prohibited, unless that you, 'Kent, don't shake your head, you don't know what you're talking about.'"

Councilman Ritter said "I'd like to ask our attorney. Is this legal? Is this resolution legal 'cause I'm not sure, I'm not an attorney. I'm just taking their word for it."

Mr. Ted Morgan, City Attorney, asked "When you say 'this resolution', I assume you mean this item 16 (a)"?

Mr. Ritter said "Yes, Madam Chairman. I called Lisa Thornburgh this morning at the state auditor's office and asked her how all this took place. What she told me, as she reads state law, and what her understanding of state law for municipalities, that you cannot indebt yourself, like a fire truck, to pay off a debt. It is illegal and she would have to look at the state law again, under what she told me on the phone today, that, uhh, it just seems like... you cannot indebt a city without a bond. You cannot indebt the citizens without a bond and you have a piece of equipment and you indebt it, it's illegal."

Chairperson Neely said "Well, I think we're changing that, Mr...."

Mayor Dean interrupted to say "Madam Chairman I would like to say that that is exactly what we are doing. We are removing the fire truck from this consideration altogether. We are simply asking that you transfer money from the contingency line into the election line to allow the extra money that is needed to pay off, for our share of this voting equipment.

And it is perfectly correct that Council has to pass on the budget revision before it goes to the state."

Chairperson Neely said "Thank you, Mayor Dean."

Mayor Dean said "Madam Chairman, I would also like to respond to the allegation that was made, that I was reprimanded when I was acting city manager for an advertisement for a new city manager, which appeared in the Wall Street Journal and which, as my recollection cost approximately $10,000. I would point out under the city manager form of government it was City Council that advertised for a city manager, that the acting city manager had absolutely nothing to do with that. I was not reprimanded, but I do recall the Councilmember who was - whose name I will not mention."

Chairperson Neely said "Thank you Mayor Dean."

From the audience, Mr. McCallister said "I need to respond to that because that's not true. Now, you let her go on with this thing but you stopped me."

Councilman Cline said "Point of order."

Chairperson Neely said "Point of order is right."

Mr. Morgan said "Madam Chairman, I was asked a question by a Councilman and I'd like to respond to that."

Chairperson Neely said "Go right ahead."

Mr. Morgan said "I believe that this resolution is appropriate, that it is legal, that it remedies a situation that could possibly be a more serious violation, which I am also not prepared at this time to render an opinion on because it is a specific point of law that I have not researched and have not developed it to a conclusion. However, I do believe that this resolution is appropriate and will remedy any possibility of a problem with the fire truck."

Chairperson Neely said "Thank you, Mr. Morgan. Are we ready to vote? Mrs. Shaye, call the roll."

Councilwoman Jackson alerted the chair that Ms. Hazel Parker wanted to speak.

Miss Hazel Parker, 1115 22nd Street, said "I simply wanted to make a comment, which I don't have to make. I have no idea whether it's legal or not; however, it makes me feel a bit more comfortable. If you've got the cash to pay it, uh, the lease-purchase agreement... if you're going out and you're buying something that makes sense, but if you're financing, I don't know how you could beat the current lease-purchase agreement if we didn't already have something there. It can

be used as a polite way of saying 'we're going in debt.' And I appreciate that it's going for cash. I would encourage you to vote for it if it's legal."

Chairperson Neely said "Thank you Mrs. Parker, I appreciate that."

Councilman Patterson said "One comment, if I might as I get into this. The comment that I have is, is that I guess this is all started from that of the County Commission and its demand for money, even though under our agreement we said we were going to pay it in some installments, I suppose. I guess, that really if we had agreed only to pay the installments and we held our guns to that then we probably wouldn't be here right now, discussing this. And as this election matter is going on and on it seems as though that may have been the better thing to do. To say 'well, we're only going to pay it in installments' and then we wouldn't be at this point. But we are here now and I think that we ought to go ahead an resolve this."

Chairperson Neely said "Thank you, Mr. Patterson. Mrs. Shaye, if you would call the roll."

The resolution was adopted. (10 yeas; 0 nays; 1 absent - Maass)

Councilman Kent made a motion (9:00 p.m.) to recess; seconded by Councilman Bobersky.

The motion carried. (10 yeas; 0 nays; 1 absent - Maass)

The chairperson called the meeting back to order at 9:10 p.m.

Councilman Polan made a motion to return to item no. 7; seconded by Councilman Bobersky.

The motion carried. (10 yeas; 0 nays; 1 absent - Maass)

The City Attorney, Mr. Ted Morgan, called attention to item no. 7 which should have been voted upon. Council moved onto item no. 8 without having done this.

Councilman Kent made a motion to adopt; seconded by Councilman Bobersky.

Councilman Cline asked for an explanation.

Mr. Morgan, referring to the documentation attached to the ordinance (item no. 7), called attention to page 68. He noted that the ordinance had not been prepared by his office; the law firm of Steptoe & Johnson prepared it. On page 68, under Section 11.08, Statutory Notice and Public Hearing it advises that an abstract of the ordinance will be published for two successive weeks, following its adoption on September 25,

2000. Therefore, Council should vote on the ordinance at this meeting. The third reading will be considered the public hearing.

The ordinance was adopted. (10 yeas; 0 nays; 1 absent - Maass)

GOOD & WELFARE

Councilman Bailey noted that Mr. McCallister had presented both Mayor Dean and Council members with a list of requests. He asked Mayor Dean if she would have her staff comply with the requests.

Mayor Dean advised she would forward the letter to the City Attorney's office where all Freedom of Information requests are initially handled. Once it has been reviewed by the City Attorney, her staff would then take whatever action would be necessary.

Councilman Ritter asked for a copy of the response to Mr. McCallister.

Councilman Ellis called attention to the new facility, opened on September 24th, for the St. Mary's Pallotine Sisters. He was pleased to have attended the Open House and hoped others would visit it.

Councilman Kent said that a citizen had called him to let him know that the catch basin at the southwest corner of the intersection at Woodland Drive and Norway Avenue is clogged with debris. This resulted in flooding after the rain.

Chairperson Neely thanked the city for having power-washed the bridge in Harveytown and for also providing the funds for the paint. The citizens in Harveytown will paint it themselves.

Mayor Dean said she believed the funding had come from a mini-grant through the Neighborhood Institute, rather than from the general fund.

Councilman Ritter said "Friday, at work session, when I was informed about our fire truck, I was, uh, I get emotional when things like that happen. It was the fire truck in Westmoreland and it had me upset. I had been there from the beginning with the fire truck and some of the things that we had went through with the levy. And it was like there was a gentleman's agreement on that and that's what really bothered me - kinda' like, in my mind I felt betrayed. I know that the truck didn't belong to us; it belonged to the city. We turned it over to the city. But whenever, you know, I had the understanding that there was a lien against it then it didn't belong to us and it didn't belong to the city - it belonged to a bank, or somebody. And it really, it got me. I wasn't the only one. The neighborhood committee, they, uh, the members

were upset. The members of the Fire Fee Committee were upset because they felt they should have been informed. If something like this ever comes up, I think the administration should, if the fire truck needs to be used for something or they need money from us down there for fire protection, you know... 'come to us, talk to the citizens down there.' They are very easy to work with. We have a committee down there that does a very good job. They were hurt because they were not informed. Uh, that's all."

Mayor Dean said "Madam Chairman, I would just like to reiterate and I want to be sure that Mr. Ritter understands this and the residents of Westmoreland - that it was not until Friday that I had any knowledge that this was the Westmoreland fire truck that had been used as collateral. I will take responsibility for it even though I didn't know about it, and I will be at the Westmoreland Neighborhood Association meeting tomorrow night in order to tell that to the residents of Westmoreland."

Mr. Ritter said "You better go with me"!

Mayor Dean said "No, Mr. Ritter, I shall go with the Fire Chief who is even bigger than you are"!

Councilman Polan said he was becoming concerned about the overall financial condition of the city, noting that there had been a number of meetings held to discuss financial issues. He recalled having received a document identifying approximately $2.7 million as "holes in the budget" or other adverse financial conditions. His concern, he said, would be the additional $600,000 resulting from the insurance program coverage. The garbage fee has now been increased by approximately $600,000-$700,000 annually. He further understood that the Mayor's administration is in the process of preparing an array of budget reductions throughout the city, of about $1,000,000. That still leaves a problem of approximately $1,500,000. Because the city is getting so far into the fiscal year, that even if Council would enact a new revenue measure he was not sure that would generate enough revenue in the current fiscal year. He questioned if the Mayor were looking only at revenue measures to get the city through the year, or would there be further budget reductions under consideration.

In response, Mayor Dean said that she thought Mr. Polan was aware of the budget freeze in effect, so that no unnecessary items are purchased. In speaking about the million dollars, she asked if he were speaking about the health insurance assessment. Hearing an affirmative reply, Mayor Dean said she noted that she did not have the sheet that was discussed in a prior meeting. She believed it showed specific outlays that are anticipated. A budget revision will be brought before Council in October. This will provide a clearer picture which

will place the city into one-quarter of the fiscal year. At that time, this will indicate where the city needs to go and perhaps there will be an indication as to whether or not there might be another revenue source that could be enacted by Council.

Mr. Polan assumed that would mean the focus would be on additional revenue measures.

Mayor Dean said "Not necessarily."

Councilman Cline pointed out that Council should know that the state auditor is auditing some of the city's financial pictures. They are charging a lot more than the private entities that had been employed for this purpose. Nobody has control over this. There will have to be additional funds, from some source, to pay for those audits. He could not understand why the state had elected to do this.

Mr. Tom McCallister, 336 W. 5th Avenue, referring to the written request he had distributed, called attention to the fact that he had appeared at another meeting verbally making the requests. This was ignored, he said. He added that he should not have to make such a request under the Freedom of Information Act. He asked how many people, on Council, were aware that the Westmoreland fire truck had been used as collateral.

Councilman Ritter said he had heard rumors, but paid no attention, believing that it was a rumor.

Mr. Lewis Baker, 2630 Collis Avenue, said that some of the city's services are controlled by the city; however, the water supply is not under the control of the city. Huntington pays one of the highest water rates in the state. He suggested that the Mayor and City Council ask the Public Service Commission if there is a justifiable reason for the citizens of Huntington to pay more than other citizens in the state. He said it was at least a $10 per month overcharge. Continuing, as an employee of the West Virginia Rural Water Association he noted that the association is comprised of most of the public water supply systems and sewer systems in the state. Technical assistance and training is provided, free of charge. He would be happy to send a copy of their publication to the Mayor or any member of Council.

Mr. Nick Zappia, 202 Norway Avenue, said he was interested in the name of the city in Kansas that was mentioned earlier.

Mayor Dean replied that it was Overland Park, Kansas.

Councilman Bailey said it referred to the city that would be supplying the rock salt to Huntington.

Mr. Dan Thomas, 1676 Ninth Avenue, as a representative of the Fairfield West Independent Council and the Carter G. Woodson Memorial Foundation presented City Council with a petition. Citizens have requested that 9th Avenue, from 8th Street to 25th Street, be co-designated as "Carter G. Woodson Avenue." He presented the petition and a biographical sketch of Mr. Woodson to the City Clerk. He asked that it be kept with the City's records.

Councilman Patterson commented that the Independent Council has brought a fresh "breath of air" to the community. He hoped this would be looked at in the same fashion as what took place in co-designating 20th Street as Marshall Memorial Boulevard. Since there is a statue of Carter G. Woodson at the Carter G. Woodson housing project on 9th Avenue, he felt this to be a reasonable and appropriate request.

Mrs. John E. Mayberry, 509 Adams Avenue, said she had heard a discussion on the radio earlier in the day referring to "personalities versus the issue." She thought these same types of discussion had taken place at this meeting. She expressed her concern about the children in the city, especially when she attended the recent Chili Fest and witnessed people openly drinking beer on the streets. She did not feel this was a good practice since many children were at the fest. She asked who authorized this.

Mayor Dean explained that under a city ordinance, it is permissible at certain special events, such as the Chili Fest.

Mrs. Mayberry, in closing, said four city busses had passed her as she stood waiting (after the Chili Fest) to ride to the west end of the city.

Mr. Carl Eastham, 340 First Street, Altizer explained that across from the former site of the Kerr Glass Company, construction is underway. In doing this, a ditch line has been re-dredged resulting in the rerouting of water from a hill, over into the city. It has been diverted to an area under the railroad tracks behind First Street. There are three culverts that go under the tracks; two are clogged with debris. The one culvert that is open is not large enough to handle the flow of the water and this has created quite a problem. The city has been contacted by different citizens, but nothing has been done. The tracks are outside the city, but the water (having been re-routed by the construction company) is coming into the city. If something isn't done, one of his neighbor's homes will be washed away.

Councilman Bobersky said he had visited the area and was aware of the problem, adding that railroad company had not caused the problem. He asked the name of the construction company.

Mr. Eastham said he believed the property is owned by Jerry Denning, of Denning Construction.

Hearing no further business to come before City Council the chair adjourned the meeting at 9:50 p.m.

S Y N O P S I S
HUNTINGTON CITY COUNCIL
September 11, 2000

The September 11, 2000 Huntington City Council meeting convened at 7:30 p.m. with Chairperson Neely presiding.

The Invocation was given by Councilman Cline and the Pledge of Allegiance led by Councilman Bailey.

All members of Council were present. Also present were Mayor Jean Dean, Mr. Scott McClure, Assistant City Attorney and Ann Shaye, City Clerk.

Councilman Kent made a motion to approve the synopsis as submitted; seconded by Councilman Ellis.

The synopsis was approved by unanimous consent.

Mayor Dean read a proclamation in honor of a historic event that took place on July 2, 1964. On this date the Civil Rights Act of 1964 was adopted, banning discrimination because of a person's color, race, national origin, religion or sex. By act of Congress, dated December 6, 1865 the thirteenth amendment of the Constitution of the United States of America was adopted giving all persons born or naturalized in the United States the right to due process and equal protection under the law. The City of Huntington avows racism is unjust and advocates equal rights for all citizens. Mayor Dean proclaimed the 20th day of September, 2000 to be "Undoing Racism Day" in the City of Huntington. On another matter, Mayor Dean announced a very important meeting to be held on Thursday, September 14, 2000 at West Virginia State College in Institute, WV. There will be a meeting of the West Virginia Public Port Authority at 1:00 p.m. She urged all Councilmembers and citizens to attend this meeting. Referring to the Empowerment Zone's annual report, Mayor Dean advised that copies would be available in the Empowerment Zone's office. Although the city has not received the $20,000,000 promised, the city has received $6,600,000 which has been put to very good use. As the final portion of her reports, Mayor Dean distributed copies of the minutes of the August 17, 2000 Huntington Sanitary Board's meeting.

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT BY AND AMONG THE CITY OF HUNTINGTON, THE CABELL COUNTY SOLID WASTE AUTHORITY AND THE WAYNE COUNTY SOLID WASTE AUTHORITY. (Postponed)

Councilwoman Jackson made a motion to adopt; seconded by Councilman Bobersky.

Mayor Dean explained that she had provided a memorandum to City Councilmembers on Friday addressed to her from the public works director. The agreement was thoroughly reviewed following the last Council meeting.

Councilman Kent asked that the memorandum be included in the minutes of the meeting.

The memorandum is as follows:

" TO: Jean Dean, Mayor

FROM: George M. McClennen, Director of Public Works

SUBJECT: Compost Agreement

DATE: September 7, 2000

Thoughts and comments on the Composting Agreement

1. The largest savings to the City from having a composting facility is not having to pay the tipping fees for the material from taking it to a landfill. Sam Colvin's memo dated September 6 says that the City will save approximately $62,500 in tipping fees. This is on the high side but the savings to the City is significant.

2. The agreement allows the City to bring the material to the compost facility at no cost. If the Solid Waste Authority imposes a fee on the City in the future, it would be in the best interest of the city to restart our own composting operation on a limited scale. Our landfill permit allows us to do this. We have operated a compost facility of this nature for several years before the Solid Waste Authority got involved.

3. Because the initial cover placement at Dietz Hollow has been completed, the City's need for cover material at this time has been greatly reduced. We can do without the compost materials without any problems on our part. We currently have around 400 tons of composted material in our stock pile. This will take care of our needs for over one year.

4. The City has been paying for the operation of the compost facility with landfill closure funds. Since this source of funding has essentially been depleted and the landfill staff cut back, we could not continue operation without diverting resources from another area (Street Division personnel for example).

5. With the annual renewals in the agreement, the City has the opportunity to revise the terms of the lease if our requirements change.

6. The Street Division has been using some of the materials at locations other than the landfill. With the amount stockpiled, we will still have a source for over one year. The savings to the Street Division from not having to buy this type of material is in the range of $1,000 to $2,000 per year.

7. The Solid Waste Authority has set a price of $10 per ton for the composted materials. We are currently paying $4 per ton for this type of material when we buy it at a commercial dealer.

8. Mr. Colvin's memo states that the City could have sold the composted material when we operated the facility. Our permit prohibits the City from selling the material.

9. The memo also states that the City has stopped maintenance on the equipment in anticipation of the Solid Waste Authority taking over the operation. We have deferred repairs of the City equipment at the landfill because of the City budget restrictions. The essential equipment is being maintained."

The ordinance was adopted. (11 yeas; 0 nays)

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO EXECUTE A DEED TO CONVEY THE PROPERTY LOCATED AT 1826 ELEVENTH AVENUE TO FAIRFIELD WEST COMMUNITY GARDENS, INC.

Councilman Kent made a motion for adoption; seconded by Councilwoman Maass.

Mayor Dean stated that in July an auction was conducted for this piece of property, which had been through the city's rehabilitation program. It was purchased by a citizen who later withdrew her bid. The Fairfield West Community Gardens, the second low bidder, has agreed to purchase it for $5,600. This is the same price as the first bid.

Councilman Patterson stated that because he is currently the president of Fairfield West Community Gardens he would abstain from voting.

The ordinance was adopted. (10 yeas; 0 nays; 1 abstention - Patterson)

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO PROVIDE PROFESSIONAL SERVICES TO THE CITY OF HUNTINGTON AND ITS AGENCIES RELATING TO ISSUING SHORT-TERM CERTIFICATES OF

PARTICIPATION TO FINANCE THE CONSTRUCTION OF A SURFACE PARKING LOT ON SIXTH AVENUE AND TO FINANCE RENOVATIONS TO THE EXISTING PARKING GARAGE AT THE CORNER OF THIRD AVENUE AND EIGHTH STREET, WITHIN THE CITY OF HUNTINGTON.

Councilman Bobersky made a motion to adopt; seconded by Councilwoman Jackson.

Mayor Dean stated that the recommendation is that the law firm of Steptoe & Johnson be employed for a professional services fee of $14,500. This will authorize the firm to issue the necessary documents to finance the surface parking lot on Sixth Avenue and the renovations at the existing parking garage at 3rd Avenue and 8th Street.

Councilman Ellis noted that no money from the City's general fund will be expended.

Mr. Tom McCallister, 336 W. 5th Avenue, asked if this were a bond.

Chairperson Neely answered that it is.

Briefly interrupting, Mayor Dean explained that it is for certificates of participation.

Mr. McCallister said, according to the Constitution of the State, this would have to go to the public as a referendum.

Mayor Dean stated that this is merely to provide legal services for the issuance of the bonds.

Mr. McCallister said he understood that, but he believed that according to the Constitution it must first be put before the citizens in a referendum. There must be three fifths of the votes in order to pass.

Councilman Kent said that while there is an obvious answer to Mr. McCallister's question, he would like for the Assistant City Attorney to respond.

Mr. Scott McClure, Assistant City Attorney, explained that he did not have a copy of the Constitution with him but would be happy to secure one from his office.

Councilman Patterson maintained that this issue had been discussed previously, many times. It has been the opinion of former city attorneys and the bond counsel that the manner in which this is being done is legal. He felt this was belaboring the point.

Mr. McCallister said he recalled having heard Councilman Bailey request a legal opinion from the City Attorney with reference to WV State Code 8-11-3 and what is legal in terms

of ordinances, etc. He asked if Mr. Bailey had received the opinion.

Councilman Bailey replied that he had not yet received the opinion.

Councilman Kent said he did not feel it to be a good idea to request and receive an "instant" legal opinion. Having said that, he stated that there is a profound difference between the Article that pertains to general obligation debt which has to be approved by the voters and the debt that is issued by entities such as the Huntington Municipal Parking Board, the Development Authority, the Urban Renewal Authority - none of which requires approval by the voters.

Mr. McCallister suggested that Dr. Kent's comments were "total nonsense."

Councilman Kent replied that he was not wrong, adding that he was becoming weary of Mr. McCallister's constant attempts to mislead the public with his total misinterpretation of law.

Chairperson Neely asked that the people listen to what Mr. McClure has found.

Mr. Scott McClure, Assistant City Attorney, read from Article X, Section 8 of the Constitution of West Virginia:

"

Bonded Indebtedness of Counties

No county, city, school district or municipal corporation, except in cases where such corporations have already authorized their bonds to be issued, shall hereafter be allowed to become indebted in any manner, or for any purpose to an amount including existing indebtedness, in the aggregate, exceeding five per centum on the value of the taxable property therein to be ascertained by the last assessment for state and county taxes, previous to the incurring of such indebtedness; nor without, at the same time, providing for the collection of a direct annual tax on all taxable property therein, in the ratio, as between the several classes or types of such taxable property, specified in section one of this article, separate and apart from and in addition to all other taxes for all other purposes sufficient to pay, annually, the interest on such debt, and the principal thereof, within, and not exceeding thirty-four years. Such tax, in an amount sufficient to pay the interest and principal on bonds issued by any school district, not exceeding in the aggregate three per centum of such assessed value, may be levied outside the limits fixed by section one of this article: Provided, that no debt shall be contracted under this section, unless all questions connected with the same, shall have been first submitted to a vote of the people and have

received three fifths of all votes cast for and against the same."

Mr. McCallister asked "how was I wrong"?

Councilman Kent said that no law firm would issue bonds if they were unconstitutional. There are provisions elsewhere that refer to the type of debt that is being issued here - which is not general obligation debt. That is the only type of debt being referred to in Article X.

Mayor Dean said "Madam Chairman, I have a request to make. It appears to me that we can see in which direction this Council meeting is going. I, for one, am tired of the discourtesy with which members of Council, myself, the City Attorney and just about everyone else sitting here is subjected. And I hope that for the rest of this meeting that things will take a different track and that we will be treated with courtesy and not with this disrespectful manner. We are, after all, the elected officials of this city and we deserve respect. The manner in which Dr. Kent has just been treated is abhorrent."

Mr. McCallister, speaking from the audience, asked if he should apologize for the state law being correct.

Chairperson Neely asked Mr. McCallister to be seated, adding that she had requested at the last Council meeting that anyone speaking should do so in a courteous fashion and to be respectful. She felt that Councilmembers speak to those attending with respect and therefore citizens should address the Mayor and Council with respect.

The ordinance was adopted. (7 yeas; 4 nays - Bailey, Ellis, Jackson, Ritter)

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO CONTRACTS TO PROVIDE PROFESSIONAL LEGAL SERVICES TO THE CITY OF HUNTINGTON FOR THE COLLECTION OF B & O TAXES AND OTHER FEES.

Councilwoman Maass made a motion to adopt; seconded by Councilman Bobersky.

Mayor Dean stated that the recommended firms to pursue the collection of delinquent B&O taxes are Duane J. Ruggier, Jr. of Charleston, WV and Bailes, Craig & Yon of Huntington. Mr. Ruggier's fee is $90 per hour and Bailes, Craig & Yon's fee is $95 per hour. It is believed that approximately $400,000 is collectible.

Councilman Polan asked how many taxpayers the $400,000 would represent.

Mayor Dean answered that she believed it to be approximately thirty companies.

Councilman Ritter, recalling the former audit and compliance division, asked if this would not have been something they could have done.

Mayor Dean said that division would not have been able to handle legal services. The division was restructured into the finance department and has been very successful in collections. However, neither the audit and compliance division, or the finance department can provide the city with legal services.

Mr. Ritter said he remembered that one of the former employees, wearing an official badge, was able to call on a number of delinquent businesses and collect fees.

Mayor Dean said the city's own legal staff has taken a number of cases to court and won; however, with some of the "hard-core" cases it is necessary to retain outside legal services.

Councilman Polan asked the number of audits conducted last year of B&O taxpayers.

Mayor Dean said that while she did not have that figure with her she would be happy to get the information.

Thanking her, Mr. Polan asked that his request include each of the last three fiscal years.

Mr. John Vance, 1328 9th Avenue, said he, too, wondered why the city could not use its own legal staff.

Mr. Bill Evans, 201 Green Oak Drive, said he was glad to see this ordinance. He hoped that individual citizens, who have not paid their required taxes, also be targeted.

Mr. Tom McCallister, 336 W. 5th Avenue, asked why the City Attorney's office could not handle this situation.

Mayor Dean explained that due to the volume of work in the City Attorney's office it is necessary to seek additional help in taking the cases to court.

Councilman Bobersky, speaking from experience with the company for which he works, said his company has two floors of attorneys in Jacksonville, Florida. His company, CSX, has attorneys on retainer for matters such as this. This is not unusual.

Mr. McCallister maintained that, in accordance with the City Charter, the City Attorney's office is required to handle legal matters such as this.

Mayor Dean pointed out that the City Charter allows for hiring outside legal counsel.

The ordinance was adopted. (11 yeas; 0 nays)

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO PROVIDE PROFESSIONAL SERVICES TO THE CITY OF HUNTINGTON IN THE COLLECTION OF B & O TAXES.

Councilman Bailey made a motion to adopt; seconded by Councilman Ellis.

Mayor Dean explained this is merely another step in insuring that all B&O taxes owed to the city are, indeed, collected. This will be for auditing purposes. The firm being recommended is Dunn & Cooper, located in Huntington, for a fee of not-to-exceed $50,000 for one year.

Councilman Ritter commented that he wondered why the city could not use its own employees to perform such audits.

Mayor Dean replied that while the city has conducted spot audits, the concern would be that the staff to do this is not as large as is necessary. Therefore, the recommendation is to hire outside CPA's to do this. It will be far less costly than hiring more employees to audit these firms.

Mr. Ritter asked if the companies will be paid on a commission basis.

Mayor Dean answered that it will be paid at the hourly rate of the individuals in the firm.

The ordinance was adopted. (10 yeas; 1 nay - Ritter)

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH LABOR AND MATERIALS FOR THE RE-ROOFING AND WATERPROOFING OF THE DOUGLASS CENTER (FORMER DOUGLASS HIGH SCHOOL), LOCATED AT THE NORTHSIDE OF TENTH AVENUE BETWEEN BRUCE AND DOUGLASS STREETS.

Councilman Kent made a motion to adopt; seconded by Councilman Bailey.

Mayor Dean explained four proposals were received to re-roof the Douglass Center. The low bidder was Boggs Roofing of Huntington in an amount of $260,500 to be paid for by Community Development Block Grant funds.

Councilman Bailey asked the length of the warranty.

Mayor Dean said she believed it to be 20 years.

Councilman Kent said he was pleased to see this building preserved.

Councilman Patterson said he felt this action will greatly benefit the community. He added that since he is currently an occupant of the facility he would abstain from voting.

Councilman Cline asked if any of the entities that are anticipated to move into the facility will be paying property taxes.

Mayor Dean said she did not believe there would be any private entities that will be occupying the building.

Reverend Patterson added that he did not believe there will be any private entities that will occupy the building; however, Fairfield West is a non-profit organization. It owns several pieces of property and the organization does pay property taxes.

Councilman Polan said he did not understand why the cost to do this would be approximately $10 per square foot.

Mayor Dean noted that the architect had pointed out that this is an historic building. Certain specific requirements must be met, especially when Community Development Block Grant funds are used.

Councilman Patterson said that another reason is that the entire sheeting and support structure must be replaced in the gymnasium.

Councilman Bobersky said he knew that asbestos removal is involved, along with the requirement of copper gutters and boarding up broken windows. The project is very labor-intensive.

Mr. Tom McCallister, 336 W. 5th Avenue, said that the cost to roof both the former Huntington East High School and Huntington High School was $160,000. He questioned how this cost could be justified. Digressing somewhat, Mr. McCallister said that while he had been told he was most discourteous he recalled at the last Council meeting that Mr. David Felinton (running for Mayor on the Democrat ticket) was treated most discourteously.

Mr. D. Everett Fullerton, 1657 14th Avenue, asked if the building is on the Historic Register. He added that having been in the building recently he wanted it known that the hallways and woodwork have been preserved in good condition.

To go further and make sure that the entire building is preserved will be well worth the cost.

The ordinance was adopted. (10 yeas; 0 nays; 1 abstention - Patterson)

First Reading of an Ordinance re: AN ORDINANCE VACATING AND ABANDONING OF CERTAIN PROPERTY A PART OF NINTH AVENUE, WHICH ADJOINS BLOCK NUMBER ONE HUNDRED ONE (101), IN THE CITY OF HUNTINGTON, CABELL COUNTY, WEST VIRGINIA BEING A STRIP OF LAND APPROXIMATELY 2.96 FEET IN WIDTH AND 117.50 FEET IN LENGTH.

In explanation, Mayor Dean advised that this involves another historic high school building that is being restored. The YMCA has requested that this small piece of land be abandoned to them in order that they might be able to construct another gymnasium. This was approved by the Planning Commission.

Councilman Polan asked if this building is on the National Register of Historic Places.

Mayor Dean said she was not sure about that.

Mr. Polan asked who is required to review the architectural plans for the addition.

Mayor Dean advised it would come under the Public Works Engineering Division.

Mr. Polan asked if this would be required to meet any specific esthetic standard if it happens to be on the Historic Register.

Mayor Dean answered that this is referred to as a new portion. She did not know if a new addition would fall under the same guidelines.

Councilman Patterson said he was unable to be at the last meeting of the Planning Commission. Although the Board of Zoning Appeals had previously granted an easement to the YMCA, he did not feel that easement would pertain to this project. He felt they would have to appear before the Board of Zoning Appeals again.

Mayor Dean noted that Mr. Richard Dixon, Director of Development and Planning, was out of the city. However, upon his return she was sure this could be resolved.

This ordinance will be advertised.

First Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON SANITARY BOARD WITH STAINLESS STEEL/METAL CHAIN AND COMPONENTS FOR THE GRIT TANKS AT THE WASTEWATER TREATMENT PLANT.

Mayor Dean stated that the Sanitary Board approved this item in July of this year. It is recommended that the contract be awarded to the Bissnuss Company from Canfield, Ohio in the amount of $220,317.00. She advised that the director of the board was present for any questions.

Councilman Bobersky asked that Mr. Robert Trocin, Director of the Huntington Sanitary Board explain the procedure.

Mr. Trocin defined a grit tank as the vehicle which treats the effluent coming into the plant. The effluent materials which consist of sand, dirt, grit, rock, etc. sink to the bottom upon entering the plant. This material must be removed. The chains have rakes on them and work constantly to pull the grit out of the tank. Formerly carbon steel chains have been used but because they wear out in about two years it was decided to change to the stainless steel metal chains. These cost more but will last for 10 years.

Councilman Polan said he had a question about another matter. He had been reading about a consolidation system for the sewer systems in Culloden, Milton and Salt Rock, WV. However, he was not sure how the city's sanitary board fits into that process.

Mr. Trocin said that ultimately it is the plan to bring all of the effluent in the county into the city's plant. That will be a major undertaking; however, the first step is to combine those three entities into one plant which will function as an interim plant. It will be connected, at some point, to the city's plant. The EPA is continually reducing the amount of effluent permitted in any one stream. Because most of these streams in the eastern part of the county are small it will become necessary in the future to stop permitting any discharge into them. As a result of this, ultimately the only place that you can discharge from a plant will be into the Ohio River. The Huntington board is working very closely with all the entities in the county.

Mr. Polan said it appears that the material will then come to the Huntington's plant in a semi-treated form. The city will complete the treatment.

Mr. Trocin answered that this would be correct.

Mr. Polan asked if they would become a wholesale customer of the city's sanitary board.

Mr. Trocin answered that they would be, as are Ceredo, Kenova, Spring Valley, Northern Wayne.

This ordinance will be advertised.

S Y N O P S I S
HUNTINGTON CITY COUNCIL
September 25, 2000

The September 25, 2000 Huntington City Council meeting convened at 7:30 p.m. with Chairperson Neely presiding.

The Invocation was given by Councilman Ellis and the Pledge of Allegiance led by Ian Roush, of Boy Scout Troop #8.

All members of Council were present with the exception of Councilwoman Maass. Also present were Mayor Jean Dean, Mr. Ted Morgan, City Attorney and Ann Shaye, City Clerk.

Councilman Ellis made a motion to approve the synopsis as submitted; seconded by Councilman Bailey.

The synopsis was approved by unanimous consent.

Mayor Dean advised that she had no special reports at this time.

Second Reading of an Ordinance re: AN ORDINANCE VACATING AND ABANDONING OF CERTAIN PROPERTY A PART OF NINTH AVENUE, WHICH ADJOINS BLOCK NUMBER ONE HUNDRED ONE (101), IN THE CITY OF HUNTINGTON, CABELL COUNTY, WEST VIRGINIA BEING A STRIP OF LAND APPROXIMATELY 2.96 FEET IN WIDTH AND 117.50 FEET IN LENGTH.

Councilman Bobersky made a motion to adopt; seconded by Councilman Bailey.

Mayor Dean advised this involves a small parcel of land on 9th Avenue, adjacent to the newer portion of the old Huntington High School. This was approved by the Planning Commission so that the YMCA can build a second gymnasium.

Councilman Bobersky recalled the many negative comments in the past, about how nothing would ever be done at the former high school, etc., etc. He was extremely pleased that this will now be in use by the community.

The ordinance was adopted. (9 yeas; 0 nays; 1 abstention - Cline; 1 absent - Maass)

Second Reading of an Ordinance re: AN ORDINANCE OF COUNCIL AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT TO FURNISH THE HUNTINGTON SANITARY BOARD WITH STAINLESS STEEL/METAL CHAIN AND COMPONENTS FOR THE GRIT TANKS AT THE WASTEWATER TREATMENT PLANT.

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

MINUTES ON ADOPTION AND ENACTMENT OF BOND ORDINANCE
(THIRD READING FOLLOWING PUBLIC HEARING)
AND ADOPTION OF SUPPLEMENTAL RESOLUTION

I, Ann C. Shaye, City Clerk of The City of Huntington (the "City"), hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Council of the City:

* * * * * * * * *

The Council of the City met in regular session, pursuant to notice duly given, on the 10th day of October, 2000, in Huntington, West Virginia, at the hour of 7:30 p.m.

PRESENT:	Jean Dean -	Mayor
	Robert Bailey -	Councilmember
	A. F. Bobersky -	Councilmember
	Philip E. Cline -	Councilmember
	B. W. Ellis -	Councilmember
	Frances Jackson -	Councilmember
	Calvin Kent -	Councilmember
	Renee Maass -	Councilmember
	Mary Neely -	Councilmember
	Larry D. Patterson -	Councilmember
	Chuck Polan -	Councilmember
	James Ritter -	Councilmember

ABSENT:

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it. She stated that the proposed Bond Ordinance heretofore passed on first and second readings would be subject to protests and suggestions from any interested person at this time in accordance with the publication of an abstract of said Bond Ordinance and a Notice of Hearing, which publication has been duly made, and the Mayor called for protests and suggestions as to said Bond Ordinance and all

persons desiring to protest the said Bond Ordinance or to make any suggestions with reference thereto were heard.

There being no protests or suggestions made as to said Bond Ordinance, the Mayor thereupon stated that it would be in order to consider the said Bond Ordinance for final enactment and the Mayor caused the said Bond Ordinance to be read as follows:

> ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS FOR THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2000 (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.

Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Bond Ordinance be finally enacted and put into effect immediately.

Next, the Mayor presented a proposed Supplemental Resolution in writing entitled:

> SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISIONS, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2000 A (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; 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.

and caused the same to be read and there was discussion. Thereupon, on motion duly made and seconded, it was unanimously ordered that the said Supplemental Resolution be adopted and put into effect immediately.

* * * * * * * * *

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

Mayor

* * * * * * * * *

I further hereby certify that the foregoing action of the Council remains in full force and effect and has not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 24th of October, 2000.

City Clerk

10/10/00
435500/00001

CH408247.1

STEPTOE & JOHNSON

ATTORNEYS AT LAW

BANK ONE CENTER

SEVENTH FLOOR

P. O. BOX 1588

CHARLESTON, W. VA. 25326-1588

(304) 353-8000

FACSIMILE (304) 353-8180

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

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) 262-3541

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

ALAN B. MOLLOHAN INNOVATION CENTER
1000 TECHNOLOGY DRIVE
P. O. BOX 2210
FAIRMONT, W. VA. 26554-8824
(304) 368-8000
FACSIMILE (304) 368-8413

WRITER'S DIRECT DIAL NUMBER
(304) 353-8196
WRITER'S E-MAIL ADDRESS
STUMPJC@steptoe-johnson.com

November 6, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

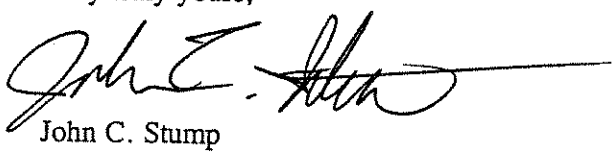
CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G, and a file copy thereof, with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,



John C. Stump

JCS/cgl
Enclosure
435500/00001

CH409889.1

Form **8038-G**
(Rev. May 1999)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate Instructions.
Caution: *Use Form 8038-GC if the issue price is under $100,000.*

FILE COPY

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: The City of Huntington	2 Issuer's employer identification number: 55-600187	
3 Number and street (or P.O. box if mail is not delivered to street address): 800 Fifth Avenue	Room/suite	4 Report number: G 00-01
5 City, town, or post office, state, and ZIP code: Huntington, West Virginia 25717		6 Date of issue: 10-24-00
7 Name of issue: The City of Huntington Sewer Revenue Bonds, Series 2000 A (WV SRF Program)		8 CUSIP number: N/A
9 Name and title of officer or legal representative whom the IRS may call for more information: Bob Trocin, Executive Director, The City of Huntington Sanitary Board	10 Telephone number of officer or legal representative: (304) 696-5540	

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☒ Environment (including sewage bonds)	15	1,867,098
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

RECEIVED
NOV 09 2000
OGDEN, UT
424 IRS-OSC

Part III Description of Obligations. (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/01/2021	$ 1,867,098	$ 1,867,098	11.891 years	2.007 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0
23	Issue price of entire issue (enter amount from line 21, column (b))			23	1,867,098
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	19,600		
25	Proceeds used for credit enhancement	25	0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	113,500		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	133,100
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	1,733,998

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	N/A years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
33	Enter the last date on which the refunded bonds will be called ▶	N/A
34	Enter the date(s) the refunded bonds were issued ▶	N/A

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	0
b	Enter the final maturity date of the guaranteed investment contract ▶ N/A		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	0
b	If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ N/A and the date of the issue ▶ N/A		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐		
40	If the issuer has identified a hedge, check box ▶ ☐		

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Jean Dean — Signature of issuer's authorized representative
10/24/00 — Date
Jean Dean, Mayor — Type or print name and title

WV MUNICIPAL BOND COMMISSION
8 Capitol Street
Terminal Building, Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: October 24, 2000

(See Reverse for Instructions)

ISSUE: The City of Huntington Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program)

ADDRESS: 800 Fifth Avenue, Huntington, WV 25717 COUNTY: Cabell

PURPOSE OF ISSUE: New Money: X
Refunding: ____

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: October 24, 2000 CLOSING DATE: October 24, 2000

ISSUE AMOUNT: $1,867,098 RATE: 2%; Administrative Fee: 1%

1ST DEBT SERVICE DUE: 03/01/2002 1ST PRINCIPAL DUE: 03/01/2002

1ST DEBT SERVICE AMOUNT: $28,374.49 PAYING AGENT: Municipal Bond Commission

BOND
COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: (304) 624-8161

UNDERWRITERS
COUNSEL: Jackson & Kelly PLLC
Contact Person: Samme L. Gee, Esq.
Phone: (304) 340-1318

CLOSING BANK: Bank One
Contact Person: Mr. Daniel Mooney
Phone: (304) 526-4200

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Mr. Robert Trocin
Position: Director of Sanitary Board
Phone: (304) 696-4437

OTHER: WV Division of Environmental Protection
Contact Person: Ms. Rosalie Brodersen
Function: Branch Chief
Phone: (304) 558-0637

DEPOSITS TO MBC AT CLOSE:

By: ____ Wire
X Check

____ Accrued Interest: $____
____ Capitalized Interest: $____
X Reserve Account: $ 113,500
____ Other: ____ $____

REFUNDS & TRANSFERS BY MBC AT CLOSE

By: ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $____
____ To Issuer $____
____ To Cons. Invest. Fund $____
____ To Other: ____ $____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

731

HUNTINGTON SANITARY BOARD
SECONDARY TREATMENT
CONSTRUCTION FUND
824 FIFTH AVE.
HUNTINGTON, WV 25701

69-36/519 600

DATE October 24, 2000

PAY
TO THE
ORDER OF West Virginia ~~Water~~ Bond Commission | $ 113,500.00

SANITARY BOARD 113,500dols00cts

DOLLARS

BANK ONE.
Bank One, West Virginia, NA
Huntington

FOR

Jean Dean
Loretta L. Covington

MP

⑈000731⑈ ⑆051900366⑆ 800204870⑈

THE CITY OF HUNTINGTON

Sewer Revenue Bonds
Series 2000 A (West Virginia SRF Program)

Date of Closing: October 24, 2000

BOND TRANSCRIPT
Volume II

STEPTOE & JOHNSON

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

John C. Stump, Esquire
Bank One Center, Seventh Floor
Charleston, WV 25326
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stumpjc@steptoe-johnson.com

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

BOND TRANSCRIPT

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THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Bank One, West Virginia, National Association, in Huntington, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of Huntington (the "Issuer") enacted by the Issuer on October 10, 2000, and a Supplemental Resolution of the Issuer adopted by the Issuer on October 10, 2000 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, in the aggregate principal amount of $1,867,098 (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 24th day of October, 2000.

BANK ONE, WEST VIRGINIA,
NATIONAL ASSOCIATION

R. Patrick Workman
Its Vice President

10/06/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association, in Charleston, West Virginia, hereby accepts appointment as Registrar in connection with The City of Huntington Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), dated October 24, 2000, in the aggregate principal amount of $1,867,098 (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 24th day of October, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION

Assistant Vice President

10/06/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association, in Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of The City of Huntington (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 2000 A (West Virginia SRF Program), of the Issuer, dated October 24, 2000, in the principal amount of $1,867,098, numbered AR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 24th day of October, 2000.

ONE VALLEY BANK, NATIONAL ASSOCIATION

Assistant Vice President

10/06/00
435500/00001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 24th day of October, 2000, by and between THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,867,098 principal amount of Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted October 10, 2000, and a Supplemental Resolution of the Issuer duly adopted October 10, 2000 (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: The City of Huntington
800 Fifth Avenue
Huntington, West Virginia 25717
Attention: Mayor

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.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

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.

THE CITY OF HUNTINGTON

Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

Assistant Vice President

10/06/00
435500/00001

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

*CONFORMED COP

THE CITY OF HUNTINGTON, WEST VIRGINIA

SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993

BOND ORDINANCE

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THE CITY OF HUNTINGTON, WEST VIRGINIA

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1987; THE ISSUANCE OF SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $9,500,000 THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, The City of Huntington, West Virginia (the "Issuer") presently owns and operates through its sanitary board (the "Board") a municipal sewage treatment and collection system (the "System") and has heretofore financed and refinanced the acquisition and construction of the System and certain additions, extensions and improvements thereto by issuance of several series of bonds or refunding bonds, of which there are presently outstanding the Sewerage System Refunding Revenue Bonds, Series 1987, dated February 15, 1987, originally issued in the aggregate principal amount of $8,575,000, of which $7,130,000 is presently outstanding (the "Prior Bonds");

WHEREAS, the Prior Bonds were issued pursuant to an ordinance of the Issuer enacted by the city council of the Issuer on February 23, 1987, as amended and supplemented by a supplemental resolution adopted by the city council of the Issuer on March 9, 1987 (such ordinance, as so amended and supplemented, herein called the "Prior Ordinance");

WHEREAS, the Issuer has determined and hereby determines that it is in the best interest of the residents of The City of Huntington and the users of the System to advance refund the Prior Bonds as hereinafter set forth;

WHEREAS, under the provisions of Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), the Issuer is

authorized and empowered to issue refunding revenue bonds to refund, pay or discharge all or any part of the outstanding Prior Bonds;

WHEREAS, the Issuer is advised that present value debt service savings and additional borrowing capacity will be realized as a result of the refunding of the Prior Bonds;

WHEREAS, the Issuer has determined and hereby determines that it would therefore be to the benefit of the Issuer and its residents to refund the Prior Bonds to their first redemption date, being August 1, 1997, in the manner set forth herein with proceeds of the issuance of a series of bonds to be designated "The City of Huntington Sewerage System Refunding Revenue Bonds, Series 1993" (the "Series 1993 Bonds"), in the maximum aggregate principal amount of $9,500,000, and other moneys of the Issuer, such Series 1993 Bonds to be secured by and payable from the Net Revenues (as hereinafter defined) of the System, and containing such other terms and provisions as are hereinafter provided;

WHEREAS, the Issuer now desires to authorize the refunding of the Prior Bonds as aforesaid, and to provide for the financing thereof by the issuance of the Series 1993 Bonds as hereinafter provided;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF HUNTINGTON HEREBY ORDAINS:

ARTICLE I

DEFINITIONS; STATUTORY AUTHORITY; FINDINGS

Section 1.01. Definitions. All capitalized terms used in this Ordinance and not otherwise defined in the recitals hereto shall have the meanings specified below, unless the context expressly requires otherwise:

"Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended and in effect on the date of delivery of the Series 1993 Bonds.

"Authorized Newspaper" means a financial journal or newspaper of general circulation in the City of New York, New York, printed in the English language and customarily published on each business day of the Registrar, whether or not published on Saturdays, Sundays or legal holidays, and so long as so published, shall include The Bond Buyer.

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

"Board" shall mean The City of Huntington Sanitary Board, or any successor thereto.

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

"Bond Counsel" shall mean any law firm having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal Bonds, appointed by the Issuer or the Board, and shall initially mean Steptoe & Johnson, Clarksburg, West Virginia.

"Bondholder," "Holder of the Bonds," "Owner of the Bonds" or any similar term means any person who shall be the registered owner of any outstanding Bond.

"Bond Insurer" means any entity which shall insure all or any portion of the payment of principal of and interest on the Bonds, and with respect to the Series 1993 Bonds, shall initially mean Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

"Bond Register" means the books of the Issuer maintained by the Registrar for the registration and transfer of Bonds.

"Bond Year" means the 12 month period beginning on the anniversary of the Dated Date in each year and ending on the day prior to the anniversary date of the Dated Date in the following year.

"Bonds" means, collectively, the Series 1993 Bonds, and any additional parity Bonds hereafter issued within the terms, restrictions and conditions contained herein.

"Business Day" means any day other than a Saturday, Sunday or a day on which national banking associations or West Virginia banking corporations are authorized by law to remain closed.

"Certificate of Authentication and Registration" means the Certificate of Authentication and Registration on the Series 1993 Bonds, in substantially the form set forth in EXHIBIT A hereto.

"City" or "Issuer" means The City of Huntington, a municipal corporation of the State of West Virginia, in Cabell County thereof, and, where appropriate, the Council, the Board and any successor thereto.

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the original purchase price thereof.

"Code" shall mean the Internal Revenue Code of 1986, as amended and supplemented from time to time, and Regulations thereunder.

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

"Consulting Engineers" means any qualified engineer or engineers or firm or firms of engineers that shall at any time now or hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

"Costs" or similar terms means all those costs now or hereafter permitted by the Act to be financed with bonds issued pursuant hereto, including, without limitation, the costs of refunding the Prior Bonds, interest accruing or to accrue thereon, redemption premiums, premiums for municipal bond insurance and reserve account insurance, letter of credit fees, expenses for fiscal or other agents, legal expenses and any other costs or expenses necessary, incidental,

desirable or appurtenant to the issuance of the Bonds and the refunding of the Prior Bonds.

"Costs of Issuance Fund" means the Costs of Issuance Fund created by Section 4.01 hereof.

"Council" means the City Council of the Issuer or any other governing body of the Issuer that succeeds to the functions of the Council as presently constituted.

"Dated Date" means November 1, 1993.

"Debt Service," with reference to a specified period, means the amount of principal, including any sinking fund payments, and interest payable with respect to the Bonds during such period.

"Depository Bank" means the bank or banks to be designated as such in the Supplemental Resolution, and any other bank or national banking association located in the State of West Virginia, eligible under the laws of the State of West Virginia to receive deposits of state and municipal funds and insured by the FDIC that may hereafter be appointed by the Issuer as Depository Bank.

"Depreciation Fund" means the Depreciation Fund created by Section 4.01 hereof.

"DTC-eligible" means, with respect to the Series 1993 Bonds, meeting the qualifications prescribed by the Depository Trust Company, New York, New York.

"Escrow Agreement" means the agreement to be entered into between the Issuer, the Bond Commission and the Escrow Trustee, providing for the defeasance and ultimate payment of the Prior Bonds, the deposit therein of proceeds of the Series 1993 Bonds, the disposition of moneys in the various funds and accounts under the Prior Ordinance and other matters in connection therewith, the form of which shall be approved by the Supplemental Resolution.

"Escrow Fund" means the Escrow Fund established pursuant to the Escrow Agreement.

"Escrow Trustee" means the escrow trustee under the Escrow Agreement, which shall be appointed pursuant to a resolution supplemental hereto.

"Event of Default" means any occurrence or event specified in Section 7.01.

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

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

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

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

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

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Bond Year.

"Mayor" means the Mayor of the Issuer.

"Municipal Bond Insurance Policy" means the municipal bond insurance policy issued by the Bond Insurer simultaneously with the

delivery of the Series 1993 Bonds, insuring the timely payment of the principal of and interest on all or any of the Series 1993 Bonds in accordance with the terms thereof.

"Net Proceeds" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Accounts.

"Nonpurpose Investment" means any investment property which is acquired with the gross proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Operating Expenses," unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Prior Bonds or the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Ordinance" regardless of whether preceded by the article "the" or "this," means this Ordinance, as it may hereafter from time to time be amended or supplemented, by ordinance or by resolution.

"Original Purchaser" means Raymond James & Associates, Inc., St. Petersburg, Florida, as the purchasers of the Series 1993 Bonds directly from the Issuer, or, if the Issuer and such Original Purchaser do not agree to the purchase of the Series 1993 Bonds with interest rates and other terms allowable under the Act, such other person or persons, firm or firms, bank or banks, corporation or corporations or such other entity or entities as shall purchase the Series 1993 Bonds directly from the Issuer, as determined by a resolution supplemental hereto; provided, that the Original Purchaser and the Issuer shall agree to the purchase of the Series 1993 Bonds,

as hereinafter defined, including the exact principal amount thereof and interest rate or rates thereon as fixed by said supplemental resolution to be adopted by the Council at the time of approval of such sale of said Series 1993 Bonds.

"Outstanding," when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being issued and delivered except (a) any Bond or Prior Bond canceled by the registrar for such Bond or Prior Bond at or prior to said date; (b) any Bond or Prior Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity, shall be held in trust under this Ordinance and set aside for such payment (whether upon or prior to maturity); (c) any Bond deemed to have been paid as provided by Section 9.01; and (d) with respect to determining the number or percentage of Bondholders or Bonds for the purpose of consents, notices and the like, any Bond registered to the Issuer. Notwithstanding the foregoing, in the event that a Bond Insurer has paid principal of and/or interest on any Bond, such Bond shall be deemed to be Outstanding until such time as such Bond Insurer has been reimbursed in full.

"Paying Agent" means the Registrar and any other paying agent for the Bonds which may be appointed by a resolution supplemental hereto, all in accordance with Section 8.12 hereof.

"Prior Bonds" shall have the meaning set forth in the premises hereof, and shall include the coupons appertaining thereto, if any.

"Prior Ordinance" shall have the meaning set forth in the recitals hereto.

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person or in any activity carried on by a person other than a natural person, excluding, however, use by a state or local governmental unit and use as a member of the general public.

"Purchase Price," for the purpose of computation of the Yield of the Bonds, has the same meaning as the term "issue price" in Sections 1273(b) and 1274 of the Code, and, in general, means the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition cost of the first buyer. "Purchase Price," for

purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Bonds for acquisition thereof, or if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are <u>not</u> backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations

-Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

7. Money market funds rated 'AAm' or 'AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated 'A-1+' by S&P and 'Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been

verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer

falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the

Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least "Aa' by Moody's, or at least 'AA' by S&P and

'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below 'AA'

or 'Aa,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or "Aa" by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

12. Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

13. Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

"Record Date" means the day of the month which shall be so stated in the Bonds, regardless of whether such day is a Saturday, Sunday or legal holiday.

"Recording Officer," "Recorder" or "Clerk" means the City Clerk of the Issuer.

"Redemption Account" means the Redemption Account created in the Sinking Fund by Section 4.02 hereof.

"Redemption Date" means the date fixed for redemption of Bonds subject to redemption in any notice of redemption published or mailed in accordance herewith.

"Redemption Price" means the price at which the Bonds may be called for redemption and includes the principal amount of the Bonds to be redeemed, plus the premium, if any, required to be paid to effect such redemption.

"Registrar" means the bank to be designated in the Supplemental Resolution as the registrar for the Bonds, and any successor thereto appointed in accordance with Section 8.08 hereof.

"Regulations" means temporary and permanent regulations promulgated under the Code, and includes applicable regulations promulgated under the Internal Revenue Code of 1954.

"Reserve Account" means the Reserve Account created in the Sinking Fund by Section 4.02 hereof.

"Reserve Account Requirement" means, as of any date of calculation, the maximum amount of Debt Service that will come due on the Bonds in the then current or any succeeding Bond Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Revenue Fund" means the Revenue Fund created by Section 4.01 hereof.

"Series 1993 Bonds" means the Sewerage System Refunding Revenue Bonds, Series 1993, of the Issuer, originally authorized to be issued pursuant to this Ordinance and the Supplemental Resolution.

"Sinking Fund" means the Sinking Fund created by Section 4.02 hereof.

"Supplemental Resolution" means any ordinance or resolution amendatory hereof or supplemental hereto and, when preceded by the article "the," refers specifically to the Supplemental Resolution to be adopted by the Issuer following enactment of this Ordinance, setting forth the final amounts, maturities, interest rates and other

terms of the Series 1993 Bonds and authorizing the sale of the Series 1993 Bonds to the Original Purchaser; provided, that any provision intended to be included in the Supplemental Resolution and not so included may be contained in any other Supplemental Resolution.

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

"Term Bonds" means Bonds subject to mandatory sinking fund redemption, as described by Section 3.06 hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations and vice versa; and words importing the masculine gender shall include the feminine and neuter genders and vice versa.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.02. Authority for this Ordinance. This Ordinance is enacted pursuant to the provisions of the Act and other applicable provisions of law.

Section 1.03. Findings. The Council hereby finds and determines as follows:

A. The Issuer is a municipal corporation of the State of West Virginia, in Cabell County of said State.

B. The Issuer now owns and operates, through the Board, the System, the acquisition and construction of which has been financed and refinanced in part by the proceeds of the Prior Bonds which are currently outstanding in the aggregate principal amount of $7,130,000 and other bonds which have either been refunded and defeased by the Prior Bonds or are no longer Outstanding.

C. The Issuer derives revenues from the System which are pledged for payment of the Prior Bonds. Except for such pledge thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

D. The Issuer intends to issue the Series 1993 Bonds and to pledge for payment thereof, the Net Revenues of the System.

E. The estimated revenues to be derived in each year after the date hereof from the operation of the System will be sufficient, upon refunding and defeasance of the Prior Bonds, to provide for the repair, maintenance and operation of the System, the payment of interest upon all bonds issued pursuant to the Act and to create a sinking fund, as hereinafter provided, to pay the principal thereof as and when it becomes due and reasonable reserves therefor, to provide an adequate depreciation fund, as hereinafter provided, and to make all other payments provided for in this Ordinance.

F. Based upon the assumed principal amount, maturity schedule and interest rates for the Series 1993 Bonds presented to the Issuer by the Original Purchaser, and after making allowance for the use of cash on hand of the Issuer, the Series 1993 Bonds show a net present value debt service savings to the Issuer after deducting all expenses of the refunding and the costs of issuing the Series 1993 Bonds.

G. It is in the best interest of the Issuer, and the inhabitants thereof, that the Issuer issue the Series 1993 Bonds and secure the Series 1993 Bonds by a pledge and assignment of the Net Revenues derived from the operation of the System, the moneys in the Reserve Account, unexpended proceeds of the Series 1993 Bonds and as further set forth herein.

H. The Series 1993 Bonds and the Certificate of Authentication and Registration to be endorsed thereon are to be in substantially the forms set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance or a Supplemental Resolution or as deemed necessary by the Registrar or the Issuer.

I. All things necessary to make the Series 1993 Bonds, when authenticated by the Registrar and issued as in this Ordinance provided, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to validly pledge and assign those funds pledged hereby to the payment of the principal of and interest on the Series 1993 Bonds, will be timely done and duly performed.

J. The enactment of this Ordinance, and the execution and issuance of the Series 1993 Bonds, subject to the terms thereof, will not result in any breach of, or constitute a default under, any instrument to which the Issuer is a party or by which it may be bound or affected.

Section 1.04. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds by those who shall own or hold the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the legal Holders of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bond, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

ARTICLE II

AUTHORIZATION OF REFUNDING

Section 2.01. Authorization of Refunding. All Prior Bonds Outstanding as of the date of issuance of the Series 1993 Bonds in the aggregate principal amount of $7,130,000 are hereby ordered to be refunded pursuant to the terms of the Escrow Agreement, and the pledge of Net Revenues in favor of the Holders of such refunded Prior Bonds imposed by the Prior Ordinance, the moneys in the funds and accounts created by the Prior Ordinance and any other funds pledged by the Prior Ordinance thereto are hereby ordered terminated, discharged and released upon the payment into the Escrow Fund from the proceeds of the Series 1993 Bonds, together with other moneys available therefor, of the following: (a) if required by the Escrow Agreement, an amount equal to the fiscal and paying agent charges and the Escrow Trustee charges to become due and payable in connection with the Prior Bonds and (b) an amount which will be simultaneously invested in Government Obligations bearing interest and having maturities sufficient, together with certain cash which may also be deposited, to provide for the payment of the principal of and interest on such Prior Bonds as the same become due, to the respective serial maturity dates thereof, but in no event beyond the first date upon which the entire aggregate amount of the Prior Bonds shall be redeemed, being August 1, 1997, all as set forth in the Escrow Agreement. Contemporaneously with the deposit of such Series 1993 Bond proceeds into the Escrow Fund, the amounts on deposit in the sinking fund, including the reserve account therein, and all other funds and accounts created and maintained on behalf of the Prior Bonds shall be deposited in the Escrow Fund, the Reserve Account or such other fund or account as shall be set forth in the Escrow Agreement, and invested as provided in the Escrow Agreement and this Ordinance.

ARTICLE III

THE BONDS

Section 3.01. Form and Payment of Bonds. No Bond shall be issued pursuant to this Ordinance except as provided in this Article III. Any Bonds issued pursuant to this Ordinance after the issuance of the Series 1993 Bonds, as hereinafter provided, may be issued only as fully registered Bonds without coupons, in the denomination of $5,000 or any integral multiple thereof for any year of maturity. All Bonds shall be dated as of the date provided in a Supplemental Resolution applicable to such series. Bonds shall bear interest from the interest payment date next preceding the date of authentication or, if authenticated after the Record Date but prior to the applicable interest payment date or on such interest payment date, from such interest payment date or, if no interest on such Bonds has been paid, from the date thereof; provided however, that, if, as shown by the records of the Registrar, interest on such Bonds shall be in default, Bonds issued in exchange for Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the initial Bonds surrendered.

The principal of and the premium, if any, on the Bonds shall be payable in any coin or currency which, on the respective date of such payment, is legal tender for the payment of public and private debts under the laws of the United States of America upon surrender at the principal office of the Paying Agent. Interest on the Bonds shall be paid by check or draft made payable and mailed to the Holder thereof *at his address as it appears in the Bond Register at the close* of business on the Record Date, or, if requested, in the case of a Registered Owner of $1,000,000 or more of the Bonds, by wire transfer to a domestic bank account specified in writing at least 5 days prior to such interest payment date by such Registered Owner.

In the event any Bond is redeemed in part, such bond shall be surrendered to and canceled by the Registrar, and the Issuer shall execute, and the Registrar shall authenticate and deliver to the Holder thereof, another Bond in the principal amount of said Bond then Outstanding.

Section 3.02. Execution of Bonds. *The Bonds shall be* executed in the name of the Issuer by the Mayor, by his or her manual or facsimile signature, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Clerk by his or her manual or facsimile signature; provided, that, all such signatures and the seal may be by facsimile. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be

such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in EXHIBIT A attached hereto and incorporated herein by reference with respect to the Series 1993 Bonds, shall have been duly manually executed by the Registrar. Any such manually executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability and Registration. Subject to the requirements for transfer set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder, in accepting any of said Bonds, shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remains Outstanding, the Registrar shall keep and maintain books for the registration and transfer of the Bonds. Bonds shall be transferable only by transfer of registration upon the Bond Register by the registered owner thereof in person or by his attorney or legal representative duly authorized in writing, upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or such duly authorized attorney or legal representative. Upon transfer of a Bond, there shall be issued at the option of the Holder or the transferee another Bond or Bonds of the aggregate principal amount equal to the unpaid amount of the

transferred Bond and of the same series, interest rate and maturity of said transferred Bond.

Upon surrender thereof at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar and duly executed by the registered owner or his attorney or legal representative duly authorized in writing, Bonds may at the option of the Holder thereof be exchanged for an equal aggregate principal amount of Bonds of the same series, maturity and interest rate, in any authorized denominations.

In all cases in which the privilege of transferring or exchanging a Bond is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such transfer or exchange shall forthwith be canceled by the Registrar. Transfers of Bonds, the initial exchange of Bonds and exchanges of Bonds in the event of partial redemption of fully registered Bonds shall be made by the Registrar without charge to the Holder or the transferee thereof, except as provided below. For other exchanges of Bonds, the Registrar may impose a service charge. For every such transfer or exchange of bonds, the Registrar may make a charge sufficient to reimburse its office for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such tax or governmental charge, and such service charge for exchange other than the initial exchange or in the event of partial redemption, shall be paid by the person requesting such transfer or exchange as a condition precedent to the exercise of the privilege of making such transfer or exchange. The Registrar shall not be obliged to make any such transfer or exchange of Bonds that have been called for redemption.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may execute, in its discretion, and the Registrar shall authenticate, register and deliver any new Bond of like series, maturity and principal amount as the Bond, so mutilated, destroyed, stolen or lost, in exchange and upon surrender and cancellation of, such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing the Issuer and the Registrar proof of his ownership thereof and that said Bond has been destroyed, stolen or lost and satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer or the Registrar may prescribe and paying such expenses as the Issuer or the Registrar may incur. The name of the Bondholder listed in the Bond Register shall constitute proof of ownership. All Bonds so surrendered shall be submitted to and canceled by the Registrar, and evidence of such cancellation shall be given to the Issuer. If such Bond shall have matured or be about to mature, instead of issuing

a substitute Bond, the Issuer, by and through the Registrar, may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this section shall constitute original, additional contractual obligations on the part of the Issuer, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the Revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Term Bonds. In the event Term Bonds are issued pursuant to this Ordinance, the following provisions shall apply:

A. The amounts to be deposited, apportioned and set apart by the Issuer from the Revenue Fund and into the Redemption Account in accordance with Subsection 4.03(A)(2) shall include (after credit as provided below) on the first of each month, beginning on the first day of that month which is 12 months prior to the first mandatory redemption date of said Term Bonds, a sum equal to 1/12th of the amount required to redeem the principal amount of such Term Bonds which are to be redeemed as of the next ensuing mandatory redemption date, which amounts and dates, if any, with respect to a series of Bonds shall be set forth in the Supplemental Resolution relating thereto.

B. At its option, to be exercised on or before the 60th day next preceding any such mandatory redemption date, the Issuer may (a) deliver to the Registrar for cancellation such Term Bonds in any aggregate principal amount desired or (b) receive a credit in respect of its mandatory redemption obligation for any such Term Bonds which prior to said date have been redeemed (otherwise than pursuant to this section) and canceled by the Registrar and not theretofore applied as a credit against any such mandatory redemption obligation. Each Term Bond so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and Term Bonds delivered in excess of such mandatory redemption obligation shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

C. The Issuer shall on or before the 60th day next preceding each mandatory redemption date furnish the Registrar and the Bond Commission with its certificate indicating whether and to what

extent the provisions of (a) and (b) of the preceding paragraph are to be utilized with respect to such mandatory redemption payment and stating, in the case of the credit provided for in (b) of the preceding paragraph, that such credit has not theretofore been applied against any mandatory redemption obligation.

D. After said 60th day but prior to the date on which the Registrar selects the Term Bonds to be redeemed, the Bond Commission may use the moneys in the Redemption Account to purchase Term Bonds at a price less than the par value thereof and accrued interest thereon. The Bond Commission shall advise the Issuer and the Registrar of any Term Bonds so purchased, and they shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the Issuer on such mandatory redemption date, and any excess shall be credited against future mandatory redemption obligations in the order directed by the Issuer, and the principal amount of such Term Bonds to be redeemed pursuant to mandatory sinking fund redemption shall be accordingly reduced.

E. The Registrar shall call for redemption, in the manner provided herein, an aggregate principal amount of such Term Bonds, at the principal amount thereof plus interest accrued to the redemption date (interest to be paid from the Sinking Fund), as will exhaust as nearly as practicable such Redemption Account payment designated to be made in accordance with paragraph (A) of this section. Such redemption shall be by random selection made on the 45th day preceding the mandatory redemption date, in such manner as may be determined by the Registrar. For purposes of this section, "Term Bonds" shall include any portion of a fully registered Term Bond, in integrals of $5,000.

Section 3.07. Notice of Redemption. Unless waived by any Holder of the Bonds to be redeemed, official notice of any redemption shall be given by the Registrar on behalf of the Issuer by mailing a copy of an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the applicable Bond Insurer, the Original Purchaser, and the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All official notices of redemption shall be dated and shall state:

(1) The redemption date,

(2) The redemption price.

(3) If less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) That on the redemption date the Redemption Price and interest accrued will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) The place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal office of the Registrar, and

(6) Such other information, if any, as shall be required for DTC-Eligible Bonds.

Prior to any redemption date, the Issuer shall deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Bond Registrar and shall not be reissued.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of Bonds, and failure to mail such notice shall not affect the validity of proceedings for the redemption of any portion of Bonds for which there was no such failure.

In addition to the foregoing notice, further notice as set out below shall be given by the Registrar, at the instruction of the Issuer, but no defect in said further notice nor any failure to give

all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

(1) Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (i) the CUSIP numbers of all Bonds being redeemed; (ii) the date of issue of the Bonds as originally issued; (iii) the rate of interest borne by each bond being redeemed; (iv) the maturity date of each bond being redeemed; and (v) any other descriptive information needed to identify accurately the Bonds being redeemed.

(2) Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania).

(3) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Section 3.08. Persons Treated as Owners. The Issuer, the Registrar and any agent of the Issuer or the Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of the principal of, and interest on, such Bond and (except as provided in Section 6.18) for all other purposes, whether or not such Bond is overdue.

Section 3.09. Temporary Bonds. Until Bonds of any series in definitive form are ready for delivery, the Issuer may execute and the Registrar shall authenticate, register, if applicable, and deliver, subject to the same provisions, limitations and conditions set forth in this Article III, one or more printed, lithographed or typewritten Bonds in temporary form, substantially in the form of the definitive Bonds of such series, with appropriate omissions, variations and insertions, and in authorized denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the lien and benefit created under this

Ordinance. Upon the presentation and surrender of any Bond or Bonds in temporary form, the Issuer shall, without unreasonable delay, prepare, execute and deliver to the Registrar, and the Registrar shall authenticate, register, if applicable, and deliver, in exchange therefor, a Bond or Bonds in definitive form. Such exchange shall be made by the Registrar without making any charge therefor to the Holder of such Bond in temporary form.

Section 3.10. Series 1993 Bonds. For the purposes of refunding all of the Outstanding Prior Bonds of the Issuer, funding the Reserve Account and paying costs in connection therewith, there shall be issued the Series 1993 Bonds of the Issuer, in an aggregate principal amount of $7,100,000. Said Series 1993 Bonds shall be designated "Sewerage System Refunding Revenue Bonds, Series 1993" and shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof for any year of maturity, not exceeding the aggregate principal amount of Series 1993 Bonds maturing in the year of maturity for which the denomination is to be specified. The Series 1993 Bonds shall be numbered from R-1 consecutively upward. The Series 1993 Bonds shall be dated November 1, 1993, upon original issuance, shall bear interest payable semiannually on May 1 and November 1 of each year, commencing May 1, 1994, and shall mature on November 1 in years as follows:

Year (Nov. 1)	Amount	Interest Rate	Price
1994	$ 360,000	2.700%	100%
1995	360,000	3.100	100
1996	75,000	3.300	100
1997	75,000	3.600	100
1998	80,000	3.800	100
1999	80,000	4.000	100
2000	90,000	4.100	100
2001	90,000	4.200	100
2002	100,000	4.300	99.630
2003	100,000	4.400	99.202
2004	105,000	4.600	99.572
2005	105,000	4.700	99.096
2006	110,000	4.875	99.286
2007	115,000	5.000	99.007
2018	2,520,000	5.250	97.286
2023	2,735,000	5.375	97.500
TOTAL	$7,100,000		

The Series 1993 Bonds shall not be subject to optional redemption prior to November 1, 2003. The Series 1993 Bonds maturing

on or after November 1, 2004, shall be redeemable prior to their stated dates of maturity at the option of the Issuer on or after November 1, 2003, in whole at any time or in part on any interest payment date, in such order of maturity as may be determined by the Issuer and by lot within a maturity, at the respective redemption prices (expressed as percentages of the principal amounts to be redeemed) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed	Redemption Price
November 1, 2003 to October 31, 2004	102%
November 1, 2004 to October 31, 2005	101
November 1, 2005 and thereafter	100

The Series 1993 Bonds maturing November 1, 2018 and 2023 (the "Term Bonds") shall be subject to mandatory sinking fund redemption prior to maturity in part by random selection as may be determined by the Registrar, on November 1 of the years and in accordance with the following mandatory redemption schedule, at a redemption price equal to the principal amount thereof, plus interest accrued to the date fixed for redemption, without premium:

SERIES 1993 BONDS MATURING NOVEMBER 1, 2018

Year (November 1)	Amount
2008	$125,000
2009	130,000
2010	140,000
2011	140,000
2012	150,000
2013	160,000
2014	170,000
2015	175,000
2016	420,000
2017	445,000
2018	465,000 *

* By maturity

SERIES 1993 BONDS MATURING NOVEMBER 1, 2023

Year (November 1)	Amount
2019	$490,000
2020	520,000
2021	545,000
2022	575,000
2023	605,000 *

* By maturity

If a Series 1993 Bond is called for redemption in part, the Series 1993 Bond shall be renumbered and exchanged for a Series 1993 Bond of the amount then outstanding, without charge to the Bondholder.

Section 3.11. Book Entry System for Series 1993 Bonds. A. The Series 1993 Bonds shall initially be issued in the form of one fully-registered bond for the aggregate principal amount of the Series 1993 Bonds of each maturity, registered in the name of CEDE & CO., as nominee of DTC. Except as provided in paragraph E below, all of the Series 1993 Bonds shall be registered in the registration books kept by the Registrar in the name of CEDE & CO., as nominee of DTC; provided that if DTC shall request that the Series 1993 Bonds be registered in the name of a different nominee, the Registrar shall exchange all or any portion of the Series 1993 Bonds registered in the name of such nominee or nominees. No person other than DTC or its nominee shall be entitled to receive from the Issuer or the Registrar either a Series 1993 Bond or any other evidence of ownership of the Series 1993 Bonds, or any right to receive any payment in respect thereof unless DTC or its nominee shall transfer record ownership of all or any portion of the Series 1993 Bonds on the registration books maintained by the Registrar, in connection with discontinuing the book entry system as provided in paragraph E below.

B. At or prior to settlement for the Series 1993 Bonds, the Issuer and the Registrar shall execute or signify their approval of a representation letter addressed to DTC in a form satisfactory to DTC (the "Representation Letter"). Any successor Registrar shall, in its written acceptance of its duties under this Ordinance, agree to take any actions necessary from time to time to comply with the requirements of the Representation Letter.

C. So long as the Series 1993 Bonds or any portion thereof are registered in the name of DTC or any nominee thereof, all payments of the principal or Redemption Price of or interest on such Series 1993 Bonds shall be made to DTC or its nominee at the addresses set forth in the Representation Letter in New York Clearing House or equivalent next day funds on the dates provided for such payments to be made to any Bondholder under this Ordinance. Each such payment to DTC or its nominee shall be valid and effective to fully discharge all liability of the Issuer and the Registrar with respect to the principal or Redemption Price of or interest on the Series 1993 Bonds to the extent of the sum or sums so paid. In the event of the redemption of less than all of the Series 1993 Bonds Outstanding of any maturity, the Registrar shall not require surrender by DTC of the Series 1993 Bonds so redeemed, but DTC may return such Series 1993 Bonds and make an appropriate notation on the Series 1993 Bond certificate as to the amount of such partial redemption; provided that DTC shall deliver to the Registrar, upon request, a written confirmation of such partial redemption. The records maintained by the Registrar shall be conclusive as to the amount of the Series 1993 Bonds of such maturity which have been redeemed.

D. The Issuer, the Paying Agent and the Registrar may treat DTC as the sole and exclusive owner of the Series 1993 Bonds registered in its name or the name of its nominee for the purposes of payment of the principal or Redemption Price of or interest on the Series 1993 Bonds, selecting the Series 1993 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under this Ordinance, registering the transfer of Series 1993 Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Issuer nor the Registrar shall be affected by any notice to the contrary. Neither the Issuer nor the Registrar shall have any responsibility or obligation to any direct or indirect participant in DTC, any person claiming a beneficial ownership interest in the Series 1993 Bonds under or through DTC or any such participant, or any other person which is not shown on the registration books of the Registrar as being a Bondholder with respect to (i) the Series 1993 Bonds, (ii) the accuracy of any records maintained by DTC or any such participant, (iii) the payment by DTC or any such participant of any amount in respect of the principal or Redemption Price of or interest on the Series 1993 Bonds, (iv) any notice which is permitted or required to be given to Bondholders under this Ordinance, (v) the selection by DTC or any such participant of any person to receive payment in the event of a partial redemption of the Series 1993 Bonds or (vi) any consent given or other action taken by DTC as Bondholder.

E. The book entry system for registration of the ownership of the Series 1993 Bonds may be discontinued at any time if either: (i) DTC determines to resign as securities depository for the Series 1993 Bonds; or (ii) the Issuer determines that continuation of the system of book entry transfers through DTC (or through a successor securities depository) is not in the best interest of the beneficial owners of the Series 1993 Bonds. In either of such events (unless in the case described in clause (ii) above, the Issuer appoints a successor securities depository), the Series 1993 Bonds shall be delivered in registered certificate form to such persons, and in such maturities and principal amounts, as may be designated by DTC, but without any liability on the part of the Issuer or the Registrar for the accuracy of such designation. Whenever DTC requests the Issuer and the Registrar to do so, the Issuer and the Registrar shall cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of certificates evidencing the Series 1993 Bonds.

Section 3.12. Delivery of Series 1993 Bonds. The Issuer shall execute and deliver the Series 1993 Bonds to the Registrar, and the Registrar shall authenticate, register and deliver the Series 1993 Bonds to the Original Purchaser upon receipt of the documents set forth below:

(A) A list of the names in which the Series 1993 Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Registrar may reasonably require;

(B) A request and authorization to the Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 1993 Bonds to the Original Purchaser;

(C) Copies, certified by the Clerk of this Ordinance and the Supplemental Resolution; and

(D) The unqualified approving opinion upon the Series 1993 Bonds by Bond Counsel.

Section 3.13. Form of Series 1993 Bonds. The definitive Series 1993 Bonds shall be in substantially the form set forth in EXHIBIT A - BOND FORM attached hereto and incorporated herein by reference, with such necessary and appropriate omissions, insertions and variations as are approved by those officers executing such Series 1993 Bonds on behalf of the Issuer and execution thereof by such officers shall constitute conclusive evidence of such approval,

and the definitive Series 1993 Bonds shall have the form of the opinion of Steptoe & Johnson, as Bond Counsel, attached thereto or printed on the reverse thereof.

Section 3.14. Disposition of Proceeds of Series 1993 Bonds. Upon the issuance and delivery of the Series 1993 Bonds, the Issuer shall forthwith deposit the proceeds thereof as follows:

A. All interest accrued on the Series 1993 Bonds from the date thereof to the date of delivery thereof shall be deposited in the Sinking Fund and applied to payment of interest on the Series 1993 Bonds at the first interest payment date.

B. The amount of the Series 1993 Bond proceeds which, together with other moneys or securities deposited therein and the earnings thereon, shall be sufficient to accomplish the refunding and defeasance of the Prior Bonds (which amount shall be set forth in the Escrow Agreement) shall be deposited in the Escrow Fund.

C. The amount of Series 1993 Bond Proceeds equal to the Reserve Account Requirement shall be remitted to the Bond Commission for deposit in the Reserve Account, provided that, to the extent the Reserve Account Requirement is satisfied in whole or in part from proceeds of any fund or account established pursuant to the Prior Ordinance, Series 1993 Bond Proceeds shall be deposited in the Reserve Account only to the extent needed to satisfy the balance of the Reserve Account Requirement.

D. The balance of the proceeds of the Series 1993 Bonds shall be deposited with the Depository Bank in the Series 1993 Bonds Costs of Issuance Fund and shall be drawn out, used and applied by the Issuer solely to pay costs of issuance of the Series 1993 Bonds and miscellaneous costs of refunding the Prior Bonds at the written direction of the Issuer. Moneys not to be applied immediately to pay such costs of issuance and refunding may be invested in accordance with this Ordinance, subject however, to applicable yield restrictions as may be in effect under the Code. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to such purpose, such unapplied proceeds shall be transferred by the Issuer to the Series 1993 Bonds Redemption Account established in Section 4.01 hereof. All such proceeds shall constitute a trust fund for such purposes, and there hereby is created a lien upon such moneys until so applied in favor of the Holders of the Series 1993 Bonds from which such proceeds are derived.

ARTICLE IV

SYSTEM REVENUES; FUNDS AND ACCOUNTS

Section 4.01. Establishment of Funds and Accounts with Depository Bank. Pursuant to this Article IV, the following special funds are created with, and shall be held by, the Depository Bank, segregated from all other funds and accounts of the Depository Bank or the Issuer and from each other, (except as set forth in this Section 4.01) and used solely for the purposes provided herein:

(1) Revenue Fund;

(2) Depreciation Fund;

(3) Costs of Issuance Fund; and

(4) Rebate Fund.

Section 4.02. Establishment of Funds and Accounts with Bond Commission. Pursuant to this Article IV, the following special fund and accounts are hereby established with and shall be held by the Bond Commission:

(1) Sinking Fund;

(a) Within the Sinking Fund:

(i) Reserve Account; and

(ii) Redemption Account.

Section 4.03. System Revenues and Application Thereof. So long as any of the Bonds shall be Outstanding and unpaid, the Issuer covenants as follows:

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited by the Issuer in the Revenue Fund. The Revenue Fund shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. All Revenues at any time remaining on deposit in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, beginning on the first day of that month which is 6 months prior to the first interest payment date on the Series 1993 Bonds, apportion and set apart out of the Revenue Fund and remit to the Bond Commission, for deposit in the Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Bonds on the next ensuing semiannual interest payment date, provided, that in the event the period to elapse between the date of such initial deposit in the Sinking Fund and the next ensuing semiannual interest payment date is less than or greater than 6 months, then such monthly payments shall be increased or decreased proportionately to provide, 1 month prior to the next ensuing semiannual interest payment date, the required amount of interest coming due on such date, and provided further, that the initial amount required to be transferred from the Revenue Fund and deposited in the Sinking Fund shall be reduced by the amount of accrued interest on the Series 1993 Bonds deposited therein and subsequent amounts required to be transferred from the Revenue Fund and deposited in the Sinking Fund shall be reduced by the amount of any earnings credited to the Sinking Fund.

The Issuer shall also apportion and set apart out of the Revenue Fund and remit to the Bond Commission for deposit in the Sinking Fund, and in the Redemption Account therein in the case of Term Bonds which are to be redeemed, on the first day of each month, beginning on the first day of that month which is 12 months prior to the first principal payment or mandatory redemption date of the Bonds, a sum equal to 1/12th of the amount of principal which will mature or be redeemed and become due on the Bonds on the next ensuing principal payment or mandatory redemption date, provided, that in the event the period to elapse between the date of such initial deposit in the Sinking Fund and the next ensuing principal payment or mandatory redemption date is less than or greater than 12 months, then such monthly payments shall be increased or decreased proportionately to provide, one month prior to the next ensuing principal payment date or mandatory redemption date, the required amount of principal coming due on such date, and provided further, that the amount of such deposits shall be reduced by the amount of any earnings credited to the Sinking Fund and not previously credited pursuant to the preceding paragraph.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as

the same shall become due, whether by maturity or redemption prior to maturity. Pending such use, such moneys shall be invested in accordance with Article V.

The Issuer shall not be required to make any further payments into the Sinking Fund when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate principal amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on the Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1993 Bonds are issued, provision shall be made for additional payments into the Sinking Fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at or before maturity in accordance with the provisions hereof.

The payments into the Sinking Fund shall be made on the first day of each month, except that, when the first day of any month shall be a Saturday, Sunday or legal holiday, then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Bond Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

The Issuer shall restore any withdrawals from the Reserve Account which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Fund, including any deficiencies for prior payments, have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Fund, including the Reserve Account therein, is at least equal to the aggregate amount of Bonds issued pursuant to this Ordinance then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

(3) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, each month, apply such moneys, to the full extent necessary, for deposit into the Reserve Account, as a result of a decrease in value of the Reserve Account below the Reserve Account Requirement or any withdrawal from the Reserve Account, beginning with the

first full calendar month following the date on which (i) the valuation of investments in the Reserve Account results in a determination that the amount of moneys and the value of the Qualified Investments deposited to the credit of the Reserve Account is less than the Reserve Account Requirement, or (ii) any amount is withdrawn from the Reserve Account for deposit into the Sinking Fund. To the extent Net Revenues and any other legally available funds are available therefor, the amount so deposited shall be used to restore the amount of moneys on deposit in the Reserve Account to an amount equal to the Reserve Account Requirement to the full extent that such Net Revenues are available; provided, that no payments shall be required to be made into the Reserve Account whenever and as long as the amount deposited therein shall be equal to the Reserve Account Requirement.

Amounts in the Reserve Account shall be used only for the purpose of making payments of principal of and interest on the Bonds when due, when amounts in the Sinking Fund are insufficient therefor and for no other purpose.

(4) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month commencing with the first month in which interest shall be payable from the Revenue Fund, transfer to the Depreciation Fund a sum equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for the account of the Reserve Account in the Sinking Fund.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Account (so that the amount on deposit therein *is at least equal to the Reserve Account* Requirement), or to reimburse in whole or in part any issuer of a Reserve Account Letter of Credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Fund (excluding the Reserve Account);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be transferred by the Issuer to the Redemption Account and used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(5) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Net Revenues to payment of debt service on subordinate bonds, notes, certificates or obligations of the System. Any excess of moneys then remaining in the Revenue Fund may be used for any lawful purpose of the System.

(6) If on any monthly payment date the Revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

B. The Bond Commission is hereby designated as the fiscal agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund shall be remitted to the Bond Commission from said Revenue Fund and from the proceeds of the sale of the Bonds, by the Issuer at the times and as otherwise provided herein. All remittances made by the Issuer to the Bond Commission shall clearly identify the fund or account into which each amount is to be deposited.

C. The moneys on deposit in the Revenue Fund and the Depreciation Fund in excess of the sum insured by the FDIC shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of municipal funds under the laws of the State.

ARTICLE V

INVESTMENTS; NON-ARBITRAGE; REBATES OF EXCESS INVESTMENT EARNINGS

Section 5.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Bond Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Reserve Account shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Bond Commission to semiannually transfer from the Reserve Account to the Sinking Fund any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Account an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually,

except in the event of a withdrawal from the Reserve Account, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Reserve Account shall, at any time, be less than the applicable Reserve Requirement, the applicable Bond Insurer shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Fund and otherwise in accordance with Section 4.03(3).

(D) All amounts representing accrued and capitalized interest shall be held by the Bond Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in the Sinking Fund may be invested by the Bond Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

Section 5.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds of each series in such manner and to such extent as may be necessary, so that such Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations prescribed thereunder, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to such Bonds) so that the interest on such Bonds will be and remain excluded from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 5.03. Tax Certificate and Rebate. A. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of any series of Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 1993 Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and covenants to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

B. The Issuer shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, the Issuer shall deposit, or cause to be deposited, in the Rebate Fund such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder and used only for payment of rebatable arbitrage to the United States. The Issuer shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the Issuer to be used for any lawful purpose of the System. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be in time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the Issuer shall assure that such payments are made by the Issuer to the United States, on a timely basis, from any funds lawfully available therefor. The Issuer at its expense, may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer may deem appropriate in order to assure compliance with this Section 5.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 5.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

ARTICLE VI

ADDITIONAL COVENANTS OF THE ISSUER

Section 6.01. Covenants Binding and Irrevocable. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Bonds, as prescribed by Article VII. In addition to the other covenants, agreements and provisions of this Ordinance, the Issuer hereby covenants and agrees with the Holders of the Bonds, as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, the Note, or the interest thereon, are Outstanding and unpaid.

Section 6.02. Bonds not to be Indebtedness of the Issuer. The Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, the moneys in the Sinking Fund and all accounts therein, the unexpended proceeds of the Bonds or moneys in a construction fund, if any, all as herein provided. No Holder or Holders of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues and Moneys in Sinking Fund. The payment of the debt service of all of the Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System and all moneys and securities in the Sinking Fund, including the Reserve Account therein, to the extent necessary to make the payments required under Section 4.03. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the Sinking Fund, all moneys and securities in the Sinking Fund, including the Reserve Account therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and interest on the Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance.

Section 6.04. Rates. Prior to the issuance of the Series 1993 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges

so fixed and established shall at all times be kept on file in the office of the Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Account in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 6.05. Operation and Maintenance. The Issuer will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the Revenues of said System in the manner provided in this Ordinance.

Section 6.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to defease the pledge created by this Ordinance as provided by Section 9.01. The proceeds from such sale, mortgage, lease or other disposition of the System shall be immediately remitted to Bond Commission for deposit in the Sinking Fund, and otherwise as prescribed by Section 9.01. Any balance remaining after such

defeasance shall be remitted to the Issuer by the Bond Commission unless necessary for the payment of other obligations of the Issuer payable out of the Revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund or the Redemption Account shall reduce the amounts required to be paid into said funds by other provisions of this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom shall be in excess of $200,000 and insufficient to defease the pledge created by this Ordinance, as provided by Section 9.01, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. The Issuer shall not issue any other obligations whatsoever, except additional parity Bonds provided for in Section 6.08 hereof, payable from the Revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from the Net Revenues with the

Bonds; and all obligations hereafter issued by the Issuer payable from the Revenues of the System, except such additional Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such Revenues and in all other respects to the Bonds.

The Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to such additional parity Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and Revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

Section 6.08. Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Series 1993 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above

paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 1993 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1993 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

No additional parity Bonds shall be valid unless authenticated pursuant to Section 3.03. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 with respect to the Series 1993 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2), (3) and (4) have first been paid. The Issuer shall not issue any

obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such Revenues, with the Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 6.09. Insurance and Bonds. The Issuer hereby covenants and agrees, that so long as the Bonds remain Outstanding, the Issuer or the Board will, as an Operating Expense, procure, carry and maintain insurance and bonds and worker's compensation coverage with a reputable insurance carrier or carriers or bonding company or companies covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or

ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

C. WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the Board and such payment bonds will be filed with the Clerk of the County Commission of Cabell County prior to commencement of construction of any additions, extensions or improvements for the System in compliance with West Virginia Code, Section 38-2-39.

D. FLOOD INSURANCE, to extent available at reasonable cost to the Issuer.

E. BUSINESS INTERRUPTION INSURANCE, to the extent available at reasonable cost to the Issuer.

F. FIDELITY BONDS will be provided as to every officer and employee of the Board having custody of the Revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

Section 6.10. Services Rendered to the Board or Issuer. The Board will not render or cause to be rendered any free services of any nature by its System; and, in the event the Board, the Issuer or any department, agency, instrumentality, officer or employee thereof shall avail himself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Board, the Issuer and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the Board or the Issuer shall transfer from its general funds sufficient sums to pay such charges for service to

any of its departments or properties. The revenues so received shall be deemed to be Revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other Revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The Issuer or the Board will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid and to the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, all delinquent rates, rentals and other changes, if not paid, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services and facilities of the System and any services and facilities of the City's waterworks system, to all delinquent users of services and facilities of the System and will not restore such services of the System (or waterworks system) until all billing for charges for the services and facilities of the System, plus reasonable interest penalty charges for the restoration of service, has been fully paid.

Section 6.12. No Competing Franchise. To the extent legally allowable, neither the Issuer nor the Board will grant or cause, consent to or allow the granting of any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The Board will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Board or the City, in which complete and correct entries shall be made of all transactions relating to the System, and any Holder of a Bond or Bonds shall have the right at all reasonable times to inspect the System, and all parts

thereof, and all records, accounts and data of the Board relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles, to the extent allowable under and in accordance with the rules and regulations of the Public Service Commission of West Virginia and the Act. Separate control accounting records shall be maintained by the Board. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books and along with other bookkeeping records as prescribed by the Board. The Board shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Board shall be reported to such agent of the Board as it shall direct.

The Issuer or the Board shall file with the Original Purchaser and any Bond Insurer, and shall mail to any Bondholder requesting the same, an annual report within 30 days following the date of receipt of the final audit containing a balance sheet, statement of revenues, expenses, and changes in retained earnings, and statement of cash flows, as prescribed by generally accepted accounting principles.

The Issuer or the Board shall also file with the Original Purchaser and any Bond Insurer, and mail to any Bondholder requesting the same, a monthly unaudited report within 30 days following the end of each month containing the following:

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

(B) A statement of account balances in the Sinking Fund accounts provided for in this Ordinance and status of said funds.

The Issuer or the Board shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of Bonds issued pursuant to this Ordinance and shall file said report with the Original Purchaser.

Section 6.14. Operating Budget. The Board shall annually, at least 45 days preceding the beginning of each Fiscal Year, or at such earlier date required by the charter of the Issuer, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No increased expenditures in excess of 10% of the amount

of such budget shall be made except upon the further certificate of such a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Board shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Original Purchaser and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the Original Purchaser and to any Bondholder or anyone acting for and in behalf of such Bondholder who requests the same.

Section 6.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the City, and in order to assure the rendering harmless of sewage and waterborne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building and every such owner, tenant or occupant shall, after a 30 day notice of the availability of sewerage services of the System, pay the rates and charges established therefor.

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

Section 6.16. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the

Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) in the event that both (A) in excess of 5% of the Net Proceeds of the Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Bonds during the term thereof is, under the terms of the Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the System, or if the Bonds are for the purpose of financing more than one project, a portion of the System, and shall not exceed the proceeds used for the governmental use of that portion of the System to which such Private Business Use is related.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting 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 Bonds to be directly or indirectly "federally guaranteed" within the meaning of Section 149(b) of the Code and Regulations promulgated thereunder.

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

E. FURTHER ACTIONS. The Issuer will take all actions that may be required of it so that the interest on the Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 6.17. Covenants Regarding the Municipal Bond Insurance Policy. The Issuer has obtained a Municipal Bond Insurance Policy for the Series 1993 Bonds. As a condition to issuance of such Municipal Bond Insurance Policy, certain additional covenants of the Issuer are required by the Bond Insurer as a condition to insuring the

Series 1993 Bonds. These additional covenants are set forth in full in the Supplemental Resolution, shall apply to the Series 1993 Bonds and any other Bonds which may be insured by such Bond Insurer, and shall be controlling in the event any other provisions of this Ordinance may be in conflict therewith. Such additional covenants are also set forth in full in this conformed copy of the Ordinance as follows:

(a) In the event the maturity of the Series 1993 Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Policy shall be fully discharged.

(b) The Bond Insurer shall be deemed to be the sole holder of the Series 1993 Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 1993 Bonds insured by it are entitled to take pursuant to Article VII of the Ordinance (pertaining to defaults and remedies).

(c) Copies of any modification or amendment to the Ordinance shall be sent to Standard & Poor's Corporation and Moody's Investors Service, Inc. at least 15 days prior to the effective date thereof.

(d) Rights of the Bond Insurer to direct or consent to Issuer or Bondholder actions under the Ordinance shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Policy is no longer in effect or the Bond Insurer asserts that the Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.

(e) In determining whether a payment default has occurred, no effect shall be given to payments made under the Policy.

(f) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 1993 Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Policy.

(g) The Bond Insurer shall have the right to advance any payment required to be made by the Issuer in order to prevent an event of default under this Ordinance and the Paying Agent shall be required to accept such advance. The Issuer shall be required to reimburse the Bond Insurer for any such advance.

(h) The rights granted to the Bond Insurer under the Ordinance to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholders consent is required in addition to consent of the Bond Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America, or (3) pre-refunded municipal obligation rated "AAA" and "Aaa" by S&P and Moody's, respectively (or any combination thereof) shall be authorized to be used to effect defeasance of the Series 1993 Bonds unless the Bond Insurer otherwise approves. Such obligations shall constitute "Defeasance Obligations." In the event of an advance refunding (i) the Issuer shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an independent firm of nationally recognized certified public accountants "(Accountant") verifying the sufficiency of the escrow established to pay the Series 1993 Bonds in full on the maturity date or earlier redemption thereof ("Verification"), (ii) the escrow agreement shall provide that no (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification and (B) reinvestment of a Defeasance Obligation shall be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the Series 1993 Bonds are no longer "Outstanding" under the Ordinance; each Verification and defeasance opinion shall be addressed to the Issuer, the Paying Agent and the

Bond Insurer. Series 1993 Bonds shall be deemed "Outstanding" under the Ordinance unless and until they are in fact paid and retired or the above criteria is met.

(j) Amounts paid by the Bond Insurer under the Policy shall not be deemed paid for purposes of the Ordinance and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full.

(k) The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director - Surveillance.

(l) The Bond Insurer shall be included as a third party beneficiary to the Ordinance.

(m) The Bond Insurer shall be provided with the following information:

(i) upon delivery of the annual audited financial statements of the Issuer, a certificate of the chief financial officer of the Issuer stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) has occurred, or if an Event of Default has occurred, specifying the nature thereof and, if the Issuer has a right to cure pursuant to Section 7.04 of the Ordinance, stating in reasonable detail the steps, if any, being taken by the Issuer to cure such Event of Default;

(ii) Official Statement, if any, prepared in connection with the issuance of additional bonds within 30 days after the bond sale;

(iii) Notice of any draw upon, or deficiency due to market fluctuation in the amount on deposit in, the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Account Requirement and (ii) withdrawals

in connection with a refunding of the Series 1993 Bonds;

(iv) Notice of the redemption of any of the Series 1993 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Paying Agent and the appointment of, and acceptance of duties by, any successor thereto;

(vi) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Ordinance; and

(vii) Such additional information as the Bond Insurer from time to time may reasonably request.

(n) Claims Upon the Policy and Payments by and to the Bond Insurer.

(A) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date or the date to which Bond maturity has been accelerated ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the Series 1993 Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent" by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 1993 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 1993 Bonds and the amount required to pay principal of the Series 1993 Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day.

(B) All amounts paid by the Bond Insurer pursuant to (A) above, shall be deposited by the Paying Agent in a special fund hereby established and designated the "Policy Payments Account." Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Bond Insurer.

(C) The Paying Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Paying Agent.

(D) Subject to and conditioned upon payment of any interest or principal with respect to the Series 1993 Bonds by or on behalf of the Bond Insurer, each Bondholder, by its purchase of Series 1993 Bonds, hereby assigns to the Bond Insurer, but only to the extent of all payments made by the Bond Insurer, all rights to the payment of interest or principal on the Series 1993 Bonds, including, without limitation, any amounts due to the Bondholders in respect of securities law violations arising from the offer and sale of the Series 1993 Bonds, which are then due for payment. The Bond Insurer may exercise any option, vote, right, power or the like with respect to Series 1993 Bonds to the extent it has made a principal payment pursuant to the Policy. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to the Bond Insurer in respect of such payments. The Paying Agent shall take such action and deliver such instruments as may be reasonably requested or required by the Bond Insurer to effectuate the purpose or provisions of this clause (E).

(E) The Paying Agent shall promptly notify the Bond Insurer of either of the following as to which it has actual knowledge: (i) the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (ii) the making of any claim in connection with any insolvency proceeding seeking the avoidance as a preferential transfer (a "Preference Claim") of any payment of principal of, or interest on, the Series 1993 Bonds.

Each Bondholder, by its purchase of Series 1993 Bonds, and the Paying Agent hereby agrees that the Bond Insurer may at any time during the continuation of an insolvency proceeding direct all matters relating to such insolvency proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Bond Insurer shall be subrogated to the rights of the Paying Agent and each Bondholder in any insolvency proceeding to the extent it is subrogated pursuant to the Policy, including, without limitation, any rights of any party to an adversary proceeding action

with respect to any court order issued in connection with any such Insolvency Proceeding.

(G) The Issuer hereby agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) the administration, enforcement, defense or preservation of any rights in respect of the Ordinance including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or any affiliate thereof) relating to the Ordinance, any party to the Ordinance or the transaction contemplated by the Related Documents (the "Transaction"), (ii) the pursuit of any remedies under the Ordinance or (iii) any amendment, waiver or other action with respect to, or related to, the Ordinance whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described above; and the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance.

(H) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Issuer agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants an auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by the Ordinance by reason of:

(i) any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Series 1993 Bonds;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Issuer in connection with any transaction arising from or relating to the Ordinance;

(iii) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Issuer of any representation, warranty or covenant under the Ordinance or the occurrence, in respect of the Issuer, under the Ordinance of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any Official Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an Official Statement and furnished by the Bond Insurer in writing expressly for use therein.

(I) The Issuer shall pay to the Bond Insurer interest on any and all amounts as are paid under the Policy and as are otherwise due to the Bond Insurer from the date paid by the Bond Insurer until payment thereof in full at the Late Payment Rate. "Late Payment Rate" shall mean a per annum rate equal to the lower of (i) three percent above the interest rate the Morgan Guaranty Trust Company of New York ("Morgan") publicly announces from time to time as its prime lending rate ("Prime Rate"), such interest rate to change on the effective date of each change in the announced Prime Rate and (ii) the maximum interest rate permitted to be paid by the Issuer under applicable law; provided that with respect to payments paid to and received by the Bond Insurer pursuant to its subrogation rights under the Ordinance the amount of the Series 1993 Bonds interest rate shall be subtracted from the Late Payment Rate. In the event Morgan ceases to announce its Prime Rate, the Prime Rate shall be the prime rate of such national bank as the Bond Insurer shall designate.

(J) Payments required to be made to the Bond Insurer shall be payable solely from the Net Revenues. The obligations set forth in (G)-(I) above shall survive discharge or termination of the Related Documents.

(K) The Bond Insurer shall be entitled to pay principal or interest on the Series 1993 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 1993 Bonds as a result of acceleration of the maturity

thereof in accordance with this Ordinance, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

(L) Notice of the optional or extraordinary redemption of Series 1993 Bonds, other than any notice that refers to Series 1993 Bonds that are to be redeemed from proceeds of a refunding bond issue or from amounts to be provided by the Bond Insurer in its discretion, may be given only if sufficient funds have been deposited with the Paying Agent to pay the applicable redemption price of the Series 1993 Bonds to be redeemed.

ARTICLE VII

DEFAULTS AND REMEDIES

Section 7.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Bonds:

(A) If default occurs in the due and punctual payment of the principal of or interest on any Bond;

(B) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part in this Ordinance or any Supplemental Resolution or in the Bonds contained, and such default shall have continued for a period of 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by any Bondholder or any Insurer; or

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

Section 7.02. Enforcement. Upon the happening and continuance of any Event of Default, any Bondholder or any Insurer may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his rights and, in particular:

(A) Bring suit for any unpaid principal or interest then due;

(B) By mandamus or other appropriate proceeding enforce all rights of the Bondholders, including the right to require the Issuer to perform its duties under the Act and this Ordinance;

(C) Bring suit upon the Bonds;

(D) By action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Bondholders; and

(E) By action or bill in equity enjoin any acts in violation of this Ordinance or the rights of the Bondholders.

No remedy by the terms of this Ordinance conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Bondholders hereunder or now or hereafter existing at law or by statute.

No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any default or Event of Default hereunder by the Bondholders shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereto.

Section 7.03. Appointment of Receiver. If there be any Event of Default existing and continuing, any Bondholder or any Insurer shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the principal of and interest on the Bonds, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other Revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and accounts and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the Revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the Issuer upon the entry of an order of the court to that effect. Upon any subsequent default, any Bondholder shall have

the same right to secure the further appointment of a receiver upon any such subsequent default.

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and the Holders of the Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the Issuer and the Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

Notwithstanding any other provision of this Ordinance, in determining whether the rights of the Bondholders will be adversely affected by any action taken pursuant to the terms and provisions of this Ordinance, any trustee or Bondholder's committee shall consider the effect on the Bondholders as if no Municipal Bond Insurance Policy were then in effect.

Section 7.04. Restoration of Issuer and Bondholder. In case any Bondholder shall have proceeded to enforce any right under this Ordinance by the appointment of a receiver, by entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case the Issuer and such Bondholder shall be restored to their former positions and rights hereunder, and all rights and remedies of such Bondholder shall continue as if no such proceedings had been taken.

ARTICLE VIII

REGISTRAR AND PAYING AGENT

Section 8.01. Appointment of Registrar. The Registrar for the Series 1993 Bonds shall be appointed pursuant to the Supplemental Resolution. The Issuer is hereby authorized and directed to enter into an agreement with the Registrar, the substantial form of which agreement is to be approved by Supplemental Resolution.

Section 8.02. Responsibilities of Registrar. The recitals of fact in the Bonds shall be taken as statements of the Issuer, and the Registrar shall not be responsible for their accuracy. The Registrar shall not be deemed to make any representation as to, and shall not incur any liability on account of, the validity of the execution of any Bonds by the Issuer. Notwithstanding the foregoing, the Registrar shall be responsible for any representation in its Certificate of Authentication on the Bonds. The Registrar and any successor thereto shall agree to perform all the duties and responsibilities spelled out in this Ordinance and any other duties and responsibilities incident thereto, all as provided by said agreement described in Section 8.01.

Section 8.03. Evidence on Which Registrar May Act. Except as otherwise provided by Section 10.02, the Registrar shall be protected in acting upon any notice, resolution, request, consent, order, certificate, opinion or other document believed by it to be genuine and to have been signed or presented by the proper party or parties. Whenever the Registrar shall deem it necessary or desirable that a fact or matter be proved or established prior to taking or suffering any action, such fact or matter, unless other evidence is specifically prescribed, may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Issuer, but in its discretion the Registrar may instead accept other evidence of such fact or matter.

Section 8.04. Compensation and Expenses. The Issuer shall pay to the Registrar from time to time reasonable compensation for all services, including the transfer of registration of Bonds, the first exchange of Bonds and the exchange of Bonds in the event of partial redemption, incurred in the performance of its duties hereunder.

Section 8.05. Certain Permitted Acts. The Registrar may become the owner of or may deal in Bonds as fully and with the same rights it would have if it were not Registrar. To the extent permitted by law, the Registrar may act as depository for, and permit any of its officers or directors to act as a member of, or in any

other capacity with respect to, any committee formed to protect the rights of Bondholders or effect or aid in any reorganization growing out of the enforcement of the Bonds or this Ordinance, whether or not any such committee shall represent the Holders of a majority in principal amount of the Bonds Outstanding.

Section 8.06. Resignation of Registrar. The Registrar may at any time resign and be discharged of its duties and obligations under this Ordinance by giving not less than 60 days' written notice to the Issuer and publishing in an Authorized Newspaper notice (or mailing such notice to each Bondholder in the event all Bonds are fully registered), specifying the date when such resignation shall take effect, within 20 days after the giving of such written notice. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Such resignation shall take effect upon the day specified in such notice unless a successor shall have been previously appointed by the Issuer or bondholders, in which event such resignation shall take effect immediately.

Section 8.07. Removal. The Registrar may be removed at any time by the Issuer or by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed and duly acknowledged by the Issuer or by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer, as the case may be. Copies of each such instrument shall be delivered by the Issuer to the Registrar.

Section 8.08. Appointment of Successor. In case at any time the Registrar shall resign or shall be removed or shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or if a receiver, liquidator or conservator of the Registrar or of its property shall be appointed, or if any public officer or court shall take charge or control of the Registrar or of its property or affairs, a successor may be appointed by the Holders of a majority in principal amount of the Bonds then Outstanding by an instrument or concurrent instruments in writing signed by such Bondholders or their attorneys duly authorized in writing and delivered to the Issuer and such successor Registrar, notification thereof being given to the predecessor Registrar. Pending such appointment, the Issuer shall forthwith appoint a Registrar to fill such vacancy until a successor Registrar shall be appointed by such Bondholders. The Issuer shall publish in an Authorized Newspaper (or mail to each Bondholder in the event all Bonds are fully registered) notice of any such appointment within 20 days after the effective date of such appointment. A copy of such notice shall also be mailed to each owner of a fully registered Bond or a coupon Bond registered as to principal (other than to bearer). Any successor Registrar appointed by the Issuer

shall, immediately and without further act, be superseded by a Registrar appointed by such Bondholders. If in a proper case no appointment of a successor Registrar shall be made within 45 days after the Registrar shall have given to the Issuer written notice of resignation or after the occurrence of any other event requiring such appointment, the Registrar or any Bondholder may apply to any court of competent jurisdiction to appoint a successor. Any Registrar appointed under the provisions of this section shall be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance.

Section 8.09. Transfer of Rights and Property to Successor. Any predecessor Registrar or Paying Agent shall pay over, assign and deliver any moneys, books and records held by it to its successor.

Section 8.10. Merger or Consolidation. Any company into which the Registrar may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party, or any company to which the Registrar or any public officer or court may sell or transfer all or substantially all of its corporate trust business, shall be the successor to such Registrar without the execution or filing of any paper or the performance of any further act; provided, however, that such company shall be a bank, trust company or national banking association meeting the requirements set forth in Section 8.08.

Section 8.11. Adoption of Authentication. In case any of the Bonds shall have been authenticated but not delivered, any successor Registrar may adopt a Certificate of Authentication and Registration executed by any predecessor Registrar and deliver such Bonds so authenticated, and, in case any Bonds shall have been prepared but not authenticated, any successor Registrar may authenticate such Bonds in the name of the predecessor Registrar or in its own name.

Section 8.12. Paying Agent. The Registrar shall also serve as the Paying Agent. The Registrar's acceptance of the duties and responsibilities of the Registrar expressed in Section 8.02 shall also include the trusts and the duties of Paying Agent. Any alternate Paying Agent must be a bank, trust company or national banking association authorized to perform the duties imposed upon it by this Ordinance. Such alternate Paying Agent shall signify its acceptance of the duties and obligations imposed upon it pursuant hereto by executing and delivering to the Issuer a written acceptance thereof. Any successor Paying Agent shall take such actions as may be necessary to ensure that the Bonds shall be and remain DTC-Eligible.

Each Paying Agent shall be entitled to payment and reimbursement for reasonable fees for its services rendered hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by such Paying Agent in connection with such services solely from moneys available therefor.

Any bank, trust company or national banking association with or into which any Paying Agent may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor of such Paying Agent for the purposes of this Ordinance. If the position of Paying Agent shall become vacant for any reason, the Issuer shall, within 30 days thereafter, appoint a bank, trust company or national banking association located in the same city as such Paying Agent to fill such vacancy; provided, however, that, if the Issuer shall fail to appoint such Paying Agent within said period, the Bond Commission, a court of competent jurisdiction or a majority of the Bondholders may make such appointment.

The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in this Article VIII with respect to the Registrar, insofar as such provisions may be applicable.

Notice of the appointment of successor or additional Paying Agents or fiscal agents shall be given in the same manner as provided by Section 8.08 hereof with respect to the appointment of a successor Registrar.

All moneys received by the Paying Agents shall, until used or applied as provided in this Ordinance, be held in trust for the purposes for which they were received.

ARTICLE IX

DEFEASANCE; DISCHARGE OF PLEDGE OF ORDINANCE

Section 9.01. Defeasance; Discharge of Pledge of Ordinance. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then this Ordinance and the pledges of the Net Revenues and other moneys and securities pledged hereunder, and all covenants, agreements and other obligations of the Issuer on behalf of the Holders of the Bonds made hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the respective principal of and interest on such Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Bond Commission or an escrow trustee either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Bond Commission or said escrow trustee at the same or earlier time shall be sufficient, to pay when due the principal of, any redemption premium on and interest due and to become due on said Bonds on and prior to the maturity date thereof, or if the Issuer irrevocably determines to redeem any of said Bonds prior to the maturity thereof, on and prior to said redemption date. Neither securities nor moneys deposited with the Bond Commission or an escrow trustee pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and interest on said Bonds; provided, that any cash received from such principal, redemption premium, if any, and interest payments on such securities deposited with the Bond Commission or said escrow trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if any, and interest to become due on said Bonds on and prior to such maturity or redemption dates thereof, and interest earned from such reinvestments

shall be paid over to the Issuer as received by the Bond Commission or said escrow trustee, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations, as such term is limited by the provisions in Section 1.01 hereof or such additional securities as shall be set forth in the Supplemental Resolution.

ARTICLE X

MISCELLANEOUS

Section 10.01. Amendment of Ordinance. Prior to issuance of the Series 1993 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1993 Bonds, this Ordinance and any Supplemental Resolution may be amended or modified without the consent of any Bondholder or other person, solely for the purpose of maintaining the tax-exempt status of the Bonds, provided that, in the event any of the Bonds are insured, no such amendment or modification which adversely affects the security for such Bonds or the rights of the applicable Bond Insurer for such Bonds may be effected without the written consent of such Bond Insurer. Otherwise, no materially adverse amendment or modification to this Ordinance, or of any Supplemental Resolution, may be made without the written consent of the Holders of 60% in aggregate principal amount of the Bonds then Outstanding and affected thereby and the Bond Insurer, which must be filed with the Clerk of the Issuer before any such modification or amendment may be made. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter the terms of payment of the principal of or interest on, any Bond without the express written consent of the Holder of such Bond, nor reduce the percentage of Bonds required for consent to any such modification or amendment.

Section 10.02. Evidence of Signatures of Bondholders and Ownership of Bonds. Any request, consent, revocation of consent or other instrument which this Ordinance may require or permit to be signed and executed by Bondholders may be in one or more instruments of similar tenor, and shall be signed or executed by such Bondholders in person or by their attorneys duly authorized in writing. Proof of the execution of any such instrument, or of an instrument appointing or authorizing any such attorney, shall be sufficient for any purpose of this Ordinance if made in the following manner, or in any other manner satisfactory to the Issuer or the Registrar, as the case may be, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

A. The fact and date of the execution by any Bondholder or his attorney of any such instrument may be proved (i) by the certificate of a notary public or other officer authorized to take acknowledgements of deeds to be recorded in the jurisdiction in which he purports to act that the person signing such instrument acknowledged to him the execution thereof, or by the affidavit of a witness of such execution, duly sworn to before such a notary public or other officer or (ii) by the certificate, which need not be

acknowledged or verified, of an officer of a bank, a trust company or a financial firm or corporation satisfactory to the Issuer or the Registrar, as the case may be, that the person signing such instrument acknowledged to such bank, trust company, firm or corporation the execution thereof.

B. The authority of a person or persons to execute any such instrument on behalf of a corporate Bondholder may be established without further proof if such instrument is signed by a person purporting to be the president or treasurer or a vice-president or an assistant treasurer of such corporation with a corporate seal affixed, and is attested by a person purporting to be its secretary or assistant secretary.

C. The amount of fully registered Bonds held by a person executing any instrument as a Bondholder, the date of his holding such Bonds and the numbers and other identification thereof, shall be confirmed by the Bond Register.

Any request, consent or other instrument executed by the Holder of any Bond shall bind all future Holders and owners of such Bond in respect of anything done or suffered to be done hereunder by the Issuer or the Registrar in accordance therewith.

Section 10.03. Preservation and Inspection of Documents. To the extent allowable under law, all reports, certificates, statements and other documents received by the Registrar under the provisions of this Ordinance shall be retained in its possession and shall be available at all reasonable times for the inspection of the Issuer or any Bondholder, and their agents and their representatives, but any such reports, certificates, statements or other documents may, at the election of the Registrar, be destroyed or otherwise disposed of at any time after such date as the pledge created by this Ordinance shall be discharged as provided in Section 9.01.

Section 10.04. Cancellation of Bonds. All Bonds purchased or paid shall, if surrendered to the Issuer, be canceled and delivered to the Registrar, or, if surrendered to the Registrar, be canceled by it. No such Bonds shall be deemed Outstanding under this Ordinance and no Bonds shall be issued in lieu thereof. All such Bonds shall be canceled and upon order of the Issuer shall be destroyed, and a certificate evidencing such destruction shall be delivered to the Issuer.

Section 10.05. Failure to Present Bonds. Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Bond Commission or a Paying Agent in trust for the payment and discharge of any of the Bonds which remain unclaimed for 1 year after the date on

which such Bonds have become due and payable, whether by maturity or upon call for redemption, shall at the written request of the Issuer be paid by the Bond Commission or said Paying Agent to the Issuer as its absolute property and free from trust, and the Bond Commission or said Paying Agent shall thereupon be released and discharged with respect thereto, and the Holders of such Bonds shall look only to the Issuer for the payment of such Bonds; provided, however, that, before making any such payment to the Issuer, the Registrar, if so advised by the Bond Commission, or said Paying Agent shall send to the Holder, at the address listed on the Bond Register, by certified mail, a notice that such moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of such notice is mailed, the balance of such moneys then unclaimed will be returned to the Issuer. If any of said Bonds is a coupon Bond, the Registrar or said Paying Agent shall also publish such notice, not less than 30 days prior to the date such moneys will be returned to the Issuer, in an Authorized Newspaper.

Section 10.06. Notices, Demands and Requests. Unless otherwise expressly provided, all notices, demands and requests to be given or made hereunder to or by the Issuer, the Registrar, the Depository Bank, the Original Purchaser or the Bond Insurer shall be in writing and shall be properly made if sent by United States mail, postage prepaid, and addressed as follows or if hand-delivered to the individual to whom such notice, demand or request is required to be directed as indicated below:

CITY

The City of Huntington
City Hall
Post Office Box 1659
Huntington, West Virginia 25717
Attention: Chairman, Sanitary Board

REGISTRAR AND PAYING AGENT

Bank One, West Virginia, Charleston,
National Association
Capitol and Virginia Streets
P. O. Box 1113
Charleston, West Virginia 25324
Attention: Trust Officer

DEPOSITORY BANK

Bank One, West Virginia, Huntington,
National Association
P. O. Box 179
Huntington, West Virginia 257066-0179
Attention: Trust Officer

ORIGINAL PURCHASER

Raymond James & Associates, Inc.
The Raymond James Financial Center
880 Carillon Parkway
P. O. Box 12749
St. Petersburg, Florida 33733-2749
Attention: Public Finance Department

BOND INSURER

Financial Security Assurance Inc.
350 Park Avenue
New York, New York 10022-6022
Attention: Managing Director - Surveillance

Any party listed above may change such address listed for it at any time upon written notice of change sent by United States mail, postage prepaid, to the other parties.

Section 10.07. No Personal Liability. No member of the Council or officer or employee of the Issuer shall be individually or personally liable for the payment of the principal of or the interest on any Bond, but nothing herein contained shall relieve any such member, official or employee from the performance of any official duty provided by law or this Ordinance.

Section 10.08. Law Applicable. The laws of the State shall govern the construction of this Ordinance and of all Bonds issued hereunder.

Section 10.09. Parties Interested Herein. Nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon, or give to, any person or corporation, other than the Issuer, the Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser, any right, remedy or claim under or by reason of this Ordinance. All the covenants, stipulations, promises and agreements contained in this Ordinance by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the

Registrar, the Paying Agent, the Holders of the Bonds and the Original Purchaser.

Section 10.10. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.11. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 10.12. Conflicting Provisions Repealed. All ordinances, orders, resolutions or parts thereof in conflict with the provisions of this Ordinance, are, to the extent of such conflict, hereby repealed.

Section 10.13. Procedure on Enactment of Ordinance; Public Hearing. Upon adoption of this Ordinance, the Clerk is hereby authorized and directed to have an abstract of this Ordinance, which abstract has been determined by the Council of the Issuer to contain sufficient information to give notice of the contents of such Ordinance, published once each week for 2 successive weeks, with not less than six full days between each publication, the first such publication to be not less than 10 days before the date stated below for the public hearing, in The Herald-Dispatch, a newspaper published and having a general circulation in The City of Huntington, together with a notice to all persons concerned, stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds described in this Ordinance and that any person interested may appear before the Council at the public hearing to be had at a public meeting of Council on the 12th day of October, 1993, at 7:30 p.m., in the meeting room of the Council in the City Hall of The City of Huntington and present protests, and that a certified copy of this Ordinance is on file with the Clerk for review by interested parties during the office hours of the Clerk. At such hearing all protests and suggestions shall be heard by the Council and it shall then take such action as it shall deem proper in the premises.

This Ordinance shall become effective following public hearing hereon in accordance with the Act.

First Reading:	September 13, 1993
Second Reading:	September 27, 1993
Effective following Public Hearing held on:	October 12, 1993

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

APPROVED AND CORRECT AS TO FORM:

By _____
City Attorney

CERTIFICATION

Certified a true, correct and complete copy of an Ordinance duly enacted by the City Council of THE CITY OF HUNTINGTON at a regular meeting of the City Council held at 7:30 p.m., on October 12, 1993, pursuant to proper notice, at which meeting a quorum was present and acting throughout, and which Ordinance was enacted following a public hearing thereon, notice of which public hearing was published once a week for two successive weeks in a newspaper having a general circulation in The City of Huntington, the first publication having been not less than 10 days prior to such public hearing.

Dated this 18th day of November, 1993.

[SEAL]

City Clerk

EXHIBIT A - BOND FORM

No. R-_____ $_____

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF HUNTINGTON (WEST VIRGINIA)
SEWERAGE SYSTEM REFUNDING REVENUE BOND,
SERIES 1993

INTEREST RATE	MATURITY DATE	BOND DATE	CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON (West Virginia), a municipal corporation organized and existing under the laws of the State of West Virginia (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the Registered Owner specified above, or registered assigns (the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above and solely from such special funds also to pay interest on said Principal Amount from the Interest Payment Date (as hereinafter defined) preceding the date of authentication hereof or, if authenticated after the Record Date (as hereinafter defined) but prior to the applicable Interest Payment Date or on said Interest Payment Date, from said Interest Payment Date or, if no interest has been paid, from the Bond Date specified above, or, if and to the extent that the Issuer shall default in the payment of interest on any Interest Payment Date, then this Bond shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, and in which case any Bond surrendered for transfer or exchange shall be dated as of the Interest Payment Date to which interest has been paid in full, at the Interest Rate per annum specified above, semiannually, on _____ 1 and _____ 1, in each year, beginning _____ 1, 1993 (each an "Interest Payment Date"), until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided for. Capitalized terms used and not

defined herein shall have the meanings ascribed thereto in the hereinafter described Ordinance.

Interest accruing on this Bond on and prior to the Maturity Date hereof shall be payable by check or draft mailed by _____, _____, West Virginia, as paying agent (in such capacity, the "Paying Agent"), to the Registered Owner hereof as of the applicable Record Date (each _____ 15 and _____ 15) or, in the event of a default in the payment of Bonds, that special record date to be fixed by the hereinafter named Registrar by notice given to the Registered Owners not less than 10 days prior to said special record date at the address of such Registered Owner as it appears on the registration books of the Issuer maintained by _____, _____, West Virginia, as registrar (in such capacity, the "Registrar"), or, at the option of any Registered Owner of at least $1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to a domestic bank account specified in writing by the Registered Owner to the Paying Agent at least 5 days prior to such Record Date. Principal and premium, if any, shall be paid when due upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent, in _____, West Virginia.

This Bond is one of an issue of a series of bonds, in the aggregate principal amount of $_____ designated "The City of Huntington (West Virginia) Sewerage System Refunding Revenue Bonds, Series 1993" (the "Bonds"), of like tenor and effect, except as to number, denomination, date of maturity and interest rate, dated _____ 1, 1993, the proceeds of which are to be used, together with other funds of the Issuer, to refund in full The City of Huntington Sewerage System Refunding Revenue Bonds, Series 1987, of the Issuer outstanding in the aggregate principal amount of $_____ (the "Prior Bonds"), which Prior Bonds were issued to finance and refinance the cost of construction of certain additions, betterments and improvements to the sewerage system of the Issuer. The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended (the "Act"), and an ordinance duly enacted by the City Council of the Issuer on _____, 1993, and supplemented by a supplemental resolution adopted by said Council on _____, 1993 (hereinafter collectively referred to as the "Ordinance"), and is subject to all the terms and conditions of said Ordinance. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the

Ordinance. Reference is hereby made to the Ordinance, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties and immunities of the Issuer, the Registrar, the Paying Agent, the Registered Owners of the Bonds and the Registered Owners of any subsequently issued additional bonds. Executed counterparts or certified copies of the Ordinance are on file at the office of the City Clerk in The City of Huntington, West Virginia.

The Bonds are additionally secured, but only to the extent described in the Statement of Insurance printed on the Bonds, by a policy of municipal bond insurance issued by [Name of Bond Insurer].

The Bonds of this issue are subject to redemption prior to their stated maturity dates, as provided in the Ordinance and as set forth in the following lettered paragraphs:

(A) Optional Redemption. The Bonds maturing on or after _____, _____ are subject to redemption prior to maturity at the option of the Issuer on and after _____, _____, in whole at any time and in part on any Interest Payment Date, as directed by the Issuer, at the following redemption prices (expressed as percentages of the principal amount of Bonds to be redeemed), plus interest accrued thereon to the date fixed for redemption:

Period During Which Redeemed (Dates Inclusive)	Redemption Price

(B) Mandatory Sinking Fund Redemption. The Bonds maturing _____, are subject to annual mandatory redemption prior to maturity by random selection on _____ of the years and in the principal amounts set forth below, at the redemption price of 100% of the principal amount of each Bond so called for redemption plus interest accrued to the date fixed for redemption:

Bonds Maturing

Year ( )	Principal Amount

Bonds Maturing

Year ( )	Principal Amount

* Final Maturity

In the event of any redemption of less than all outstanding Bonds, Bonds shall be selected for redemption by lot or in such other manner deemed appropriate by the Paying Agent. If less than all the Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the Series designation, date of issue, CUSIP numbers and Maturity Dates.

Notice of any redemption of this Bond, unless waived, shall be given by the Registrar on behalf of the Issuer by mailing an official redemption notice by registered or certified mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Registrar. Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.

Failure to receive such notice or any defect therein or in the mailing thereof shall not affect the validity of proceedings for the redemption of this Bond.

The Bonds and the interest thereon are payable only from and are secured by the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, all moneys in the Sinking Fund established under the Ordinance, and the unexpended proceeds of the Bonds, and the Issuer hereby and in the Ordinance pledges such revenues and moneys to such payment. Said Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and shall be set aside as a special fund hereby pledged for such purpose and to make the other payments required by the Ordinance. This Bond does not constitute an indebtedness of the Issuer within any constitutional or statutory provision or limitation, nor shall the Issuer be obligated to pay the same or the interest hereon except from said special fund provided from the Net Revenues, the moneys in the Sinking Fund and said unexpended Bond proceeds. Under the Ordinance, the Issuer has covenanted and agreed to fix, establish and collect just and equitable rates or charges for the use of the services and facilities of the System and to revise the same from time to time as will always be sufficient to pay all operating expenses of the System and to produce revenues net of such operating expenses equal to at least _____% of the maximum annual amount required to pay the interest and principal as the same become due and accomplish retirement of all obligations for the payment of which such revenues have or shall have been pledged, charged or otherwise encumbered and to make any required payments into the Reserve Account. Such required payments on behalf of the principal of and interest on the Bonds shall constitute a first charge upon all the revenues of the System. The Issuer has entered into certain further covenants with the registered owners of the Bonds, for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

All moneys received from the sale of the Bonds except for accrued interest thereon shall be applied solely to refund the Prior Bonds and pay all costs in connection therewith and costs of issuance of the Bonds, and there shall be, and hereby is, created and granted a lien upon such moneys, until so applied, in favor of the registered owners of said Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia, and

that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by said Issuer for the prompt payment of the principal of and interest on the Bonds of which this Bond is one.

This Bond, under the provisions of the Act is and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may be transferred only upon the surrender hereof at the office of the Registrar and otherwise as provided by the within-described Ordinance.

This Bond is, under the Act, exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

This Bond shall not be entitled to any benefit under the Ordinance, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon shall have been signed by the Registrar.

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON (West Virginia) has caused this Bond to be signed by its Mayor, and its corporate seal to be imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated as of the Bond Date specified above.

[SEAL]

(Manual or Facsimile Signature)
Mayor

ATTEST:

(Manual or Facsimile Signature)
City Clerk

CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This Bond is one of the fully registered Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the Registered Owner on the date set forth below. Attached hereto is the complete text of the opinion of Steptoe & Johnson, bond counsel, signed originals of which are on file with the Registrar, delivered and dated on the date of the original delivery of and payment for the Bonds.

Dated: _____, _____.

_____,
as Registrar

By _____
Its Authorized Officer

STATEMENT OF INSURANCE

[Language to be Provided by Bond Insurer]

ASSIGNMENT

Social Security or Other Identifying Number of Assignee _____

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

_____

_____

the within Bond and does hereby irrevocably constitute and appoint

_____

_____

to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____, _____.

_____

SIGNATURE GUARANTEED:

_____

(Bank, Trust Company or Firm)

_____

(Authorized Officer)

NOTICE: The Assignor's signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

11/29/93
HUNTC.III
43550/93001

THE CITY OF HUNTINGTON
(WEST VIRGINIA)

$7,100,000
Sewerage System
Refunding Revenue Bonds, Series 1993

SUPPLEMENTAL RESOLUTION PROVIDING AS TO AMOUNT, MATURITIES, INTEREST RATES, REDEMPTION PROVISIONS, PURCHASE PRICE AND OTHER DETAILS AS TO THE SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, OF THE CITY; AUTHORIZING AND APPROVING A BOND PURCHASE AGREEMENT, A REGISTRAR AND PAYING AGENT'S AGREEMENT, AN ESCROW AGREEMENT, AN OFFICIAL STATEMENT AND OTHER INSTRUMENTS RELATING TO THE BONDS; APPOINTING A REGISTRAR, PAYING AGENT, ESCROW TRUSTEE AND DEPOSITORY BANK; IMPLEMENTING PROVISIONS REQUIRED AS A CONDITION TO OBTAINING A MUNICIPAL BOND INSURANCE POLICY; DESIGNATING THE BONDS AS "BANK QUALIFIED OBLIGATIONS" AND MAKING OTHER PROVISIONS AS TO THE BONDS AND THE REFUNDING.

WHEREAS, The City of Huntington (the "Issuer"), in the Counties of Cabell and Wayne, State of West Virginia, is a municipal corporation of said State, the governing body of which is its Council;

WHEREAS, this Council duly enacted on October 12, 1993, an ordinance (the "Ordinance") entitled:

AN ORDINANCE AUTHORIZING THE REFUNDING OF THE CITY'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1987; THE ISSUANCE OF SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, OF THE CITY IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT MORE THAN $9,500,000 THE PROCEEDS OF WHICH, TOGETHER WITH OTHER FUNDS OF THE CITY, SHALL BE EXPENDED FOR SUCH REFUNDING AND TO PAY COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF, AND THE SECURITY FOR, THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT AND OTHER DOCUMENTS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ENACTING OTHER PROVISIONS WITH RESPECT TO SUCH BONDS.

WHEREAS, the Ordinance provided for the issuance of the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993 (the "Series 1993 Bonds"), in an aggregate principal amount not to exceed $9,500,000 for the purpose of refunding the Issuer's outstanding Sewerage System Refunding Revenue Bonds, Series 1987 (the "Prior Bonds"), all in accordance with Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act");

WHEREAS, the Ordinance provided that the exact principal amount of the Series 1993 Bonds to be sold and the maturities, interest rates, redemption provisions and the price of the Bonds should be established, that a Paying Agent, Escrow Trustee, Registrar and Depository Bank be designated, that an Escrow Agreement and Registrar and Paying Agent's Agreement be approved, that Qualified Investments be set forth, that additional covenants of the Issuer relating to the Municipal Bond Insurance Policy and that any amendments required in order to obtain the Municipal Bond Insurance Policy be set forth and that other matters pertaining to the Series 1993 Bonds be provided for by resolution of this Council supplemental to and amendatory of the Ordinance upon receipt of a Bond Purchase Agreement acceptable to this Council;

WHEREAS, the Series 1993 Bonds are proposed to be purchased by Raymond James & Associates, Inc. (the "Original Purchaser"), pursuant to a Bond Purchase Agreement dated the date of adoption hereof (the "Purchase Agreement");

WHEREAS, the Issuer has obtained a commitment for a Municipal Bond Insurance Policy from Financial Security Assurance Inc. (the "Bond Insurer") and has determined that it is advantageous for the Issuer to obtain such Municipal Bond Insurance Policy and provide herein for certain matters required by the Bond Insurer as a condition to issuing the Municipal Bond Insurance Policy;

WHEREAS, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Ordinance; and

WHEREAS, this Council deems it essential and desirable that this Resolution be adopted and that the Purchase Agreement, the Escrow Agreement and the Registrar and Paying Agent's Agreement hereinafter provided for be entered into by the Issuer, that the Official

Statement relating to the Series 1993 Bonds, hereinafter described, be approved, that the price of the Series 1993 Bonds, the maturity dates and amounts, the redemption provisions, the interest rates, and the exact principal amount of the Series 1993 Bonds be fixed hereby in the manner stated herein, that provisions required by the Bond Insurer as a condition to issuing its Municipal Bond Insurance Policy and amendments to the Ordinance required as a condition to obtaining the same and that other matters relating to the Series 1993 Bonds be herein provided for, all in accordance with said Ordinance;

NOW, THEREFORE, THE COUNCIL OF THE CITY OF HUNTINGTON HEREBY RESOLVES:

Section 1. Pursuant to the Ordinance and the Act, this Resolution is adopted and there are hereby authorized and ordered to be issued the Series 1993 Bonds in the aggregate principal amount of $7,100,000. The Series 1993 Bonds shall be dated November 1, 1993, upon original issuance, shall bear interest payable semiannually on May 1 and November 1 of each year, commencing May 1, 1994, and shall mature on November 1 in years as follows:

Year (Nov. 1)	Amount	Interest Rate	Price
1994	$ 360,000	2.700%	100%
1995	360,000	3.100	100
1996	75,000	3.300	100
1997	75,000	3.600	100
1998	80,000	3.800	100
1999	80,000	4.000	100
2000	90,000	4.100	100
2001	90,000	4.200	100
2002	100,000	4.300	99.630
2003	100,000	4.400	99.202
2004	105,000	4.600	99.572
2005	105,000	4.700	99.096
2006	110,000	4.875	99.286
2007	115,000	5.000	99.007
2018	2,520,000	5.250	97.286
2023	2,735,000	5.375	97.500
TOTAL	$7,100,000		

Section 2. The Series 1993 Bonds shall not be subject to optional redemption prior to November 1, 2003. The Series 1993 Bonds

maturing on or after November 1, 2004, shall be redeemable prior to their stated dates of maturity at the option of the Issuer on or after November 1, 2003, in whole at any time or in part on any interest payment date, in such order of maturity as may be determined by the Issuer and by lot within a maturity, at the respective redemption prices (expressed as percentages of the principal amounts to be redeemed) set forth below, plus interest accrued to the date fixed for redemption:

Period During Which Redeemed	Redemption Price
November 1, 2003 to October 31, 2004	102%
November 1, 2004 to October 31, 2005	101
November 1, 2005 and thereafter	100

Section 3. The Series 1993 Bonds maturing November 1, 2018 and 2023 (the "Term Bonds") shall be subject to mandatory sinking fund redemption prior to maturity in part by random selection as may be determined by the Registrar, on November 1 of the years and in accordance with the following mandatory redemption schedule, at a redemption price equal to the principal amount thereof, plus interest accrued to the date fixed for redemption, without premium:

SERIES 1993 BONDS MATURING NOVEMBER 1, 2018

Year (November 1)	Amount
2008	$125,000
2009	130,000
2010	140,000
2011	140,000
2012	150,000
2013	160,000
2014	170,000
2015	175,000
2016	420,000
2017	445,000
2018	465,000 *

* By maturity

SERIES 1993 BONDS MATURING NOVEMBER 1, 2023

Year (November 1)	Amount
2019	$490,000
2020	520,000
2021	545,000
2022	575,000
2023	605,000 *

* By maturity

If a Series 1993 Bond is called for redemption in part, the Series 1993 Bond shall be renumbered and exchanged for a Series 1993 Bond of the amount then outstanding, without charge to the Bondholder.

All other provisions relating to the Series 1993 Bonds shall be as provided in the Ordinance, and the Series 1993 Bonds shall be in substantially the form provided in the Ordinance.

Section 4. The Purchase Agreement between the Original Purchaser and the Issuer, substantially in the form submitted to this meeting, and the execution and delivery (in multiple counterparts) by the Mayor and the sealing and attestation by the City Clerk on this day of the Purchase Agreement on behalf of the Issuer are hereby authorized, approved and directed. The Mayor shall execute and deliver the Purchase Agreement with such changes, insertions and omissions as may be approved by the Mayor. Execution of the Purchase Agreement by the Mayor shall be conclusive evidence of any approval required by this Section. The price of the Series 1993 Bonds, pursuant to the Purchase Agreement, shall be $6,874,745.25 representing the principal amount of $7,100,000, less Underwriter's discount of $83,993 and original issue discount of $141,261.75, plus interest accrued from the date of the Series 1993 Bonds to their date of delivery. The Series 1993 Bonds are expected to be delivered on or about November 18, 1993.

Section 5. The Escrow Agreement by and among the Issuer, the West Virginia Municipal Bond Commission and the Escrow Trustee designated herein, to be dated as of the date of delivery of the Series 1993 Bonds, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor shall execute and deliver the Escrow Agreement with such changes, insertions and omissions as may be approved by the Mayor and the City Clerk is hereby

authorized and directed to affix the seal of the Issuer thereto and to attest the seal. Execution of the Escrow Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 6. The Official Statement dated November 3, 1993, to be substantially in the form of the Preliminary Official Statement described below (with such changes, insertions and omissions as may be necessary or advisable in the opinion of the Mayor) and the distribution of counterparts or copies thereof by the Original Purchaser are hereby approved. The Mayor shall execute and deliver the Official Statement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Official Statement by the Mayor shall be conclusive evidence of any approval required by this Section. The distribution by the Original Purchaser of the Preliminary Official Statement dated October 29, 1993 (which is a "deemed final" official statement in accordance with SEC Rule 15c2-12), substantially in the form submitted to this meeting is hereby ratified and approved. The certificate of the Issuer relating to compliance with SEC Rule 15c2-12 and the execution and delivery thereof by the Mayor is hereby ratified and approved.

Section 7. The Registrar and Paying Agent's Agreement to be dated as of the date of delivery of the Series 1993 Bonds, by and between the Issuer and the Registrar/Paying Agent designated herein, substantially in the form submitted to this meeting shall be and the same is hereby approved. The Mayor shall execute and deliver the Registrar and Paying Agent's Agreement with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar and Paying Agent's Agreement by the Mayor shall be conclusive evidence of any approval required by this Section.

Section 8. The Issuer does hereby determine that the Municipal Bond Insurance Policy offered by the Bond Insurer will result in an interest cost savings for the Issuer in excess of the premium to be paid by the Issuer for such Municipal Bond Insurance Policy, and accordingly ratifies the acceptance of the Commitment for Municipal Bond Insurance (the "Commitment"), dated October 22, 1993. The execution by the Mayor and delivery of the Commitment to the Bond Insurer is hereby ratified and approved.

Section 9. Pursuant to the Commitment, and, as permitted by Section 10.01 of the Ordinance, the following covenants and provisions which are required by the Bond Insurer as a condition precedent to issuance of its Municipal Bond Insurance Policy are hereby set forth, such covenants and provisions to be supplemental to and amendatory of, and controlling (notwithstanding anything to the contrary set forth in the Ordinance) with respect to the Ordinance and applicable to the Series 1993 Bonds:

(a) "Municipal Bond Insurance Policy" or "Policy" shall mean the municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 1993 Bonds.

(b) "Bond Insurer" shall mean Financial Security Assurance Inc., a New York stock insurance company, or any successor thereto.

(c) Notice of the optional or extraordinary redemption of Series 1993 Bonds, other than any notice that refers to Series 1993 Bonds that are to be redeemed from proceeds of a refunding bond issue or from amounts to be provided by the Bond Insurer in its discretion, may be given only if sufficient funds have been deposited with the Paying Agent to pay the applicable redemption price of the Series 1993 Bonds to be redeemed.

(d) Upon the occurrence and continuance of an Event of Default which would require the Bond Insurer to make payments under the Policy, the Bond Insurer and its designated agent shall be provided with access to inspect and copy the registration books of the Issuer.

(e) "Qualified Investments" shall mean:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person

claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are not backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
  Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
  Senior Debt obligations
-Farm Credit Banks (formerly: Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
  Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
  Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
  Senior debt obligations
  Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Student Loan Marketing Association (SLMA)
  Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
-Financing Corporation (FICO)
  Debt obligations
-Resolution Funding Corporation (REFCORP)
  Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having

maturities of not more than 30 days) of any bank the short-term obligations of which are rated 'A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated 'A-1+' by S&P and 'Prime-1' by Moody's.

7. Money market funds rated 'AAm' or 'AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated 'A3' by Moody's and 'A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated 'A-1+' by S&P and 'Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated 'AA' or better by S&P and 'Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the

municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is

rendered that the repurchase agreement is a "repurchase agreement" and a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral

has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least "Aa' by Moody's, or at least 'AA' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or "Aa" by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give

such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

12. Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

13. Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

(g) In the event the maturity of the Series 1993 Bonds is accelerated, the Bond Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued or accreted, as applicable, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Paying Agent shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Policy shall be fully discharged.

(h) The Bond Insurer shall be deemed to be the sole holder of the Series 1993 Bonds insured by it for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 1993 Bonds insured by it are entitled to take pursuant to Article VII of the Ordinance (pertaining to defaults and remedies).

(i) Copies of any modification or amendment to the Ordinance shall be sent to Standard & Poor's Corporation and Moody's Investors Service, Inc. at least 15 days prior to the effective date thereof.

(j) Rights of the Bond Insurer to direct or consent to Issuer or Bondholder actions under the Ordinance shall be suspended during any period in which the Bond Insurer is in default in its payment obligations under the Policy (except to the extent of amounts previously paid by the Bond Insurer and due and owing to the Bond Insurer) and shall be of no force or effect in the event the Policy is no longer in effect or the Bond Insurer asserts that the Policy is not in effect or the Bond Insurer shall have provided written notice that it waives such rights.

(k) In determining whether a payment default has occurred, no effect shall be given to payments made under the Policy.

(l) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Series 1993 Bonds, become subrogated to the

rights of the recipients of such payments in accordance with the terms of the Policy.

(m) The Bond Insurer shall have the right to advance any payment required to be made by the Issuer in order to prevent an event of default under this Ordinance and the Paying Agent shall be required to accept such advance. The Issuer shall be required to reimburse the Bond Insurer for any such advance.

(n) The rights granted to the Bond Insurer under the Ordinance to request, consent to or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Policy. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit or on behalf of the Bondholders nor does such action evidence any position of the Bond Insurer, positive or negative, as to whether Bondholders consent is required in addition to consent of the Bond Insurer.

(o) Only (1) cash, (2) non-callable direct obligations of the United States of America, or (3) pre-refunded municipal obligation rated "AAA" and "Aaa" by S&P and Moody's, respectively (or any combination thereof) shall be authorized to be used to effect defeasance of the Series 1993 Bonds unless the Bond Insurer otherwise approves. Such obligations shall constitute "Defeasance Obligations." In the event of an advance refunding (i) the Issuer shall cause to be delivered, on the deposit date and upon any reinvestment of the defeasance amount, a report of an independent firm of nationally recognized certified public accountants "(Accountant") verifying the sufficiency of the escrow established to pay the Series 1993 Bonds in full on the maturity date or earlier redemption thereof ("Verification"), (ii) the escrow agreement shall provide that no (A) substitution of a Defeasance Obligation shall be permitted except with another Defeasance Obligation and upon delivery of a new Verification and (B) reinvestment of a Defeasance Obligation shall

be permitted except as contemplated by the original Verification or upon delivery of a new Verification, and (iii) there shall be delivered an opinion of nationally recognized bond counsel to the effect that the Series 1993 Bonds are no longer "Outstanding" under the Ordinance; each Verification and defeasance opinion shall be addressed to the Issuer, the Paying Agent and the Bond Insurer. Series 1993 Bonds shall be deemed "Outstanding" under the Ordinance unless and until they are in fact paid and retired or the above criteria is met.

(p) Amounts paid by the Bond Insurer under the Policy shall not be deemed paid for purposes of the Ordinance and shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with the Ordinance. The Ordinance shall not be discharged unless all amounts due or to become due to the Bond Insurer have been paid in full.

(q) The notice address of the Bond Insurer is: Financial Security Assurance Inc., 350 Park Avenue, New York, New York 10022-6022, Attention: Managing Director - Surveillance.

(r) The Bond Insurer shall be included as a third party beneficiary to the Ordinance.

(s) The Bond Insurer shall be provided with the following information:

(i) upon delivery of the annual audited financial statements of the Issuer, a certificate of the chief financial officer of the Issuer stating that, to the best of such individual's knowledge following reasonable inquiry, no Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) has occurred, or if an Event of Default has occurred, specifying the nature thereof and, if the Issuer has a right to cure pursuant to Section 7.04 of the Ordinance, stating in reasonable detail the steps,

if any, being taken by the Issuer to cure such Event of Default;

(ii) Official Statement, if any, prepared in connection with the issuance of additional bonds within 30 days after the bond sale;

(iii) Notice of any draw upon, or deficiency due to market fluctuation in the amount on deposit in, the Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the Reserve Account Requirement and (ii) withdrawals in connection with a refunding of the Series 1993 Bonds;

(iv) Notice of the redemption of any of the Series 1993 Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Paying Agent and the appointment of, and acceptance of duties by, any successor thereto;

(vi) A full original transcript of all proceedings relating to the execution of any amendment or supplement to the Ordinance; and

(vii) Such additional information as the Bond Insurer from time to time may reasonably request.

(t) Claims Upon the Policy and Payments by and to the Bond Insurer.

(A) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date or the date to which Bond maturity has been accelerated ("Payment Date") there is not on deposit with the Paying Agent, after making all transfers and deposits required under this Ordinance, moneys sufficient to pay the principal of and interest on the Series 1993

Bonds due on such Payment Date, the Paying Agent shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent" by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 1993 Bonds due on such Payment Date, the Paying Agent shall make a claim under the Policy and give notice to the Bond Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 1993 Bonds and the amount required to pay principal of the Series 1993 Bonds, confirmed in writing to the Bond Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day.

(C) All amounts paid by the Bond Insurer pursuant to (A) above, shall be deposited by the Paying Agent in a special fund hereby established and designated the "Policy Payments Account." Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Bond Insurer.

(D) The Paying Agent shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon one Business Day's prior notice to the Paying Agent.

(E) Subject to and conditioned upon payment of any interest or principal with respect to the Series 1993 Bonds by or on behalf of the Bond Insurer, each Bondholder, by its purchase of Series 1993 Bonds, hereby assigns to the Bond Insurer, but only to the extent of all payments made by the Bond Insurer, all rights to the payment of interest or principal on the Series 1993 Bonds, including, without limitation,

any amounts due to the Bondholders in respect of securities law violations arising from the offer and sale of the Series 1993 Bonds, which are then due for payment. The Bond Insurer may exercise any option, vote, right, power or the like with respect to Series 1993 Bonds to the extent it has made a principal payment pursuant to the Policy. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to the Bond Insurer in respect of such payments. The Paying Agent shall take such action and deliver such instruments as may be reasonably requested or required by the Bond Insurer to effectuate the purpose or provisions of this clause (E).

(F) The Paying Agent shall promptly notify the Bond Insurer of either of the following as to which it has actual knowledge: (i) the commencement of any proceeding by or against the Issuer commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") and (ii) the making of any claim in connection with any insolvency proceeding seeking the avoidance as a preferential transfer (a "Preference Claim") of any payment of principal of, or interest on, the Series 1993 Bonds.

Each Bondholder, by its purchase of Series 1993 Bonds, and the Paying Agent hereby agrees that the Bond Insurer may at any time during the continuation of an insolvency proceeding direct all matters relating to such insolvency proceeding, including, without limitation, (i) all matters relating to any Preference Claim, (ii) the direction of any appeal of any order relating to any Preference Claim and (iii) the posting of any surety, supersedeas or performance bond pending any such appeal. In addition, and without limitation of the foregoing, the Bond Insurer shall be subrogated to the rights of the Paying Agent and each Bondholder in any insolvency proceeding to the extent it is subrogated pursuant to the Policy, including, without limitation, any rights of any party to an adversary proceeding action with respect to any

court order issued in connection with any such Insolvency Proceeding.

(G) The Issuer hereby agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) the administration, enforcement, defense or preservation of any rights in respect of the Ordinance including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Issuer or any affiliate thereof) relating to the Ordinance, any party to the Ordinance or the transaction contemplated by the Related Documents (the "Transaction"), (ii) the pursuit of any remedies under the Ordinance or (iii) any amendment, waiver or other action with respect to, or related to, the Ordinance whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described above; and the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Ordinance.

(H) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Issuer agrees to pay or reimburse the Bond Insurer any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants an auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to

the transactions contemplated by the Ordinance by reason of:

(i) any omission or action (other than of or by the Bond Insurer) in connection with the offering, issuance, sale, remarketing or delivery of the Series 1993 Bonds;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Issuer in connection with any transaction arising from or relating to the Ordinance;

(iii) the violation by the Issuer of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Issuer of any representation, warranty or covenant under the Ordinance or the occurrence, in respect of the Issuer, under the Ordinance of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any Official Statement or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an Official Statement and furnished by the Bond Insurer in writing expressly for use therein.

(I) The Issuer shall pay to the Bond Insurer interest on any and all amounts as are paid under the Policy and as are otherwise due to the Bond Insurer from the date paid by the Bond Insurer until payment thereof in full at the Late Payment Rate. "Late Payment Rate" shall mean a per annum rate equal to the lower of (i) three percent above the interest rate the Morgan Guaranty Trust Company of New York ("Morgan") publicly announces from time to time as its prime lending rate ("Prime Rate"), such interest rate to change on the effective date of each change in the announced Prime Rate and (ii) the maximum interest rate permitted to be paid by the Issuer under applicable law; provided that with respect to payments paid to and received by the Bond Insurer pursuant to its subrogation rights under the Ordinance the amount of the Series 1993 Bonds interest rate shall be subtracted from the Late Payment Rate. In the event Morgan ceases to announce its Prime Rate, the Prime Rate shall be the prime rate of such national bank as the Bond Insurer shall designate.

(J) Payments required to be made to the Bond Insurer shall be payable solely from the Net Revenues. The obligations set forth in (G)-(I) above shall survive discharge or termination of the Related Documents.

(K) The Bond Insurer shall be entitled to pay principal or interest on the Series 1993 Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Bond Insurance Policy) and any amounts due on the Series 1993 Bonds as a result of acceleration of the maturity thereof in accordance with this Ordinance, whether or not the Bond Insurer has received a Notice (as defined in the Bond Insurance Policy) of Nonpayment or a claim upon the Bond Insurance Policy.

(u) Section 1.01 of the Ordinance (Definitions) is hereby amended with respect to the terms "Bond Year," "Dated Date," "Maximum Annual Debt Service" and "Reserve Account Requirement" to read as follows:

"Bond Year" means the 12 month period beginning on the anniversary of the Dated Date in each year and ending on the day prior to the anniversary date of the Dated Date in the following Year.

"Dated Date" means November 1, 1993.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Bond Year.

"Reserve Account Requirement" means, as of any date of calculation, the maximum amount of Debt Service that will come due on the Bonds in the then current or any succeeding Bond Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

(v) Section 6.08 of the Ordinance is hereby amended to read as follows:

Section 6.08. Additional Parity Bonds. No additional parity Bonds, as in this section defined, payable out of the Revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall not be less than 120% of the Maximum Annual Debt Service on the following:

(1) The Series 1993 Bonds then Outstanding;

(2) Any additional parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and

within the limitations of this section, payable from the Net Revenues of the System on a parity with the Series 1993 Bonds, and all the covenants and other provisions of this Ordinance (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Series 1993 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this Ordinance required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

No additional parity Bonds shall be valid unless authenticated pursuant to Section 3.03. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by Section 3.12 with respect to the Series 1993 Bonds, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the Revenues of the System of which is subject to the prior and superior lien of the Bonds on such Revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made pursuant to Section 4.03(1), (2), (3) and (4) have first been paid. The Issuer shall not issue any obligations whatsoever payable from the Revenues of the System, or any part thereof, which rank prior to or equally, as to lien and

source of and security for payment from such Revenues, with the Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 10. The Issuer does hereby appoint and designate Bank One, West Virginia, Charleston, National Association, Charleston, West Virginia, for the purpose of serving in the capacities of Registrar, Paying Agent and Escrow Trustee.

Section 11. The Issuer does hereby appoint and designate Bank One, West Virginia, Huntington, National Association, Huntington, West Virginia, for the purpose of serving in the capacity of Depository Bank.

Section 12. The firm of Ernst & Young, Birmingham, Alabama, is hereby engaged for the purpose of verifying yield and sufficiency of the Escrow Fund.

Section 13. The firm of Smith Cochran & Hicks, Certified Public Accountants, Charleston, West Virginia, is hereby engaged for the purpose of calculating rebatable arbitrage on the proceeds of the Prior Bonds.

Section 14. The notice addresses for the Registrar, Paying Agent, Depository Bank and Bond Insurer shall be as follows:

REGISTRAR AND PAYING AGENT

Bank One, West Virginia, Charleston,
National Association
Capitol and Virginia Streets
P. O. Box 1113
Charleston, West Virginia 25324
Attention: Trust Officer

DEPOSITORY BANK

Bank One, West Virginia, Huntington,
National Association
P. O. Box 179
Huntington, West Virginia 25706-0179
Attention: Trust Officer

BOND INSURER

Financial Security Assurance Inc.
350 Park Avenue
New York, New York 10022-6022
Attention: Managing Director - Surveillance

Section 15. Based upon the actual principal amount, maturity schedule and interest rates for the Series 1993 Bonds, as set forth in Paragraph (1) hereof, it is hereby determined that the Series 1993 Bonds show a net savings to the Issuer after deducting all expenses of the refunding. Prior to delivery of the Series 1993 Bonds, the Issuer shall have obtained from Ernst & Young or such other independent certified public accountant acceptable to the Mayor a certification that the amount of savings stated to be achieved by the refunding shall in fact be correct, based upon their review, comparison and analysis of the net interest cost in dollars of the Series 1993 Bonds and the net interest cost in dollars of the Prior Bonds. The Mayor is hereby authorized and directed to employ Ernest & Young or such another independent certified public accountant satisfactory to Bond Counsel to supply the certification required herein and to take other actions required in connection with the refunding.

Section 16. Under the provisions of the Act, and as provided in the Ordinance and the Series 1993 Bonds, the Series 1993 Bonds and the interest thereon do not constitute indebtedness of the Issuer within the meaning of any constitutional or statutory

provisions or limitations, but shall be payable solely from the revenues derived from the operation of the sewerage system of the Issuer, the Series 1993 Bonds Reserve Account and the Depreciation Fund established by the Ordinance and neither the credit nor the taxing power of the Issuer is pledged for, and no tax shall ever be levied for, payment of the Series 1993 Bonds and the interest thereon.

Section 17. The Issuer and all subordinate entities do not reasonably expect to issue more than $10,000,000 of tax-exempt obligations during the calendar year 1993 and the Issuer hereby designates the Series 1993 Bonds as "qualified tax-exempt obligations," as defined in Section 265(b) of the Internal Revenue Code of 1986, as amended.

Section 18. The Mayor 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 Series 1993 Bond issue, hereby and by the Ordinance approved and provided for, including, if needed, subscription forms for the purchase of United States Government Securities, a Depository Trust Company Letter of Representations and any forms or documents necessary to qualify the Series 1993 Bonds for sale under the "Blue Sky Laws" of any state, to the end that the Series 1993 Bonds may be delivered at the earliest practical date to the Original Purchaser, pursuant to the Purchase Agreement.

Section 19. The Escrow Trustee is hereby instructed to purchase from Raymond James & Associates, Inc. the Government Securities listed on Exhibit B to the Purchase Agreement or Substitute Securities in accordance with the provisions of the Purchase Agreement.

Section 20. The Mayor is hereby authorized and directed to transfer the balance in the Construction Trust Fund created for the Prior Bonds to the Escrow Fund. The Mayor is hereby authorized and directed to transfer from the Sinking Fund and Reserve Fund, created for the Prior Bonds, and held by the West Virginia Municipal Bond Commission the amounts set forth in the Escrow Agreement. Any balances in excess of the amount required to be deposited in the Escrow Fund shall be deposited in a special construction fund (the "Special Construction Fund"). Moneys held in the Special Construction Fund shall be utilized by the Sanitary Board for capital construction projects within the next three years.

Section 21. This Resolution shall be effective immediately.

Adopted this 3rd day of November, 1993.

[SEAL]

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

CERTIFICATION

Certified a true, correct and complete copy of a Supplemental Resolution duly adopted by the City Council of THE CITY OF HUNTINGTON at a special meeting of the City Council held at 5:00 p.m., on November 3, 1993, pursuant to proper notice, at which meeting a quorum was present and acting throughout.

Dated this 18th day of November, 1993.

[SEAL]

Ann C. Shaye
City Clerk

11/16/93
HUNTJ.K5
43550/93001

CONFORMED COPY

Reflects redesignation set forth in the
Supplemental Resolution adopted November 10, 1997

Inwood Drive Project

THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 1997
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1997 (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 HUNTINGTON:

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 Huntington (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties 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 for the existing public sewerage system of the Issuer, consisting of acquisition and construction of gravity and pressure sanitary sewerage lines, grinder pumps, manholes and other sewerage facilities to service the Inwood Drive, Shockey Drive, McCoy Road, Ridgewood Road, Miller Road and other areas, 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") at an estimated cost of $4,000,000 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 a portion of 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 1997 (West Virginia SRF Program), in the total aggregate principal amount of not more than $4,000,000 (the "Series 1997 Bonds"), initially to be represented by a single bond, to permanently finance a portion of costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 1997 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 1997 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 1997 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 1997 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 20 years.

F. It is in the best interests of the Issuer that its Series 1997 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "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 outstanding obligations of the Issuer which will rank on parity with the Series 1997 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993 (the "Series 1993 Bonds" or "Prior Bonds"), dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, pursuant to an ordinance enacted by the Issuer on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993 (collectively, the "Prior Ordinance").

The Issuer has met the parity test requirements of the Prior Bonds and the Prior Ordinance, and the Series 1997 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Other than the Prior Bonds, there are no outstanding obligations of the Issuer which will rank prior to or on a parity with the Series 1997 Bonds as to liens, pledge and/or source of and security for payment and in all other respects.

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 the costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Series 1997 Bonds and all payments into the all sinking funds, reserve accounts and other payments provided for herein and in the Prior Ordinance, 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 1997 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval (or "grandfathering") of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and 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 1997 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 1997 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 1997 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 1997 Bonds for the purposes set forth herein.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1997 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 1997 Bonds, all 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 1997 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.

"Bonds" means, collectively, the Series 1997 Bonds, the Prior Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1997 Bonds for the proceeds representing the purchase price of the Series 1997 Bonds or at least a de minimis portion thereof from the Authority and the DEP.

"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 Chester Engineers, Inc., Huntington, West Virginia, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; 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.

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

"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.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

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

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

"Independent Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any 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 Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties, 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 1997 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.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Bond Year.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1997 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1997 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 1997 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1997 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1997 Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, 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) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

"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.

"Prior Bonds" or "Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Prior Ordinance" means, collectively, the ordinance of the Issuer enacted on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993, authorizing the Prior Bonds.

"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 acquisition and construction of certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of gravity and pressure sanitary sewerage lines, grinder pumps, manholes and other sewerage facilities to service the Inwood Drive, Shockey Drive, McCoy Road, Ridgewood Road, Miller Road and other areas, together with all appurtenant facilities.

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are <u>not</u> backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes

-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations
Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
-Student Loan Marketing Association (SLMA)
Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)
-Financing Corporation (FICO)
Debt obligations
-Resolution Funding Corporation (REFCORP)
Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated `A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated `A-1+' by S&P and `Prime-1' by Moody's.

7. Money market funds rated `AAm' or `AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated `A3' by Moody's and `A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated `A-1+' by S&P and `Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated `AA' or better by S&P and `Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified

financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that

such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least "Aa' by Moody's, or at least 'AA' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made

to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or "Aa" by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

(10) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(11) Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 1997 Bonds.

"Reserve Account Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Bonds.

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

"Series 1993 Bonds" or "Prior Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1993 Bonds Redemption Account" means the Redemption Account established by the Prior Ordinance for the Series 1993 Bonds and continued hereby.

"Series 1993 Bonds Reserve Account" means the Reserve Account established by the Prior Ordinance for the Series 1993 Bonds and continued hereby.

"Series 1993 Bonds Sinking Fund" means the Sinking Fund established by the Prior Ordinance for the Series 1993 Bonds and continued hereby.

"Series 1997 Bonds" means the not more than $4,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 1997 Bonds Reserve Account" means the Series 1997 Bonds Reserve Account established in the Series 1997 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1997 Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1997 Bonds in the then current or any succeeding year.

"Series 1997 Bonds Sinking Fund" means the Series 1997 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 1997 Bonds.

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

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds 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 1997 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1997 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinance to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund and the Reserve Accounts.

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, consisting of a sewage treatment plant, collection and transportation lines, lift stations, pumps and all appurtenant facilities, now owned by the Issuer or any integral part thereof, and all other facilities necessary, appropriate, useful, convenient or incidental in connection with or to a municipal sewage treatment and collection system, and shall include any additions, betterments and improvements thereto hereafter acquired or constructed for said sewage treatment and collection 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 the acquisition and construction of the Project, at an estimated cost of $4,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the 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 $4,000,000, all of which will be obtained from proceeds of the Series 1997 Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1997 Bonds, funding a reserve account for the Series 1997 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1997 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be issued the negotiable Series 1997 Bonds of the Issuer, in an aggregate principal amount of not more than $4,000,000. The Series 1997 Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program)", and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1997 Bonds remaining after funding of the Series 1997 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 1997 Bonds shall be issued in such principal amounts; shall bear interest 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 1997 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 1997 Bonds 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 1997 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 1997 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1997 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 1997 Bonds shall be executed in the name of the Issuer by the Mayor, 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 1997 Bonds shall cease to be such officer of the Issuer before the Series 1997 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 1997 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 1997 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 1997 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 1997 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 1997 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 1997 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 1997 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 1997 Bonds or transferring the registered Series 1997 Bonds are exercised, all Series 1997 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1997 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1997 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 1997 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1997 Bonds or, in the case of any proposed redemption of Series 1997 Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

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

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1997 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 and amounts, if any, in the Series 1997 Bonds Reserve Account. No holder or holders of the Series 1997 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of all Series 1997 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 1997 Bonds and to make the payments into the respective Sinking Funds, the Reserve Accounts therein, and the Depreciation Fund, and all other payments hereinafter set forth, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 1997 Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1997 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1997 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 1997 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 1997 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 1997 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1997 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
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 1997
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell 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 interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) 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"). The interest on this Bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the month next preceding an interest payment date, or by such other method as shall be mutually agreeable so long as the Authority is the registered owner hereof.

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

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 of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and 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 ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "PRIOR BONDS").

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, on parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1997 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 on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1997 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of

operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Prior Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Prior Bonds are no longer outstanding and so long as there exists in the Series 1997 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the 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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199___.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1997 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: _____, 199___.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

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 1997 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement 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 (or continued if previously established by the Prior Ordinance) with and shall be held by the Depository Bank, separate and apart from all other funds or accounts of the Depository Bank or the Issuer and from each other:

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

(2) Depreciation Fund (established by the Prior Ordinance); 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 (or continued if previously established by the Prior Ordinance) 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 1993 Bonds Sinking Fund (established by the Prior Ordinance);

(a) Within the Series 1993 Bonds Sinking Fund:

(i) Series 1993 Bonds Reserve Account (established by the Prior Ordinance); and

(ii) Series 1993 Bonds Redemption Account (established by the Prior Ordinance);

(2) Series 1997 Bonds Sinking Fund;

(a) Within the Series 1997 Bonds Sinking Fund, the Series 1997 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 the Prior Ordinance and 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 the Prior Ordinance and 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 current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) remit to the Commission the amounts required by the Prior Ordinance to be deposited in the Series 1993 Bonds Sinking Fund for payment of the principal of and interest on the Series 1993 Bonds, (ii) commencing 4 months prior to the first date of payment of interest on the Series 1997 Bonds for which interest has not been capitalized or as required in the Loan Agreement, remit to the Commission for deposit in the Series 1997 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1997 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1997 Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date, and (iii) commencing 4 months prior to the first date of payment of principal of the Series 1997 Bonds, remit to the Commission for deposit in the Series 1997 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1997 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 1997 Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) remit to the Commission the amount required by the Prior Ordinance to be deposited in the Series 1993 Bonds Reserve Account, and (ii) commencing 3 months prior to the first date of payment of principal of the Series 1997 Bonds, if not fully funded upon issuance of the Series 1997 Bonds, remit to the Commission for deposit in the Series 1997 Bonds Reserve

Account, an amount equal to 1/120 of the Series 1997 Bonds Reserve Account Requirement; provided, that no further payments shall be made into the Series 1997 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 1997 Bonds Reserve Account Requirement.

(4) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the first month in which interest shall be payable from the Revenue Fund and as previously set forth in the Prior Ordinance and not in addition thereto, transfer from the Revenue Fund to the Depreciation Fund, an amount equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Accounts (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a reserve account letter of credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for such purpose in the Sinking Funds (excluding the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(5) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Net Revenues to payment of debt service on subordinate bonds, notes, certificates or obligations of the System. Any excess of moneys then remaining in the Revenue Fund may be used for any lawful purpose of the System.

(6) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

Moneys in the Series 1997 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1997 Bonds as the same shall become due. Moneys in the Series 1997 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1997 Bonds as the same shall come due, when other moneys in the Series 1997 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1997 Bonds Sinking Fund and the Series 1997 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 due on the Series 1997 Bonds and then to the next ensuing principal payment due thereon.

The Issuer shall restore any withdrawals from the Reserve Accounts which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Funds, including any deficiencies for prior payments have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Funds, including the Reserve Accounts therein, are at least equal to the aggregate amount of Bonds issued pursuant to the Prior Ordinance and this Bond Legislation then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

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 provided and required to be paid into the concomitant sinking fund in any year for account of the Bonds of such series, including such additional Bonds which by their terms are payable from such sinking fund.

The Issuer shall not be required to make any further payments into the Series 1997 Bonds Sinking Fund, or into the Series 1997 Bonds Reserve Account therein when the aggregate amount of funds in said Sinking Fund and Reserve Account are at least equal to the aggregate principal amount of the Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 1997 Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1997 Bonds Sinking Fund created hereunder, and all amounts required for the Series 1997 Bonds Sinking Fund 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 1997 Bonds Sinking Fund and the Series 1997 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 1997 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1997 Bonds Sinking Fund, including the Series 1997 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1997 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. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1997 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. 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.

D. 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 Section, 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.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Depreciation Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. 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 any or all of the Series 1997 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1997 Bonds, there shall first be deposited with the Commission in the Series 1997 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1997 Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1997 Bonds, there shall be deposited with the Commission in the Series 1997 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 1997 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1997 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 1997 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 1997 Bonds shall be used to fund the Series 1997 Bonds Reserve Account, if not funded upon issuance of the Series 1997 Bonds, in an amount not to exceed the Series 1997 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1997 Bonds be deposited in the Series 1997 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 1997 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 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 1997 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 1997 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 1997 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1997 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 1997 Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1997 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 1997 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System, on parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1997 Bonds and to make the payments into the respective Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Prior Bonds and the Series 1997 Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates. Prior to the issuance of the Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for

contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, so long as the Prior Bonds are Outstanding, and thereafter 115% of such amount; provided that, in the event the Prior Bonds are no longer outstanding and an amount equal to or in excess of the Series 1997 Bonds Reserve Account Requirement is on deposit in the Series 1997 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1997 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month. All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance and with the written consent of the Authority.

So long as the Series 1997 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 Bonds, immediately be remitted to the Commission for deposit in the Sinking Funds, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinance and 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 defease the pledge created by this Ordinance, as provided by Article X, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of 60% in amount of Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in 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 and the Prior Ordinance at the time of the issuance of such subordinate obligations have been made and are current.

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 the Prior Ordinance and 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. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. In addition, no additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of the Series 1997 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition and construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Prior Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1997 Bonds then Outstanding;

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

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the City Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Prior Bonds and the Series 1997 Bonds, and all the covenants and other provisions of the Prior Ordinance and this Bond Legislation (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Prior Bonds and the Series 1997 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Prior Ordinance and this Bond Legislation required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Prior Ordinance and this Bond Legislation.

No additional parity Bonds shall be valid unless authenticated in accordance with the Prior Ordinance and this Bond Legislation. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by the Prior Ordinance and this Bond Legislation, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with the Prior Ordinance and this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for

payment from such revenues, with the Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Prior Ordinance and this Bond Legislation on account of the Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in the Prior Ordinance and this Bond Legislation, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 7.08. Books; Records and Facilities. 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 Issuer shall direct.

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1997 Bonds, and shall mail in each year to any Holder or Holders of the Series 1997 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 Accountants in compliance with OMB Circular 128 and the Single Audit Act and shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any Holder or Holders of the Series 1997 Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's operation and maintenance expenses and debt service 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. Securities Law 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).

Section 7.10. Operating Budget; Audit 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 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 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 1997 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 greater of the fair appraised value or the original cost thereof. In the event of any damage to or destruction of any portion of the System, the

Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Board and the Issuer during construction of the Project in the full insurable value thereof.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

(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 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 1997 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 1997 Bonds during the term thereof is, under the terms of the Series 1997 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 1997 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 1997 Bonds during the term thereof is, under the terms of the Series 1997 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 1997 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 1997 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 1997 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 1997 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 1997 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1997 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.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Reserve Accounts shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Commission to semiannually transfer from the Reserve Accounts to the Sinking Funds any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Accounts an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Accounts, whereupon it shall be valued immediately after such withdrawal. If amounts on deposit in the Reserve Accounts shall, at any

time, be less than the applicable Reserve Account Requirement, the applicable Bond Insurer or Bondholder shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Funds and otherwise in accordance with the Prior Ordinance and this Bond Legislation.

(D) All amounts representing accrued and capitalized interest shall be held by the Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in the Sinking Funds may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia State Board of Investments pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

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 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 1997 Bonds which would cause the Series 1997 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 1997 Bonds) so that the interest on the Series 1997 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 1997 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1997 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 1997 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 an applicable to the Series 1997 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 1997 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 1997 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 1997 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 Bonds:

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

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Bonds set forth in this Bond Legislation, any supplemental resolution or in the 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; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1997 Bonds shall be on a parity with the Prior Bonds.

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 1997 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 1997 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1997 Bonds from gross income for federal income tax purposes.

Series 1997 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 1997 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 1997 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 due and to become due on said Series 1997 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 1997 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 to become due on said 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 issuance of the Series 1997 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1997 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1997 Bonds shall be made without the consent in writing of the Registered Owners of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 1997 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein 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 on the Series 1997 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 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; Prior Ordinance. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall

control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

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 hereon.

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 Herald-Dispatch, a newspaper published and of general circulation in The City of Huntington, 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:	November 13, 1995
Passed on Second Reading:	November 27, 1995
Passed on Final Reading Following Public Hearing:	December 11, 1995

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 11th day of December, 1995.

Dated: November 25, 1997.

[SEAL]

Ann C. Shaffer
City Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document No. 3

10/24/97
435500/94001

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 1997
(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 1997 (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; 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 Huntington (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective December 11, 1995 (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 HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $4,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1995 (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 1995 (West Virginia SRF Program), of the Issuer, in the aggregate principal amount not to exceed $4,000,000;

WHEREAS, the Sewer Revenue Bonds, Series 1995 (West Virginia SRF Program), were not issued in 1995, but will be issued in 1997;

WHEREAS, the Governing Body desires to redesignate the Bonds as "Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program)" (the "Bonds" or the "Series 1997 Bonds");

WHEREAS, the Bond Ordinance 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 Bonds be redesignated, 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 HUNTINGTON:

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted, the Sewer Revenue Bonds, Series 1995 (West Virginia SRF Program), are hereby redesignated as "Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program)," and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of $3,039,895. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2019, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1998, and ending March 1, 2019, 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 interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the 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 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 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 Bank One, West Virginia, National Association, Huntington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1997 Bonds proceeds in the amount of $-0- shall be deposited in the Series 1997 Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1997 Bonds proceeds in the amount of $177,634 shall be deposited in the Series 1997 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 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 November 25, 1997, 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, including without limitation, Contract 1 with McCoy Construction Company and Contract 2 with B. & L. Utility Contractors, Inc.

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 1997 Bonds Sinking Fund, including the Series 1997 Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1997, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 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 Section 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.

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

Adopted this 10th day of November, 1997.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on the 10th day of November, 1997.

Dated: November 25, 1997.

[SEAL]

City Clerk

11/03/97
435500/94001

THE CITY OF HUNTINGTON

SEWER REVENUE BONDS, SERIES 1999
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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THE CITY OF HUNTINGTON

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 (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 HUNTINGTON:

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 Huntington (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties 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 acquired and constructed certain additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of replacement and relocation of an existing 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, betterments and improvements thereto 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 Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), 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 1999 (West Virginia SRF Program), in the total aggregate principal amount of not more than $2,100,000 (the "Series 1999 Bonds"), initially to be represented by a single bond, to permanently finance a portion of costs of acquisition and construction of the Project. Such costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 1999 Bonds prior to and during acquisition or construction and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1999 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 1999 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 1999 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 1999 Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "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 outstanding obligations of the Issuer which will rank on parity with the Series 1999 Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000, and the Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895 (collectively, the "Prior Bonds").

The Series 1999 Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 1999 Bonds, the Issuer will obtain a certificate of an Independent Accountant stating that the parity test of the Prior Bonds is met. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Prior Bonds and the Series 1999 Bonds and to make payments into all funds and accounts and other payments provided for herein.

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 1999 Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and 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 1999 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 1999 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 benefitting 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 1999 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 1999 Bonds for the purposes set forth herein.

L. The Project has been reviewed and determined to be technically and financially feasible by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1999 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 1999 Bonds, all 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 1999 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.

"Bonds" means, collectively, the Series 1999 Bonds, the Prior Bonds, and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1999 Bonds for the proceeds representing the purchase price of the Series 1999 Bonds or at least a de minimis portion thereof from the Authority and the DEP.

"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 Woolpert Consultants, 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.

"Depreciation Fund" means the Depreciation Fund established by the Prior Ordinances and continued hereby.

"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.

"Government Obligations" means direct and general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of ownership of proportionate interests in future interest and principal payments of such obligations; provided that, investments in such proportionate interests shall be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account separate from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for

uncollectible accounts, and includes any proceeds from the sale or other disposition of capital assets, but does not include any increase in the value of capital assets (including Qualified Investments).

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

"Independent Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any 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 Huntington, a municipal corporation and political subdivision of the State of West Virginia, in Cabell and Wayne Counties, 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 1999 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.

"Maximum Annual Debt Service" means, at the time of computation, the greatest amount of Debt Service required to be paid on the Bonds for the then current or any succeeding Bond Year.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1999 Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1999 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 1999 Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" means Gross Revenues less Operating Expenses.

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1999 Bonds and is not acquired in order to carry out the governmental purpose of the Series 1999 Bonds.

"Operating Expenses" unless qualified, means the current expenses, paid or accrued, of repair, operation and maintenance of the System, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses (other than those capitalized as part of the costs of any project relating to the acquisition or construction of additions, betterments or improvements for the System), supplies, labor, wages, the cost of materials and supplies used for current operations, the SRF Administrative Fee, fees and expenses of fiscal agents and of the Depository Bank, Registrar and Paying Agent or Paying Agents, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Bonds, charges for depreciation, losses from the sale or other disposition of or any decrease in the value of capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

"Outstanding" when used with reference to Bonds or Prior Bonds and as of any particular date, describes all Bonds or Prior Bonds theretofore and thereupon being authenticated and delivered except (i) any Bond or Prior Bond cancelled by the Bond Registrar or Registrar for Prior Bonds, at or prior to said date; (ii) any Bond or Prior Bonds, 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) any Prior Bond deemed to have been paid; and (v) for purposes of consents or other action by a specified percentage of Bondholders, or holders of Prior Bonds, any Bonds or Prior Bonds registered to the Issuer.

"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.

"Prior Bonds" means, collectively, the Issuer's Series 1993 Bonds and the Series 1997 Bonds.

"Prior Ordinances" means, collectively, the ordinance of the Issuer enacted on October 12, 1993, as supplemented by the supplemental resolution of the Issuer adopted November 3, 1993, authorizing the Series 1993 Bonds, and the ordinance of the Issuer

enacted on December 11, 1995, as supplemented by the supplemental resolution of the Issuer adopted November 10, 1997, authorizing the Series 1997 Bonds.

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

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

"Qualified Investments" means and includes the following:

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America ("United States Treasury Obligations"), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government sponsored agencies which are <u>not</u> backed by the full faith and credit of the United States of America:

-Federal Home Loan Mortgage Corporation (FHLMC)
Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
Senior Debt obligations
-Farm Credit Banks (formerly, Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives)
Consolidated system-wide bonds and notes
-Federal Home Loan Banks (FHL Banks)
Consolidated debt obligations
-Federal National Mortgage Association (FNMA)
Senior debt obligations

Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

-Student Loan Marketing Association (SLMA)

Senior debt obligations (excluded are securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date)

-Financing Corporation (FICO)

Debt obligations

-Resolution Funding Corporation (REFCORP)

Debt obligations

4. Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank the short-term obligations of which are rated `A-1' or better by S&P.

5. Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), in banks which have capital and surplus of at least $5 million.

6. Commercial paper (having original maturities of not more than 270 days) rated `A-1+' by S&P and `Prime-1' by Moody's.

7. Money market funds rated `AAm' or `AAm-G' by S&P, or better.

8. "State Obligations," which means:

A. Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated `A3' by Moody's and `A' by S&P, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

B. Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated `A-1+' by S&P and `Prime-1' by Moody's.

C. Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated `AA' or better by S&P and `Aa' or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's Corporation and "Aaa" by Moody's Investors Service meeting the following requirements:

A. the municipal obligations are (1) not subject to redemption prior to maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

B. the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

C. the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

D. the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

E. no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

F. the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

10. Repurchase agreements:

A. With any domestic bank the long term debt of which is rated 'AA' or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "repurchase agreement" and a "qualified financial contract" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA), or any foreign bank the long term debt of which is rated at least 'AA' by S&P and 'AAA' by S&P and at least 'Aa' by Moody's; provided the term of such repurchase agreement is for one year or less.

B. With (1) any broker-dealer with "retail customers" which has, or the parent company of which has, long-term debt rated at least 'AA' by S&P and 'Aa' by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation (SIPC); or (2) any other entity approved by Financial Security, provided that:

a. The market value of the collateral is maintained (i) for United States Treasury Securities at the levels shown below under "Collateral Levels for United States Treasury Obligations" and (ii) for other collateral, at levels acceptable to Financial Security;

b. Failure to maintain the requisite collateral percentage will require the Issuer to liquidate the collateral.

c. The Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

d. The repurchase agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

e. The transferor represents that the collateral is free and clear of any third-party liens or claims;

f. An opinion is rendered that the repurchase agreement is a "repurchase agreement" as defined in the United States Bankruptcy Code and, if the provider is a bank, that such bank is subject to FIRREA and the repurchase agreement is a "qualified financial contract" as defined in FIRREA;

g. There is or will be a written agreement governing every repurchase transaction;

h. The Issuer represents that it has no knowledge of any fraud involved in the repurchase transaction; and

i. The Issuer receives the opinion of counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such repurchase agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms.

11. Investment agreements with (A) a domestic bank the long-term debt of which is rated at least 'AA' by S&P and 'Aa' by Moody's (so long as an opinion is rendered that the bank is subject to FIRREA); or (B) a foreign bank the long-term debt of which is rated 'AAA' by S&P and at least "Aa' by Moody's, or at least 'AA' by S&P and 'Aaa' by Moody's; provided, that, by the terms of the investment agreement:

(1) interest payments are to be made at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;

(2) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice (which notice may be amended or withdrawn at any time prior to the specified withdrawal date); provided that the Ordinance specifically requires the Issuer to give notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(3) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(4) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under the Ordinance;

(5) the term of the investment agreement does not exceed seven years or such longer term as shall be approved by the Bond Insurer;

(6) the Issuer receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer and the Bond Insurer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable;

(7) the investment agreement shall provide that if during its term

(a) the provider's rating by either S&P or Moody's falls below 'AA' or 'Aa,' respectively, or, with respect to a foreign bank, below the ratings of such provider at the delivery date of the investment agreement, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, either (i) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Paying Agent or a third party acting solely as agent therefor (the "Holder of the Collateral") United States Treasury Obligations which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (ii) repay the principal of and accrued but unpaid interest on the investment, and

(b) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below 'A,' or, with respect to a foreign bank, below "AA" or "Aa" by S&P or Moody's, as appropriate, the provider must, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Issuer; and

(8) The investment agreement shall state and an opinion of counsel shall be rendered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(9) the investment agreement must provide that if during its term

(a) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer (who shall give such direction if so directed by the Bond Insurer), be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate, and

(b) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Paying Agent, as appropriate.

(10) Any State-administered pool investment fund in which the Issuer is statutorily permitted or required to invest.

(11) Subject to the prior written approval of the Bond Insurer, such other obligations as shall be permitted to be legal investments of the Issuer by the laws of the State.

COLLATERAL LEVELS FOR UNITED STATES TREASURY OBLIGATIONS

	Remaining maturity				
	1 year or less	5 years or less	10 years or less	15 years or less	30 years or less
Frequency of valuation					
Daily	102	105	106	108	114
Weekly	103	111	112	114	120
Monthly	105	117	120	125	133
Quarterly	107	120	130	133	140

VALUATION REQUIREMENTS:

(1) On each valuation date the Issuer, the Paying Agent, or the custodian who shall confirm to the Issuer and the Paying Agent, shall, at the cost of the provider, value the

market value (exclusive of accrued interest) of the collateral, which market value will be an amount equal to the requisite collateral percentage times the principal amount of the investment and unpaid accrued interest thereon that is being secured;

(2) In the event the collateral level is below its collateral percentage on a valuation date, such percentage shall be restored within the following restoration periods: one business day for daily valuations, two business days for weekly and monthly valuations, and one month for quarterly valuations. [The use of different restoration periods affect the requisite collateral percentage.];

(3) The Issuer shall terminate the repurchase agreement or investment agreement, as appropriate, upon a failure to maintain the requisite collateral percentage after the restoration period and, if not paid by the counterparty in federal funds against transfer of the collateral, liquidate the collateral.

(f) The prior written consent of the Bond Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Account.

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

"Registrar" means the Bond Registrar.

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 1999 Bonds.

"Reserve Account Requirement" means, collectively, the respective amounts required to be on deposit in any reserve account for the Bonds.

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

"Series 1993 Bonds" means the Issuer's Sewerage System Refunding Revenue Bonds, Series 1993, dated November 1, 1993, issued in the original aggregate principal amount of $7,100,000.

"Series 1997 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program), dated November 25, 1997, issued in the original aggregate principal amount of $3,039,895.

"Series 1999 Bonds" means the Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 1999 Bonds Reserve Account" means the Series 1999 Bonds Reserve Account established in the Series 1999 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1999 Bonds Reserve Account Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1999 Bonds in the then current or any succeeding year.

"Series 1999 Bonds Sinking Fund" means the Series 1999 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 1999 Bonds.

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

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds 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 1999 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1999 Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation or the Prior Ordinances to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including, without limitation, the Depreciation Fund and the Reserve Accounts.

"System" means, collectively, the complete existing 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 the acquisition and construction of the Project, at an estimated cost of $2,100,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1999 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 $2,100,000, all of which will be obtained from proceeds of the Series 1999 Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1999 Bonds, funding a reserve account for the Series 1999 Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 1999 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1999 Bonds of the Issuer. The Series 1999 Bonds shall be issued as a single bond, designated "Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program)", in the principal amount of not more than $2,100,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1999 Bonds remaining after funding of the Series 1999 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 1999 Bonds shall be issued in such principal amounts; shall bear interest 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 1999 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 1999 Bonds 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 1999 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 1999 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1999 Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 1999 Bonds shall be executed in the name of the Issuer by the Mayor, 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 1999 Bonds shall cease to be such officer of the Issuer before the Series 1999 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 1999 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 1999 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 1999 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 1999 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 1999 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 1999 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 1999 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 1999 Bonds or transferring the registered Series 1999 Bonds are exercised, all Series 1999 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1999 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1999 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 1999 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1999 Bonds or, in the case of any proposed redemption of Series 1999 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 1999 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 1999 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 1999 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1999 Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 1999 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 1999 Bonds and to make all other payments hereinafter set forth, 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 1999 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1999 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 1999 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 1999 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 1999 Bonds.

Section 3.10. Form of Bonds. The text of the Series 1999 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
THE CITY OF HUNTINGTON
SEWER REVENUE BOND,
SERIES 1999
(WEST VIRGINIA SRF PROGRAM)

No. R-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF HUNTINGTON, a municipal corporation and political subdivision of the State of West Virginia in Cabell and Wayne Counties 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, _____, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and the SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, _____, as set forth on EXHIBIT B attached hereto.

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

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia 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 the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public 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 ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWERAGE SYSTEM REFUNDING REVENUE BONDS, SERIES 1993, DATED NOVEMBER 1, 1993, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $7,100,000 (THE "SERIES 1993 BONDS"), AND SEWER REVENUE BONDS, SERIES 1997 (WEST VIRGINIA SRF PROGRAM), DATED NOVEMBER 25, 1997, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $3,039,895 (THE "SERIES 1997 BONDS"). THE SERIES 1993 BONDS AND THE SERIES 1997 BONDS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS THE "PRIOR BONDS".

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, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1999 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 on all bonds which may be issued pursuant to the Act and which shall be set aside

as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 1999 Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 120% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Prior Bonds, so long as the Series 1993 Bonds are outstanding, and thereafter, 115% of such amount; provided however, that, if the Series 1993 Bonds are no longer outstanding and so long as there exists in the Series 1999 Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the 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 described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

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

IN WITNESS WHEREOF, THE CITY OF HUNTINGTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199___.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1999 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: _____, 199___.

ONE VALLEY BANK, NATIONAL ASSOCIATION, as Registrar

_____

Authorized Officer

(Form of)

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 1999 Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement 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 (or continued if previously established by the Prior Ordinances) 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 (established by the Prior Ordinances);

(2) Depreciation Fund (established by the Prior Ordinances); 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 (or continued if previously established by the Prior Ordinances) 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 1993 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Reserve Account (established by the Prior Ordinances);

(3) Within the Series 1993 Bonds Sinking Fund, the Series 1993 Bonds Redemption Account (established by the Prior Ordinances);

(4) Series 1997 Bonds Sinking Fund (established by the Prior Ordinances);

(5) Within the Series 1997 Bonds Sinking Fund, the Series 1997 Bonds Reserve Account (established by the Prior Ordinances);

(6) Series 1999 Bonds Sinking Fund;

(7) Within the Series 1999 Bonds Sinking Fund, the Series 1999 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 the Prior Ordinances and 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 the Prior Ordinances and 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 current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1997 Bonds; and (iii) commencing 3 months prior to the first date of payment of interest on the Series 1999 Bonds for which interest has not been capitalized or as required in the Loan Agreement, for deposit in the Series 1999 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 1999 Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1999 Bonds Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the principal of the Series 1993 Bonds; (ii) for deposit in the Series 1997 Bonds Sinking Fund, the amount required by the Prior Ordinances to pay the interest on the Series 1997 Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 1999 Bonds, for deposit in the Series 1999 Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1999 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 1999 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.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1993 Bonds Reserve Account, the amount required by the Prior Ordinances; (ii) for deposit in the Series 1997 Bonds Reserve Account, the amount required by the Prior Ordinances; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 1999 Bonds, if not fully funded upon issuance of the Series 1999 Bonds, for deposit in the Series 1999 Bonds Reserve Account, an amount equal to 1/120th of the Series 1999 Bonds Reserve Account Requirement; provided that, no further payments shall be made into the Series 1999 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 1999 Bonds Reserve Account Requirement.

(5) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the first month in which interest shall be payable from the Revenue Fund and as previously set forth in the Prior Ordinances and not in addition thereto, transfer from the Revenue Fund to the Depreciation Fund, an amount equal to not less than 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Reserve Accounts.

Withdrawals and disbursements may be made by the Issuer from the Depreciation Fund only for the following purposes and in the following order of priority:

(a) To make up any deficiency in the Reserve Accounts (so that the amount on deposit therein is at least equal to the Reserve Account Requirement), or to reimburse in whole or in part any issuer of a reserve account letter of credit in the event of a draw thereon;

(b) For the payment of the principal (including the principal amount to be paid under the mandatory redemption schedules) of or interest on the Bonds, but only in the event that at the time of such withdrawal there are not sufficient funds for

such purpose in the Sinking Funds (excluding the Reserve Accounts);

(c) For the payment of the reasonable costs of land and depreciable renewals, repairs, extensions, improvements and additions to the System;

(d) Upon resolution of the Board and the Issuer, moneys in the Depreciation Fund in excess of $1,000,000 may be used for optional redemption or for purchase of Bonds. In the event of purchase of Bonds, the Issuer may direct the purchase of Bonds offered for sale at the lowest price below the redemption price of such Bonds.

(6) The Issuer may next, each month, after making the above required transfers of moneys from the Revenue Fund, apply any remaining Net Revenues to payment of debt service on subordinate bonds, notes, certificates or obligations of the System. Any excess of moneys then remaining in the Revenue Fund may be used for any lawful purpose of the System.

(7) If on any monthly payment date the revenues of the System are insufficient to make the required deposits in any of the funds as hereinabove provided, the deficiency shall be made up on the next ensuing payment dates by payments in addition to the payments which are otherwise required to be made into the funds on such ensuring payment dates.

Moneys in the Series 1999 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1999 Bonds as the same shall become due. Moneys in the Series 1999 Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1999 Bonds as the same shall come due, when other moneys in the Series 1999 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1999 Bonds Sinking Fund and the Series 1999 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 due on the Series 1999 Bonds and then to the next ensuing principal payment due thereon.

The Issuer shall restore any withdrawals from the Reserve Accounts which have the effect of reducing the assets therein below the Reserve Account Requirement, first, from the Depreciation Fund, and then from the first Net Revenues available after all other required payments to the Sinking Funds, including any deficiencies for prior payments have been made in full; provided, that the Issuer shall not be required to restore such deficiency when the aggregate amount of funds in the Sinking Funds, including the Reserve Accounts therein, are at least equal to the aggregate amount of Bonds issued pursuant to the Prior Ordinances and this Bond Legislation then Outstanding, plus the amount of interest due or thereafter to become due on said Bonds then Outstanding.

As and when additional Bonds ranking on a parity with the Series 1999 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 1999 Bonds Sinking Fund or the Series 1999 Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1999 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 1999 Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 Bonds Sinking Fund and the Series 1999 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 said accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1999 Bonds Sinking Fund and the Series 1999 Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1999 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1999 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement.

C. 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.

D. 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 Section, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

E. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. 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 any or all of the Series 1999 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1999 Bonds, there shall first be deposited with the Commission in the Series 1999 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1999 Bonds for the period commencing on the date of issuance of the Series 1999 Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1999 Bonds, there shall be deposited with the Commission in the Series 1999 Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 1999 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1999 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 1999 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 1999 Bonds shall be used to fund the Series 1999 Bonds Reserve Account, if not funded upon issuance of the Series 1999 Bonds, in an amount not to exceed the Series 1999 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 1999 Bonds be deposited in the Series 1999 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 1999 Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 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 that:

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

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

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

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

Pending such application, moneys in the 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 1999 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 1999 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 1999 Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1999 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 1999 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1999 Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service on the Series 1999 Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 1999 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 ordinance of the Issuer enacted October 26, 1998, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, lease, loan, mortgage or in any manner dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinances and with the written consent of the Authority and the DEP.

So long as the Series 1999 Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding, in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1999 Bonds, immediately be remitted to the Commission for deposit in the Series 1999 Bonds 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 on the Series 1999 Bonds. Any balance remaining after the payment of the Series 1999 Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Board shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $50,000, the Board shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Board may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $50,000 but not in excess of $200,000, the Board shall first, in writing, determine with the written approval of the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $50,000 and not in excess of $200,000, shall be deposited by the Issuer into the Depreciation Fund. Such payments of such proceeds into the Depreciation Fund shall not reduce the amounts required to be paid into said fund by other provisions of the Prior Ordinances and 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 of the Series 1999 Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Series 1999 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 7.07 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 Series 1999 Bonds. All obligations issued by the Issuer after the issuance of the Series 1999 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 Series 1999 Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts set forth herein have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 1999 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 1999 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. Additional Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional parity Bonds, as in this section defined, payable out of the revenues of the System, shall be issued after the issuance of the Series 1999 Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such additional parity Bonds shall be issued except for the purpose of financing the costs of the acquisition and construction of additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

No such additional parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk of the Issuer a written statement by Independent Accountants, reciting the conclusion that the Net Revenues actually

derived, from the System during the Fiscal Year preceding the date of the actual issuance of such additional parity Bonds, plus the increased annual Net Revenues expected to be received after the date of issuance of such parity Bonds shall, so long as any of the Series 1993 Bonds are outstanding, not be less than 120% of the Maximum Annual Debt Service, and thereafter, shall not be less than 115% of the Maximum Annual Debt Service, on the following:

(1) The Prior Bonds and the Series 1999 Bonds then Outstanding;

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

(3) The additional parity Bonds then proposed to be issued.

The "increased annual Net Revenues expected to be received" as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of delivery of such additional parity Bonds, and the increased Net Revenues to be available as a result of existing additional customers required by law to be served by the System upon completion of the facilities to be financed with the proceeds of any such additional parity Bonds, and shall not exceed the amount to be stated in the aforementioned certificate of Independent Accountants, which shall be filed in the office of the City Clerk of the Issuer prior to the issuance of such additional parity Bonds. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The term "additional parity Bonds," as used in this section, shall be deemed to mean additional Bonds issued under the provisions and within the limitations of this section, payable from the Net Revenues of the System on a parity with the Prior Bonds and the Series 1999 Bonds, and all the covenants and other provisions of the Prior Ordinances and this Bond Legislation (except as to details of such additional parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Prior Bonds and the Series 1999 Bonds and the Holders of any additional parity Bonds theretofore or subsequently issued from time to time within the limitations of and in compliance with this section. All the Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from said Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in the Prior Ordinances and this Bond Legislation required for and on account of such additional parity Bonds, in addition to the payments required for Bonds theretofore issued pursuant to the Prior Ordinances and this Bond Legislation.

No additional parity Bonds shall be valid unless authenticated in accordance with the Prior Ordinances and this Bond Legislation. Prior to such authentication, registration, if applicable, and delivery, the Registrar shall receive those documents prescribed by the Prior Ordinances and this Bond Legislation, modified as deemed necessary by the Registrar to reflect the issuance of such additional parity Bonds.

The term "additional parity Bonds," as used in this section, shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien on the revenues of the System of which is subject to the prior and superior lien of the Bonds on such revenues. Any such subordinate bonds, notes, certificates or other obligations shall be payable from the Net Revenues remaining after all payments required to be made in accordance with the Prior Ordinances and this Bond Legislation have first been paid. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or equally, as to lien and source of and security for payment from such revenues, with the Prior Bonds and the Series 1999 Bonds except in the manner and under the conditions provided in this section.

No additional parity Bonds, as in this section defined, shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in the Prior Ordinances and this Bond Legislation on account of the Prior Bonds and the Series 1999 Bonds then Outstanding (excluding the Depreciation Fund), and any other payments provided for in the Prior Ordinances and this Bond Legislation, shall have been made in full as required to the date of delivery of the additional parity Bonds.

The Issuer may issue additional parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any series of the Bonds or portion thereof, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be Outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

Section 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 Issuer shall direct.

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1999 Bonds, and shall mail in each year to any Holder or Holders of the Series 1999 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 Accountants in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Accountants, or a summary thereof, to any Holder or Holders of

the Series 1999 Bonds and shall submit the report to the Authority and the DEP, or any other original purchaser of the Series 1999 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. Prior to the issuance of the Series 1999 Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the City Clerk of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to time in effect shall be sufficient to produce Net Revenues equal to not less than the sum of (i) 120% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year, so long as the Series 1993 Bonds are Outstanding, and thereafter 115% of such amount; provided that, in the event the Series 1993 Bonds are no longer outstanding and an amount equal to or in excess of the Series 1999 Bonds Reserve Account Requirement is on deposit in the Series 1999 Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1999 Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the Maximum Annual Debt Service on the Bonds in any Fiscal Year; and (ii) the amount, if any, required to be deposited in the Reserve Accounts in order to satisfy the Reserve Account Requirement within a period of not more than 12 months, assuming equal payments are made each month.

All such rates and charges, if not paid when due, shall constitute a lien upon the premises served by the System. For purposes of this test, the terms "Gross Revenues" and "Net Revenues" shall not include proceeds from the sale of capital assets.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Issuer that less than the above-required coverage exists or in the event that the annual audit report shows less than the above-required coverage, such increase to provide rates and charges sufficient to produce such required coverage.

Section 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 1999 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 greater of the fair appraised value or the actual cost thereof. In the event of any damage to or destruction of any portion of the System, the Board will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damages or destroyed portion. The Board will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (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 prime contractor and subcontractors, as their interests may appear.

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than is customarily carried by municipalities of equivalent size with respect to works and properties similar to the System to protect the Issuer and the Board from claims for bodily injury and/or death and from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer and the Board from claims arising out of operation or ownership of motor vehicles of or for the System, provided that, the Board, with the review of an insurance consultant and the concurrence of the Issuer, may elect to self-insure. If the Issuer determines in good faith that any required insurance is not commercially available at a reasonable cost with reasonable terms, it shall engage an insurance consultant to verify the determination and to make recommendations regarding the types, amounts and provisions of any such insurance that should be purchased or funded by the Issuer, taking into consideration the costs and practices of other municipal water and sewer systems of similar size and type in the State to the extent that such information is available. The Issuer may, upon resolution adopted in good faith and upon the recommendations of the insurance consultant, adopt alternate or supplemental risk management programs which the Issuer determines to be reasonable, including the right to self-insure and participate in captive insurance companies.

(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 1999 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 1999 Bonds during the term thereof is, under the terms of the Series 1999 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 1999 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 1999 Bonds during the term thereof is, under the terms of the Series 1999 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 1999 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 1999 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 1999 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 1999 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 1999 Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 1999 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 Law 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).

Section 7.21. Contracts. A. The Issuer shall, simultaneously with the delivery of the Series 1999 Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 1999 Bonds held in "contingency" as set forth in the Schedule A attached to the Loan Agreement. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 1999 Bonds made available due to bid or construction or project underruns.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

Section 8.01. Investments. The Issuer shall invest and reinvest, and shall instruct the Commission and the Depository Bank to invest and reinvest, any moneys held as a part of the funds and accounts created by this Ordinance in Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specific restrictions and provisions set forth in this section.

Except as provided below, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The Issuer shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Issuer may make any and all investments permitted by this section through the bond department of the Depository Bank. The Depository Bank shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The following specific provisions shall apply with respect to any investments made under this section:

(A) Qualified Investments acquired for the Reserve Accounts shall mature or be subject to retirement at the option of the holder within not more than 5 years from the date of such investment.

(B) The Issuer shall, or shall cause the Commission to semiannually transfer from the Reserve Accounts to the Sinking Funds any earnings on the moneys deposited therein and any other funds in excess of the Reserve Account Requirement; provided, however, that there shall at all times remain on deposit in the Reserve Accounts an amount at least equal to the Reserve Account Requirement.

(C) In computing the amount in any fund or account, Qualified Investments shall be valued at the lower of the cost or the market price, exclusive of accrued interest. Valuation of all funds and accounts shall occur annually, except in the event of a withdrawal from the Reserve Accounts, whereupon it shall be valued immediately after such withdrawal. If amounts

on deposit in the Reserve Accounts shall, at any time, be less than the applicable Reserve Account Requirement, the applicable Bond Insurer or Bondholder shall be notified immediately of such deficiency, and such deficiency shall be made up from the first available Net Revenues after required deposits to the Sinking Funds and otherwise in accordance with the Prior Ordinances and this Bond Legislation.

(D) All amounts representing accrued and capitalized interest shall be held by the Commission, pledged solely to the payment of interest on the Bonds and invested only in Government Obligations maturing at such times and in such amounts as are necessary to match the interest payments to which they are pledged.

(E) Notwithstanding the foregoing, all moneys deposited in the Sinking Funds may be invested by the Commission in the West Virginia "consolidated fund" managed by the West Virginia Investment Management Board pursuant to Chapter 12, Article 6 of the Code of West Virginia, 1931, as amended.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 1999 Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 1999 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 1999 Bonds which would cause the Series 1999 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 1999 Bonds) so that the interest on the Series 1999 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 1999 Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1999 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 1999 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 an applicable to the Series 1999 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 1999 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 1999 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 1999 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 Series 1999 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 1999 Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 1999 Bonds; or

(2) If default occurs in the Issuer's or the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 1999 Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 1999 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; or

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

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; provided that, all rights and remedies of the Holders of the Series 1999 Bonds shall be on a parity with the Prior Bonds.

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

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 1999 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 1999 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 1999 Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1999 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1999 Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 1999 Bonds shall be made without the consent in writing of the Registered Owners of the Series 1999 Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 1999 Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 1999 Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 1999 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 1999 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; Prior Ordinances. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall

control (unless less restrictive), so long as the Prior Bonds or any portion thereof are Outstanding.

Section 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 hereon.

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 Herald-Dispatch, a newspaper published and of general circulation in The City of Huntington, 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:	May 10, 1999
Passed on Second Reading:	May 24, 1999
Passed on Final Reading Following Public Hearing:	June 14, 1999

Jean Dean
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of THE CITY OF HUNTINGTON on the 14th day of June, 1999.

Dated: June 22, 1999.

[SEAL]

City Clerk

THE CITY OF HUNTINGTON

Sewer Revenue Bonds, Series 1999
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1999 (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF HUNTINGTON; 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 Huntington (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective June 14, 1999 (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 HUNTINGTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,100,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1999 (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 1999 (West Virginia SRF Program) (the "Bonds" or the "Series 1999 Bonds"), of the Issuer, in the aggregate principal amount not to exceed $2,100,000, 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, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be ratified and approved by the Issuer, that the exact principal amount, the date, the maturity date, the redemption provision, the interest rate, the interest and principal payment dates 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 HUNTINGTON:

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 1999 (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered R-1, in the principal amount of $2,083,550. The Bonds shall be dated the date of delivery thereof, shall finally mature June 1, 2020, and shall bear interest at the rate of 2% per annum. The principal of and the interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2000, and ending June 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 interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the 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 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 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 Bank One, West Virginia, National Association, Huntington, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 1999 Bonds proceeds in the amount of $-0- shall be deposited in the Series 1999 Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1999 Bonds proceeds in the amount of $-0- shall be deposited in the Series 1999 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 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 22, 1999, 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 1999 Bonds Sinking Fund, including the Series 1999 Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The

Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1999, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 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 Section 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.

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

Adopted this 14th day of June, 1999.

Jean Shaw

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of Huntington on the 14th day of June, 1999.

Dated: June 22, 1999.

[SEAL]

City Clerk

05/11/99
435500/98001

State of West Virginia
WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1571
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

October 24, 2000

The City of Huntington
Sewer Revenue Bonds, Series 2000 A
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon a certificate of the Issuer's certified public accountant stating that the parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program) (the "Bonds"), in the original aggregate principal amount of $1,867,098 by The City of Huntington (the "Issuer"), under the terms of the ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bonds, Series 1997 (West Virginia SRF Program) and Sewer Revenue Bonds, Series 1999 (West Virginia SRF Program) (collectively, the Prior Bonds).

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Authorized Representative

WRD 1A-82
Revised 11/97

STATE OF WEST VIRGINIA
DIVISION OF ENVIRONMENTAL PROTECTION
OFFICE OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

Permit No.: WV0023159

Subject: Sewage Facilities

Issue Date: June 30, 2000

Effective Date: July 30, 2000

Expiration Date: June 29, 2005

Supersedes: WV/NPDES Permit No. WV0023159
Issuance Date: March 8, 1995

Location:	Huntington	Cabell/Wayne	Ohio/Guyandotte
	(City)	**(County)**	**(Drainage Basin)**

Outlets:
Latitude: 38° 24' 16" N
Longitude: 82° 31' 44" W

To whom it may concern:

This is to certify that City of Huntington
Sanitary Board
P. O. Box 1659
Huntington, WV 25717-1659

is hereby granted a NPDES Water Pollution Control Permit to: operate and maintain an existing wastewater collection system and an existing 17.0 MGD activated sludge wastewater treatment plant, which are further described as follows, and to implement a Publicly Owned Treatment Works Pretreatment Program.

A wastewater collection system comprised of approximately 200 miles of combined gravity sewer lines and 100 miles of sanitary gravity sewer lines ranging from six(6) inches to 54 inches in diameter, necessary manholes, necessary cleanouts, 28 lift stations, 12 miles of force main ranging from six(6) inches to 54 inches in diameter, and all requisite appurtenances.

(Continued on page 2 of 29)

A.1. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS
a) Interim Summer Limitations during the period of May 1 through October 31

During the period beginning, July 30, 2000, and lasting through midnight, December 31, 2001, the permittee is authorized to discharge from outlet number(s) 001 - Discharge from the 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	Monitor Only	Monitor Only	MGD	Continuous	Measured
Ammonia Nitrogen	Report Only	Report Only	15.0	30.0	mg/l	Once/Week	24 Hour Composite
Fecal Coliform[1]	N/A	N/A	200	400	counts/100ml	Daily	Grab
Total Residual Chlorine	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Week	Grab
				Seven(7) Day Average			
Biochemical Oxygen Demand (5-Day)	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, BOD_5 Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, BOD_5 Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated
Total Suspended Solids	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, TSS Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, TSS Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated

[1]Refer to Section C.17 on page 23 of 29

The pH shall not be less than 6.0 standard units and not more than 9.0 standard units and shall be monitored daily by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at, or as near as possible to, the point of discharge. Effluent BOD_5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analysis.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.1. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS
b) Interim Winter Limitations during the period of November 1 through April 30

During the period beginning, July 30, 2000, **and lasting through midnight,** December 31, 2001, **the permittee is authorized to discharge from outlet number(s)** 001 - Discharge from the 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	Monitor Only	Monitor Only	MGD	Continuous	Measured
Ammonia Nitrogen	Report Only	Report Only	Monitor Only	Monitor Only	mg/l	Once/Week	24 Hour Composite
Fecal Coliform[1]	N/A	N/A	200	400	counts/100ml	Daily	Grab
Total Residual Chlorine	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Week	Grab
				Seven(7) Day Average			
Biochemical Oxygen Demand (5-Day)	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, BOD_5 Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, BOD_5 Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated
Total Suspended Solids	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, TSS Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, TSS Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated

[1]Refer to Section C.17 on page 23 of 29

The pH shall not be less than 6.0 standard units and not more than 9.0 standard units and shall be monitored daily by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at, or as near as possible to, the point of discharge. Effluent BOD_5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analysis.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.1. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS
c) Final Summer Limitations during the period of May 1 through October 31

During the period beginning, January 1, 2002, **and lasting through midnight,** June 29, 2005, **the permittee is authorized to discharge from outlet number(s)** 001 - Discharge from the 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
Flow	N/A	N/A	Monitor Only	Monitor Only	MGD	Continuous	Measured
Ammonia Nitrogen	Report Only	Report Only	15.0	30.0	mg/l	Once/Week	24 Hour Composite
Fecal Coliform[1]	N/A	N/A	200	400	counts 100ml	Daily	Grab
				Seven(7) Day Average			
Biochemical Oxygen Demand (5-Day)	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, BOD_5 Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, BOD_5 Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated
Total Suspended Solids	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, TSS Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, TSS Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated

[1]Refer to Section C.17 on page 23 of 29

The pH shall not be less than 6.0 standard units and not more than 9.0 standard units and shall be monitored daily by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at, or as near as possible to, the point of discharge. Effluent BOD_5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analysis.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.1. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS
d) Final Winter Limitations during the period of November 1 through April 30

During the period beginning, January 1, 2002, **and lasting through midnight,** June 29, 2005, **the permittee is authorized to discharge from outlet number(s)** 001 - Discharge from the 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	Monitor Only	Monitor Only	MGD	Continuous	Measured
Ammonia Nitrogen	Report Only	Report Only	Monitor Only	Monitor Only	mg/l	Once/Week	24 Hour Composite
Fecal Coliform[1]	N/A	N/A	200	400	counts 100ml	Daily	Grab
				Seven(7) Day Average			
Biochemical Oxygen Demand (5-Day)	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, BOD_5 Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, BOD_5 Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated
Total Suspended Solids	Report Only	Report Only	30.0	45.0	mg/l	Daily	24 Hour Composite
Percent Removal, TSS Dry Weather	N/A	N/A	85	N/A	Percent	Four/Month	Calculated
Percent Removal, TSS Wet Weather	N/A	N/A	Monitor Only	N/A	Percent	Four/Month	Calculated

[1]Refer to Section C.17 on page 23 of 29

The pH shall not be less than 6.0 standard units and not more than 9.0 standard units and shall be monitored daily by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at, or as near as possible to, the point of discharge. Effluent BOD_5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analysis.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.2. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning, July 30, 2000, **and lasting through midnight,** June 30, 2003, **the permittee is authorized to discharge from** outlet number(s) 001 - Discharge from the 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
Copper, Total Recoverable[1]	N/A	N/A	0.323	0.485	mg/l	Once/Month	24 Hour Composite
Lead, Total Recoverable[1]	N/A	N/A	0.061	0.092	mg/l	Once/Month	24 Hour Composite
Zinc, Total Recoverable[1]	N/A	N/A	1.45	2.18	mg/l	Once/Month	24 Hour Composite
Nickel, Total Recoverable[1]	N/A	N/A	2.87	4.3	mg/l	Once/Month	24 Hour Composite
Chromium, Hexavalent	N/A	N/A	0.162	0.242	mg/l	Once/Month	24 Hour Composite
Cyanide, Free[2]	N/A	N/A	0.081	0.121	mg/l	Once/Month	Grab
Fluoride, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Month	24 Hour Composite
Arsenic, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Cadmium, Total Recoverable[1]	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Silver, Total Recoverable[1]	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Mercury, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Chromium, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Phenolics, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	Grab

[1]Refer to Section C.10 on page 21 of 29
[2]Refer to Section C.11 on page 21 of 29

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at, or as near as possible to, the point 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.3. DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning, July 1, 2003, **and lasting through midnight,** June 29, 2005, **the permittee is authorized to discharge from outlet number(s)** 001 - Discharge from the 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
Copper, Total Recoverable[1]	N/A	N/A	0.0101	0.0202	mg/l	Once/Month	24 Hour Composite
Lead, Total Recoverable[1]	N/A	N/A	0.0031	0.0062	mg/l	Once/Month	24 Hour Composite
Zinc, Total Recoverable[1]	N/A	N/A	0.066	0.13	mg/l	Once/Month	24 Hour Composite
Nickel, Total Recoverable[1]	N/A	N/A	0.145	0.292	mg/l	Once/Month	24 Hour Composite
Chromium, Hexavalent	N/A	N/A	0.008	0.016	mg/l	Once/Month	24 Hour Composite
Cyanide, Free[2]	N/A	N/A	0.0041	0.0073	mg/l	Once/Month	Grab
Fluoride, Total	N/A	N/A	1.4	2.8	mg/l	Once/Month	24 Hour Composite
Arsenic, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Cadmium, Total Recoverable[1]	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Silver, Total Recoverable[1]	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Mercury, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Chromium, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	24 Hour Composite
Phenolics, Total	N/A	N/A	Monitor Only	Monitor Only	mg/l	Once/Quarter	Grab

[1]Refer to Section C.10 on page 21 of 29
[2]Refer to Section C.11 on page 21 of 29

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent samples shall be collected at, or as near as possible to, the point 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.4. COMBINED SEWER SYSTEM OVERFLOWS

a) Outlet Numbers 002 through 024, and 036, listed below, serve as combined sewer overflow points. Combined Sewer Overflows (CSOs) are allowed only when flows in combined sewers exceed conveyance and/or treatment capacities during wet weather periods. Dry weather overflows from these outfalls are prohibited. The permittee shall ensure that all CSOs from the combined system comply with the following requirements and other pertinent portions of this Permit.

Outlet Number	Name and/or Location	Receiving Stream
002	Krout Creek Pump Station Latitude 38° 24' 54"N Longitude 82° 31' 37"W	Krout Creek (Mile Point 0.2) of Twelvepole Creek of the Ohio River
003	East Road Pump Station Latitude 38° 24' 15"N Longitude 82° 31' 00"W	Ohio River (Mile Point 312.5)
004	Fourpole Creek Pump Station Latitude 38° 24' 30"N Longitude 82° 30' 08"W	Fourpole Creek (Mile Point 0.1) of the Ohio River
005	West 22nd Street Pump Station Latitude 38° 24' 43"N Longitude 82°29'35"W	Ohio River (Mile Point 311.2)
006	West 13th Street Pump Station Latitude 38° 24' 48"N Longitude 82° 28' 48"W	Ohio River (Mile Point 310.9)
007	West 7th Street Regulator Latitude 38° 25' 08"N Longitude 82° 28' 06"W	Ohio River (Mile Point 310.2)
008	1st Street Regulator Latitude 38° 25' 16"N Longitude 82° 27' 30"W	Ohio River (Mile Point 309.6)
009	4th Street Pump Station Latitude 38° 25' 20"N Longitude 82° 27' 13"W	Ohio River (Mile Point 308.9)

A.4. COMBINED SEWER SYSTEM OVERFLOWS (CONTINUED)

a) (Continued)

Outlet Number	Name and/or Location	Receiving Stream
010	9th Street Regulator Latitude 38° 25' 27"N Longitude 82° 26' 40"W	Ohio River (Mile Point 308.4)
011	11th Street Regulator Latitude 38° 25' 30"N Longitude 82° 26' 29"W	Ohio River (Mile Point 308.2)
012	16th Street Regulator Latitude 38° 25' 37"N Longitude 82° 25' 58"W	Ohio River (Mile Point 307.8)
013	20th Street Regulator Latitude 38° 25' 47"N Longitude 82° 25' 28"W	Ohio River (Mile Point 307.2)
014	East 25th Street Diversion Chamber Latitude 38° 26' 00"N Longitude 82° 24' 53"W	Ohio River (Mile Point 306.6)
015	Division Street Regulator Latitude 38° 26' 10"N Longitude 82° 24' 23"W	Ohio River (Mile Point 306.1)
016	5th Avenue Pump Station Latitude 38° 25' 43"N Longitude 82° 23' 32"W	Guyandotte River (Mile Point 0.2)
017	Roby Hollow Pump Station Latitude 38° 24' 50"N Longitude 82° 23' 20"W	Guyandotte River (Mile Point 1.2)
018	Pat's Branch Pump Station No.1 Latitude 38° 25' 01"N Longitude 82° 23' 23"W	Pat's Branch (Mile Point 0.02) of the Guyandotte River
018-A	Pat's Branch Pump Station No. 2 Latitude 38° 25' 06"N Longitude 82° 23' 23"W	Pat's Branch (Mile Point 0.02) of the Guyandotte River

A.4. COMBINED SEWER SYSTEM OVERFLOWS (CONTINUED)

a) (Continued)

Outlet Number	Name and/or Location	Receiving Stream
019	Oak Street Pump Station Latitude 38° 25' 22"N Longitude 82° 23' 25"W	Guyandotte River (Mile Point 0.6)
020	Richmond Street Pump Station Latitude 38° 25' 52"N Longitude 82° 23' 13"W	Ohio River (Mile Point 305.0)
021	35th Street Pump Station Latitude 38° 25' 54"N Longitude 82° 22' 12"W	Ohio River (Mile Point 304.6)
022	B&O Regulator Latitude 38° 24' 23"N Longitude 82° 29' 54"W	Fourpole Creek (Mile Point 0.2) of the Ohio River
023	Park Avenue Diversion Chamber Latitude 38° 24' 14"N Longitude 82° 29' 35"W	Fourpole Creek (Mile Point 0.5) of the Ohio River
024	James River Road Regulator Latitude 38° 24' 16"N Longitude 82° 24' 00"W	Fourpole Creek (Mile Point 1.1) of the Ohio River
036	Altizer Lift Station Latitude 38° 24' 46"N Longitude 82° 21' 35"W	Guyandotte River (Mile Point 1.4)

b) COMPLIANCE SCHEDULE

The permittee shall comply with the CSO requirements in accordance with the following schedule:

(1) Evaluation of water quality impacts as outlined in Section A.4.e)	- On, or before, May 1, 1999 (Document Submitted May 1, 1997)
(2) Submittal of Long-Term Control Plan, if needed as outlined in Section A.4.f)	- On, or before, May 1, 2000 (Document Submitted April 28, 2000)

A.4. COMBINED SEWER SYSTEM OVERFLOWS (CONTINUED)

c) EFFLUENT LIMITS

(1) **Technology-based requirements for CSOs.** The permittee shall comply with the following technology-based effluent limits in the form of narrative controls:

(A) The permittee shall implement proper operation and maintenance programs for the sewer system and all CSO outlets, with consideration given to regular sewer inspections; sewer, catch basin, and regulator cleaning; equipment and sewer collection system repair or replacement, where necessary; and disconnection of illegal connections.

(B) The permittee shall implement procedures that will maximize use of the collection system for wastewater storage.

(C) The permittee shall conduct an inventory of industrial and commercial users to identify all nondomestic waste streams and apply pollution prevention methods, as appropriate.

(D) The permittee shall operate the Publicly Owned Treatment Works (POTW) treatment plant at maximum treatable flow during all wet weather flow conditions. The permittee shall deliver all flows to the treatment plant within the constraints of the treatment capacity of the POTW and the effluent limits specified in the permit.

(E) Dry weather overflows from CSO outfalls are prohibited. All dry weather overflows must be reported to the Office of Water Resources as soon as the permittee becomes aware of the overflow. When the permittee detects a dry weather overflow, the permittee shall begin corrective action immediately. The permittee shall inspect the dry weather overflow each subsequent day until the overflow has been eliminated.

(F) The permittee shall implement measures to control solid and floatable materials in its CSOs.

(G) The permittee shall implement a pollution prevention program focused on reducing the impact of CSOs on receiving waters.

(H) The permittee shall implement a public notification process to inform citizens of when and where CSOs occur. The process must include:

(i) a mechanism to alert persons of the occurrence of CSOs and
(ii) a system to determine the nature and duration of conditions that are potentially harmful for users of receiving waters due to CSOs.

A.4. COMBINED SEWER SYSTEM OVERFLOW (CONTINUED)

c) EFFLUENT LIMITS (CONTINUED)

(1) Technology-based requirements for CSOs. (Continued)

(I) The permittee shall monitor CSO outfalls to effectively characterize CSO impacts and the efficacy of CSO controls. This information will be used to establish the existing baseline conditions, evaluate the efficacy of the CSO technology-based controls, and determine the baseline conditions upon which the long-term control plan will be based. This data shall include:

(i) All CSO outfalls in the combined sewer system.
(ii) Total number of CSO events and the frequency, duration, volume, and pollutant loadings of CSOs during each event
(iii) Water quality data for receiving water bodies
(iv) Water quality impacts (e.g., visible floatables, fish kills, visible plumes, solids build-up in streams, violation of water quality standards including fecal coliform).
(v) Monitoring for duration, volume, and pollutant loadings during each overflow event shall occur at a representative number of CSOs.

(2) Water quality-based requirements for CSOs. The permittee shall not discharge any pollutant at a level that could cause a violation of water quality standards. All discharges covered by this permit shall be free from the following pollutants at levels that cause a violation of water quality standards:

(A) Floating debris, oil, grease, scum, foam, or other materials on the water surface that may create a nuisance condition, or that may in any way interfere with the attainment and maintenance of designated uses of the water.

(B) Settleable solids, sediments, sludge deposits, or suspended particles that may coat or cover submerged surfaces and create a nuisance condition, or that may in any way interfere with the attainment and maintenance of designated uses of water.

(C) Any pollutants, including those of a thermal, toxic, corrosive, bacteriological, radiological, or other nature, that may interfere with attainment and maintenance of designated uses of the water; may impart undesirable odors, tastes, or colors to the water or to aquatic life found therein; may endanger public health; or may result in dominance of nuisance species.

(D) In accordance with Section A.4.f), facilities that demonstrate adverse water quality impacts are required to develop and implement a Long Term Control Plan. For such facilities, the permittee shall achieve compliance with Water quality-based requirements for CSOs upon implementation of the correction actions provided in the plan. If the Chief determines, in accordance with Section A.4.f), that a facility does not demonstrate adverse water quality impacts, then the permittee shall achieve compliance with Water quality-based requirements for CSOs upon the Chief's decision in that regard.

A.4. COMBINED SEWER SYSTEM OVERFLOW (CONTINUED)

c) EFFLUENT LIMITS (CONTINUED)

(2) Water quality-based requirements for CSOs. (Continued)

(E) Pollutant-specific, numerical effluent limitations have not been developed for the CSO discharges regulated by this permit. Until such time that numerical limitations are imposed, Section A.4.c)(2)(C) shall not be construed to be violated based solely upon the concentration of a specific pollutant in a CSO discharge. Under a pollutant specific approach, a CSO discharge can violate Section A.4.c)(2)(C) only if it causes a violation of a numerical water quality criteria in the receiving stream, outside mixing zones sized in accordance with 46 CSR 5.2.

d) REPORTING REQUIREMENTS

Nine (9) Minimum CSO Control Reporting. The permittee has submitted documentation that demonstrates implementation of each of the nine (9) minimum controls contained in Sections A.4.c)(1)(A) through A.4.c)(1)(I). The documentation was prepared as described in EPA 832-B-95-003, COMBINED SEWER OVERFLOWS: Guidance For Nine Minimum Controls.

e) EVALUATION OF WATER QUALITY IMPACTS

The permittee shall submit documentation that verifies Water Quality Standards have been maintained according to the following criteria:

(1) Analysis of water quality upstream and downstream from CSO discharges.

(2) Monitoring of the rates and durations of representative discharges during rainfall conditions.

(3) Analysis of the quality of representative discharges

f) LONG-TERM CONTROL PLAN

The permittee shall develop a Long-Term Control Plan (LTCP) upon completion of the evaluation phase as outlined in Section A.4.e). If no water quality impacts are found, the permittee is required to continue implementing its minimization plan. The minimization plan shall become an integral part of the Long-Term Control Plan.

A.4. COMBINED SEWER SYSTEM OVERFLOW (CONTINUED)

g) QUARTERLY REPORTS

The permittee shall submit semiannually progress reports detailing actions taken to meet the above CSO requirements. The required reports should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, West Virginia 25311-1088
Attention: Engineering Branch

Office of Water Resources
Construction Assistance
617 Broad Street
Charleston, WV 25301-1251

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:**

   Effective Date of Permit.

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.**

C. OTHER REQUIREMENTS

1. The herein-described treatment works, structures, electrical, and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level, and operability shall be maintained during the twenty-five (25) year flood level.

2. The entire sewage treatment facility shall be adequately protected by fencing.

3. Continuous maintenance and operation of the listed sewage treatment facility shall be performed by, or supervised by, a certified operator possessing at least a Class IV certificate for Waste Water Treatment Plant Operators, issued by the State of West Virginia.

4. The permittee shall submit each **month** according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constituents listed in Section A analytically determined to be in the plant effluent (s). Additional information pertaining to effluent monitoring and reporting can be found in Appendix A, Part III.

5. The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Chief
Office of Water Resources
1201 Greenbrier Street
Charleston, West Virginia 25311-1088
Attention: Engineering Branch

U. S. Environmental Protection Agency
Region III, Water Protection Division
NPDES Branch (3WP50)
1650 Arch Street
Philadelphia, PA 19103-2029

6. For any noncompliance reports required to be submitted in writing by Appendix A, Part IV, of this Permit, a copy shall also be forwarded to the Environmental Protection Agency at the location specified in Section C.5, above.

7. The permittee may accept domestic septage for subsequent treatment and disposal. Approval is subject to, and contingent upon, compliance with the following terms and conditions.

   a) The septage hauler(s), from which the permittee accepts domestic septage, must have applied for registration to operate under the WV General Permit No. WVSG20000 for septage handling and disposal.

   b) Records shall be maintained which document the date(s), time(s), name(s) of the hauler(s), and volume(s) of septage accepted.

   c) The permittee shall report monthly the amount of domestic septage accepted during the reporting period on the enclosed Sewage Sludge Management Report.

   d) The permittee shall assure that the acceptance and processing of the domestic septage does not result in effluent discharge limitation violations, or receiving stream degradation, or adversely impact proper sludge disposal.

C. OTHER REQUIREMENTS (CONTINUED)

7. (Continued)

   e) The permittee shall coordinate the acceptance of septage during wet weather flow periods, with the implementation of the maximization of facilities.

   f) Approval of the permittee's acceptance of domestic septage in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Water Pollution Control Permit and shall not constitute an affirmative defense in any enforcement action brought against the permittee.

8. The permittee may accept waste sludge generated by the Culloden Public Service District's wastewater treatment plant and the Pea Ridge Public Service District's wastewater treatment plants, into the permittee's wastewater treatment plant, at the existing receiving station at the headworks, for subsequent processing, treatment, and disposal. Authorization is subject to, and contingent upon, compliance with the following terms and conditions.

   a) The permittee shall not accept waste sludge from the Pea Ridge Public Service District, until the entity has obtained the appropriate WV/NPDES Water Pollution Control Permit Modification, to its WV/NPDES Water Pollution Control Permit.

   b) The permittee shall coordinate the acceptance of waste sludge during wet weather flow periods, with the implementation of the maximization of facilities.

   c) The hauler(s), utilized for the transport of the waste sludge, shall be registered to operate under the WV General Permit for septage handling and disposal.

   d) Records shall be maintained which present the date(s), time(s), name(s) of the hauler(s), and volume(s) accepted.

   e) The permittee shall report monthly the amount of waste sludge accepted, from each entity, during the reporting period on the enclosed Sewage Sludge Management Report.

   f) The permittee shall assure that the acceptance, and processing, of the waste sludge does not result in Industrial Pretreatment Program limitations violations, or effluent discharge limitations violations, or receiving stream degradation, or adversely impact sludge disposal. Authorization of the permittee's acceptance of the waste sludge, further, in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Water Pollution Control Permit, and shall not constitute an affirmative defense in any enforcement action brought against the permittee.

C. OTHER REQUIREMENTS (CONTINUED)

9. The Chief is required to include effluent limitations in WV/NPDES Water Pollution Control Permits for all priority pollutants that are present in amounts that could potentially cause violation of Water Quality Standards. Certain pollutants are known to be present in Publicly Owned Treatment Works treatment systems. At the time of issuance of the previous Permit, the Chief prescribed effluent discharge limitations for certain pollutants, and the permittee has been performing analytical analyses in an effort to determine if the pollutants are present in the effluent in amounts that would jeopardize Water Quality Standards.

   A phased procedure has been utilized, and further implementation, as appropriate, is to be pursued, herein. The first phase involved the collection of effluent data to determine if pollutants were potentially present in the effluent in amounts exceeding Water Quality Standards. The Chief performed a reasonable potential assessment, based upon the effluent data collected and generated by the permittee, and in accordance with the statistical procedures of the Environmental Protection Agency's Technical Support Document for Water Quality-based Toxics Control. The specifics relative to the effluent monitoring, and the reasonable potential assessment are contained in Section C.9.a), below. If the effluent potentially contains priority pollutants in amounts above Water Quality Standards, then the Chief must institute the appropriate enforcement action, in order to attain compliance.

   a) The reasonable potential assessment is indicative that copper, lead, zinc, and nickel could be present, in Outlet No. 001, in amounts exceeding applicable Water Quality Standards at the point of discharge. Inconclusive data exists for hexavalent chromium and cyanide. The reasonable potential assessment is indicative that arsenic, cadmium, silver, and mercury should not be present, in Outlet No. 001, in amounts exceeding applicable Water Quality Standards at the point of discharge. The permittee is, hereby authorized to proceed to the next phase of data generation for the receiving stream in order to potentially request a ZID and/or mixing zone.

      (1) The permittee shall continue to monitor the effluent discharge of Outlet No. 001 for Total Recoverable Copper, Total Recoverable Lead, Total Recoverable Zinc, Total Recoverable Nickel, Hexavalent Chromium, and Free Cyanide. Since the permittee implements a Publicly Owned Treatment Works Pretreatment Program, there are requirements relative to the monitoring of certain parameters. Therefore, effluent monitoring requirements are established for Total Arsenic, Total Recoverable Cadmium, Total Recoverable Silver, Total Mercury, Total Chromium, and Total Phenolics. Further, resultant to an indirect discharge of nondomestic wastewater from an industrial user, effluent monitoring requirements have been established for Total Fluoride.

      (2) Unless otherwise specified herein, sample collection, preservation, and analysis shall be conducted in accordance with the procedures of 40 CFR Part 136. The permittee shall assure that the test procedure being utilized has an appropriate method detection level (MDL) for the parameters. Analyses shall be conducted using the most sensitive methods and detection levels commercially available, and economically feasible. Analytical test results obtained that are less than the MDL shall, at this time, be reported as less than the MDL on the Discharge Monitoring Reports. The following methods and detection levels are offered as a guide.

C. OTHER REQUIREMENTS (CONTINUED)

9. (Continued)

a) (2) (Continued)

Parameter	EPA Method No.	Detection Level (µg /l)
Cadmium, Total Recoverable	213.2	0.2
Chromium, Hexavalent	218.4	1
Copper, Total Recoverable	220.2	1
Lead, Total Recoverable	239.2	1
Nickel, Total Recoverable	249.2	3
Silver, Total Recoverable	272.2	0.2
Zinc, Total Recoverable	289.2	1
Mercury, Total	245.1	0.2
Arsenic, Total	206.2	2
Fluoride, Total	340.1	---
Cyanide, Free	Use the Standard Method for Weak Acid Dissociable Cyanide, as specified in the latest edition of Standard Methods.	

(3) The analytical test procedures, set forth in 40 CFR Part 136, prescribes colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.

(4) The Chief will consider reduction of the self monitoring measurement frequency and/or elimination of an effluent discharge limitation and establishment of effluent monitoring requirements. If the permittee desires a reduction of the self monitoring measurement frequency and/or elimination of an effluent discharge limitation and establishment of effluent monitoring requirements, it must request such by filing a Permit Modification Application.

b) The permittee is authorized to pursue a mixing zone and/or Zone of Initial Dilution ("ZID") for the purpose of determining the appropriate effluent limitations for the following parameters: Total Recoverable Copper, Total Recoverable Lead, Total Recoverable Zinc, Total Recoverable Nickel, Hexavalent Chromium, Free Cyanide, and Total Fluoride. If the Permittee desires a mixing zone and/or a ZID to be granted by the Chief, then the permittee shall submit, on, or before, the 30th day of October 2000, a plan for approval by the Chief that addresses the following:

(1) For the parameters Hexavalent Chromium, Free Cyanide, and Total Fluoride, a plan to collect necessary data for the purpose of completing a definitive reasonable potential assessment to determine whether such pollutants would be present in Outlet No. 001 in amounts exceeding applicable Water Quality Standards at the point of discharge.

C. OTHER REQUIREMENTS (CONTINUED)

9. (Continued)

   b) (Continued)

      (2) For each of the following parameters that, based on a reasonable potential assessment, have the potential to be present in Outlet No. 001 in amounts exceeding applicable Water Quality Standards at the point of discharge, the permittee shall generate information relative to the mixing characteristics of the receiving stream, and upstream water quality necessary to obtain a ZID or mixing zone: Total Recoverable Copper, Total Recoverable Lead, Total Recoverable Zinc, Total Recoverable Nickel, Hexavalent Chromium, Free Cyanide, and Total Fluoride.

      (3) If the permittee desires a mixing zone and/or a ZID to be granted by the Chief, then the information must be generated, and a Permit Modification Application submitted to the Chief on, or before, the 28th day of February 2003.

   c) If the permittee submits an approvable permit modification application by the specified date, and the Chief fails to process the application prior to the effective date of the effluent discharge limitations prescribed in Section A.3, then such limitations shall not become effective until the Chief takes final action.

   d) Whereby, the permittee does not perform the monitoring and generate the requisite data, above, the permittee shall be required to comply with Water Quality Standards in the effluent at the point of discharge.

10. The analytical test procedures, set forth in 40 CFR Part 136, prescribes colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.

11. For the measurement of Free Cyanide, the permittee shall use the standard method for weak acid dissociable cyanide, as specified in the latest edition of Standard Methods.

12. Publicly Owned Treatment Works effluent monitoring for the parameters as prescibed in Section A.2 and Section A.3 shall be coordinated, if practicable, with discharges from the ash lagoon. The permittee shall provide a written notification, as an attachment to the Discharge Monitoring Report, if the sampling period being reported is representative of a discharge from the ash lagoon.

13. The average daily design flow of the Publicly Owned Treatment Works has been established at 17.0 million gallons per day. When the average monthly effluent flow reported on Discharge Monitoring Reports reaches, or exceeds, 90 percent of the average design flow (15.3 million gallons per day) during three(3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Chief. The Plan of Action shall present, at a minimum, an analyses of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.

C. OTHER REQUIREMENTS (CONTINUED)

13. (Continued)

If the permittee experiences flows greater than 90 percent of average design flow during three(3) consecutive months, and can demonstrate that such flows resulted from the maximization of wet weather flow through the Publicly Owned Treatment Works, in accordance with the Combined Sewer System Overflow requirements of this Permit, then submission of the following information will satisfy the above requirement for the submission of a Plan of Action.

a) During the period, compliance with applicable five(5) day Biochemical Oxygen Demand, Total Suspended Solids, and Fecal Coliform effluent discharge limitations was maintained.

b) Dry weather flows experienced over the period are less than 90 percent of average design flow.

c) The permittee is compliant with the Combined Sewer System Overflow requirements of the permit, and that continued operation in accordance with those requirements is intended to ensure the maintenance of required treatment levels.

14. Any future collection system extensions projected to cause an increase in the wastewater flow, equal to, or greater than, 850,000 gallons per day (five(5) percent of average design flow) shall require the permittee to contact the Chief to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Chief may require the permittee to seek approval through Modification of the Permit.

15. The permittee has requested five(5) day Biochemical Oxygen Demand and Total Suspended Solids regulation in the form of seven(7) day average limitations in lieu of maximum daily limitations. The Chief has determined that regulation in that form is appropriate for the permitted facility, and has incorporated applicable seven(7) day average limitations and self-monitoring requirements in Section A.1.a), Section A.1.b), Section A.1.c), and Section A.1.d) of this permit. The prescribed seven(7) day average concentration limitations of 45 milligrams per liter are deemed equivalent to maximum daily limitations of 60 milligrams per liter, and therefore, satisfy the requirement at Title 47, Series 10, Section 7.4 of the Legislative Rules. When representatives of the Chief are performing compliance assessment activities that are independent of effluent data provided by the permittee, they may perform such assessment based upon maximum daily limitations of 60 milligrams per liter for each parameter. The seven(7) consecutive day average limitation is calculated as the arithmetic average of sample values recorded during the first four(4) seven(7) day periods; 1st to 7th, 8th to 14th, 15th to 21st, and 22nd to 28th; of the month.

16. The permittee shall be required to test the wastewater treatment plant influent, in order to calculate the percent (%) removal parameters for five(5) day Biochemical Oxygen Demand and Total Suspended Solids, as prescribed in Section A.1.a), Section A.1.b), Section A.1.c), and Section A.1.d) of this Permit. Influent sampling requirements shall include the following.

a) Percent removal shall be defined as a percentage expression of the removal efficiency across the wastewater treatment plant for a given pollutant parameter, as determined from the thirty day average values of the influent concentrations to the facility and the thirty day average effluent pollutant concentrations. Only concurrent influent and effluent samples will be used for reporting.

C. OTHER REQUIREMENTS (CONTINUED)

16. (Continued)

b) Wet weather shall be defined for this requirement as a day in which the total measured volume of flow for that day exceeds the average daily design flow of the treatment facility, as presented in Section C.13.

c) Influent five(5) day Biochemical Oxygen Demand and Total Suspended Solids samples shall be collected a least eight times per month (8/month) for the wastewater treatment facility. The permittee shall attempt to collect a dry weather sample and a wet weather sample on a weekly basis and shall attempt to collect at least four(4) wet weather influent samples per month and four(4) dry weather influent samples per month. However, the Chief recognizes that meteorologic conditions during any specific week or any specific month may prevent the collection of dry weather or wet weather samples at the recommended frequencies.

d) Influent five(5) day Biochemical Oxygen Demand and Total Suspended Solids sampling shall be collected using the same sample type, as required in Section A.1.a), Section A.1.b), Section A.1.c), and Section A.1.d), of this permit, for effluent five(5) day Biochemical Oxygen Demand and Total Suspended Solids samples.

e) Influent five(5) day Biochemical Oxygen Demand and Total Suspended Solids, sampling shall be performed over the same time period as effluent five(5) day Biochemical Oxygen Demand and Total Suspended Solids sampling.

17. Over the term of this permit, the permittee is allowed 18 excursions of the maximum daily fecal coliform effluent limitation prescribed in Section A.1.a), Section A.1.b), Section A.1.c), and Section A.1.d). The number of allowed excursions is based upon one(1) percent of the number of required self-monitoring events. Utilization of the excursion allowance is conditioned as follows.

a) Excursion allowances are afforded only to self-monitoring results and only when self-monitoring activities assess compliance with the maximum daily effluent limitation by analysis of an individual grab sample. No excursion allowance can be applied to analytical results obtained by representatives of the Chief in the performance of their compliance assessment activities. Additionally, representatives of the Chief may assess compliance with the maximum daily effluent limitation by collection and analysis of an individual grab sample.

b) No more than one(1) excursion may be used in any calendar month.

c) The excursion allowance is contingent upon the permittee's prompt return to compliance as evidenced by the next required fecal coliform self-monitoring event.

d) The result for which an excursion allowance is claimed shall be included in the calculation of the average monthly effluent value.

D. SEWAGE SLUDGE MANAGEMENT REQUIREMENTS

1. The permittee shall monitor and report monthly on the enclosed Sewage Sludge Management Report form the quality and quantity of sewage sludge produced. The required report shall be received no later than 20 days following the end of the reporting period and be addressed to:

Chief	**Regional Administrator**
Office of Water Resources	**U.S. Environmental Protection Agency**
1201 Greenbrier Street	**Region III**
Charleston, WV 25311-1088	**1650 Arch Street**
Attention: Engineering Branch	**Philadelphia, PA 19103**

2. The permittee shall provide copies of monthly reports to the county or regional solid waste authority in which the facility or land application site(s) is located.

3. The Sewage Sludge Monitoring Report form shall be submitted monthly. The required report shall be received no later than 20 days following the end of the reporting period and shall be addressed to the following:

Chief	**Regional Administrator**
Office of Water Resources	**U.S. Environmental Protection Agency**
1201 Greenbrier Street	**Region III**
Charleston, WV 25311-1088	**1650 Arch Street**
Attention: Engineering Branch	**Philadelphia, PA 19103**

4. The following method(s) of sludge disposal shall be used for sewage sludge generated and/or processed at the permitted facility:

   a) Incineration: Sewage sludge may be fired in the fluidized bed incinerator in such a manner that fully complies with the requirements of 40 CFR, Subpart E.

   b) Landfill Disposal: Sewage sludge may be disposed at a landfill by placing the sewage sludge in the landfill cell. The following landfills are identified for sewage sludge disposal: Green Valley Environmental, Cooksey Brothers Landfill, and Sycamore Landfill. Prior approval by the Chief is required to add to the landfill disposal sites.

5. The sewage sludge feed rate to the incinerator shall not exceed 3,200 pounds per hour.

6. All analyses performed on sewage sludges shall be analyzed in accordance with analytical methods listed in 40 CFR Part 503.8.

7. The combustion temperature for the incinerator and the oxygen concentration of the incinerator stack exit gas shall be continuously monitored and recorded.

8. Firing sewage sludge in the incinerator shall not violate the requirements of the National Emission Standard for Beryllium in 40 CFR Part 61 Subpart C or the National Emission Standard for Lead in 40 CFR Part 61 Subpart E.

D. SEWAGE SLUDGE MANAGEMENT REQUIREMENTS (Continued)

9. Sewage sludge shall not be fired in the incinerator in a manner that is likely to adversely affect a threatened or endangered species listed under Section 4 of the Endangered Species Act or its designated critical habitat.

10. Areas used for processing, curing, and/or storage of sewage sludge shall be designed, constructed and operated to prevent release of contaminants to the groundwater and/or surface water.

11. Sewage sludge disposed in a landfill cell shall be a non-hazardous material as defined in 40 CFR Part 261.24.

12. The permittee shall maintain all records and reports of all monitoring required by Section D of this permit and by 40 CFR 503.47(b) through 503.47(n) for five(5) years after the date of monitoring or reporting. Records should include all sample results; any landfill receipts; copies of all required reports; and records of all data used to complete these reports.

13. The following limitations and monitoring requirements shall apply to the sewage sludge or sewage sludge products:

Parameter	Maximum Allowable Limitations (mg/kg)	Monitoring Frequency	*Sample Type
Arsenic	1000	1/Month	One Week Comp.
Beryllium	Monitor	1/Month	One Week Comp.
Cadmium	2600	1/Month	One Week Comp.
Chromium	30000	1/Month	One Week Comp.
Copper	Monitor	1/Month	One Week Comp.
Lead	4900	1/Month	One Week Comp.
Mercury	Monitor	1/Month	One Week Comp.
Molybdenum	Monitor	1/Month	One Week Comp.
Nickel	94000	1/Month	One Week Comp.
Selenium	Monitor	1/Month	One Week Comp.
Zinc	Monitor	1/Month	One Week Comp.
Percent Solids	Monitor	1/Month	One Week Comp.

* The appropriate composite sampling procedures shall be based upon the particular sludge processing methods used by the permittee. The composite sampling procedure for the method is described as follows:

Belt Press or Vacuum Filter - During the week that the composite sample is obtained, the permittee shall take a minimum of three(3) grab samples during each day of the week that the dewatering system is in operation. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected at a point immediately after the dewatering operation.

E. PRETREATMENT REQUIREMENTS

1. The permittee shall implement the Industrial Pretreatment Program in accordance with the Clean Water Act and the regulations, 40 CFR Part 403, promulgated, thereunder. The program shall also be implemented in accordance with the program submission, approved on the 18th day of April 1984, and as amended by WV/NPDES Water Pollution Control Permit Modification No. 4, dated the 20th day of December 1996, and WV/NPDES Water Pollution Control Permit Modification No. 5, dated the 17th day of November 1998.

2. The permittee shall implement the program upon all industrial users of the Publicly Owned Treatment Works (POTW), irrespective of the geographical location of the users. The permittee shall secure and maintain adequate legal authority to control users located in Kenova, Ceredo, Northern Wayne Public Service District, Spring Valley Public Service District, Pea Ridge Public Service District for the integrated former Ohio River service area, as well as any users located in unincorporated areas outside the corporate boundaries of the City of Huntington.

3. The permittee shall submit proposed changes to the approved program in accordance with 40 CFR Part 403.18, and shall obtain prior approval of Substantial Modifications as defined by 40 CFR Part 403.18(c).

4. The permittee's implementation of the program shall, at a minimum, meet the requirements listed below.

   a) The permittee shall issue individual discharge permits to all significant industrial users (SIUs) as defined by 40 CFR Part 403.3(t). Permits shall contain the minimum requirements of 40 CFR Part 403.8(f)(1)(iii). The permittee shall reissue permits to SIUs prior to their expiration. Administrative extensions of expiring permits shall not be granted without written consent from the Chief.

   b) The permittee shall inspect each SIU at least once per year. The annual inspection shall evaluate the manufacturing process, chemical storage areas, pretreatment facilities, spill prevention and control procedures, sludge discharge control procedures, hazardous waste generation and disposal procedures, self-monitoring procedures and records.

   c) The permittee shall sample and analyze the nondomestic wastewater discharge(s) of each SIU at least once per year. Such monitoring shall include all parameters limited in the SIU's permit and shall be performed in accordance with 40 CFR Part 136.

   d) The permittee shall perform quarterly assessments of SIU compliance, and document the name of SIUs that demonstrate significant noncompliance (SNC) and the SNC criteria violated. The permittee shall publish the name of any SIU that demonstrates significant noncompliance in the pretreatment year, as required by 40 CFR Part 403.8(f)(2)(vii). Publication shall occur on or before the 15th day of August of each year.

   e) The permittee shall take timely and appropriate enforcement for all instances of industrial user noncompliance in accordance with an Enforcement Response Plan as required by 40 CFR Part 403.8(f)(5). The permittee shall take "formal" enforcement actions against SIUs demonstrating Significant Noncompliance as defined by 40 CFR Part 403.8(f)(2)(vii). A formal enforcement action shall consist of an administrative order or a more stringent action.

E. PRETREATMENT REQUIREMENTS (CONTINUED)

4. (Continued)

   f) The permittee shall ensure that adequate resources (equipment and personnel) are available to fully implement the pretreatment program.

5. The permittee shall conduct monitoring at its treatment plant, as follows:

   a) The POTW effluent shall be monitored as specified in Section A, on Pages 3, 4, 5, 6, 7, and 8 of this Permit.

   b) The POTW influent shall be monitored for arsenic, mercury, cadmium, chromium (total), copper, lead, nickel, silver, zinc, cyanide (total), total phenolics, and fluoride. Monitoring frequency and sample type shall be the same as specified for each parameter in the effluent self-monitoring requirements of Section A.2 and Section A.3, and influent monitoring shall be performed concurrent with effluent monitoring.

   c) The permittee shall conduct annual (1/year) monitoring of the POTW influent for all priority pollutants not specified in Section A. For volatile organics, a minimum of four(4) individual samples shall be obtained. The samples may be analyzed separately or may be combined in the laboratory, using flask or purge device compositing techniques as specified in EPA's draft guidance, VOA Compositing Procedures, and the composite sample then analyzed. Twenty-four hour composite samples shall be obtained and analyzed for base neutrals, acid extractables, pesticides and metals.

   d) The permittee shall conduct quarterly (4/year) monitoring of the treatment plant's sludge for arsenic, beryllium, cadmium, chromium (T), copper, lead, nickel, silver, selenium, mercury and zinc. Monitoring shall be performed on the influent sludge stream to the incinerator and analytical results shall be reported on a dry weight basis.

6. On or before the 31st day of August of each year, the permittee shall submit an annual report that prescribes the permittee's pretreatment implementation activities of the previous pretreatment implementation year (July 1 through June 30). The annual report shall include the following information:

   a) SIU Listing - Provide an updated list of all current SIUs. The list shall indicate which SIUs are subject to Categorical Pretreatment Standards, and the applicable standard.

   b) SIU Permits - Provide a list of the issuance and expiration dates of each SIU permit, and the names of SIUs that are without a valid permit.

   c) Sampling and Inspection - Provide the number of inspections and sampling events performed by the permittee at SIUs and a listing of SIUs that were not sampled and those that were not inspected.

E. PRETREATMENT REQUIREMENTS (CONTINUED)

6. (Continued)

   d) Compliance and Enforcement - Provide a summary of the violations of pretreatment standards and requirements that occurred during the year. Include the results of the quarterly SNC assessments required by Section E.4.d) above, and for each SIU that demonstrated SNC, describe the specific enforcement action taken and the current compliance status of the SIU. Also provide the numbers of each type of enforcement action taken by the permittee, and a copy of the published list of SIUs in SNC, as required by Section E.4.d) above.

   e) POTW Operations - Provide a description of any interference, upset or permit violations experienced by the POTW which are attributable to the discharges of industrial users. Include a summary of the results of the influent, effluent and sludge monitoring required by Section E.5 above.

7. The Chief and the U.S. EPA retain the right to require the permittee to institute changes to the pretreatment program if:

   a) The requirements of 40 CFR Part 403 are not satisfied by program implementation;

   b) Problems such as interference, pass through or sludge contamination develop;

   c) Federal or State requirements change.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0023159, dated the 7th day of October 1999; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the Director of the Division of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0023159, dated the 7th day of October 1999; and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and for the invocation of all the enforcement procedures set forth in Chapter 22, Article 11, or 15 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Articles 11 and 12 and/or 15 of the Code of West Virginia and is transferable under the terms of Section 11 of Article 11.

By: Allyn S. Turner
Chief

AGT/jdm

MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **October 24, 2000**

Re: **Closing Memo - The City of Huntington Sewer Revenue Bonds, Series 2000 A (West Virginia SRF Program)**

1. DISBURSEMENTS TO THE CITY OF HUNTINGTON

Payor:	West Virginia Division of Environmental Protection (West Virginia SRF Program)
Amount:	$201,455
Form:	Check
Payee:	The City of Huntington
Account:	Bond Construction Trust Fund

2. DISBURSEMENTS BY THE CITY OF HUNTINGTON FROM BOND PROCEEDS

Source:	Series 2000 A Bond Proceeds
Amount:	$113,500
Form:	Check
Payee:	West Virginia Municipal Bond Commission
Memo:	Series 2000 A Bonds Reserve Account

10/17/00
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