CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

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City of Moundsville / CWSRF

Pre-Closing Date: June 8, 2011

Pre-Closing Attendance List

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CITY OF MOUNDSVILLE
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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CITY OF MOUNDSVILLE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF MOUNDSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF MOUNDSVILLE OF NOT MORE THAN $4,700,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011 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.

THE COUNCIL OF THE CITY OF MOUNDSVILLE HEREBY ORDAINS:

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 Moundsville (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Marshall County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain extensions, additions, betterments and improvements for the existing public sewerage system of the Issuer, consisting of improvements to the wastewater collection system and upgrade to the digester and UV system at the wastewater treatment plant, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer, which constitute properties for the collection, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (collectively, the "Project") (the existing public sewerage system of the Issuer, the Project and any further extensions, 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"), which administers the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), all pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, in the total aggregate principal amount of not more than $4,700,000 in one or more series, initially planned to be the Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), in the aggregate principal amount of not more than $4,700,000 (the "Series 2011 A Bonds"), to permanently finance a portion of the 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 Act; interest, if any, upon the Series 2011 A 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 Reserve Account (as hereinafter defined) for the Series 2011 A Bonds; 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 2011 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the design, 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 2011 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2011 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties, 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 a parity with the Series 2011 A Bonds as to liens, pledge, source of and security for payment, being the Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978 (the "Series 1987 A Bonds" or the "First Lien Bonds"). There are also outstanding obligations of the Issuer which will be junior and subordinate to the Series 2011 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $453,022 (the "Series 1987 B Bonds"). The First Lien Bonds and the Series 1987 B Bonds may be hereinafter collectively referred to as the "Prior Bonds".

The Series 2011 A Bonds shall be issued on a parity with the First Lien Bonds and senior and prior to the Series 1987 B 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 2011 A Bonds, the Issuer will obtain (a) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met, (b) the written consent of the registered owners of the First Lien Bonds to the issuance of the Series 2011 A Bonds on a parity with the First Lien Bonds; and (c) the written consent of the Holders of the Series 1987 B Bonds to the issuance of the Series 2011 A Bonds senior and prior to the Series 1987 B Bonds. Except for the Prior Bonds the Issuer has no other bonds, notes, or other obligations secured by or payable from 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 Issuer's Prior Bonds, and the Series 2011 A 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 (hereinafter defined) relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2011 A 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.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board and the Sanitary Board has petitioned the Governing Body to issue the Series 2011 A Bonds for the purposes set forth herein.

K. 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 2011 A Bonds by the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Bondholders of any and all of such Series 2011 A 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 2011 A Bonds, or any other agency,

board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

"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.

"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 2011 A Bonds and the Prior Bonds and, where appropriate, any bonds on a parity therewith and/or senior to the Series 2011 A Bonds 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", "Clerk" means the City Clerk of the Issuer.

"Closing Date" means the date upon which there is an exchange of the Series 2011 A Bonds for all or a portion of the proceeds of the Series 2011 A 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 Burgess & Niple, Inc., Parkersburg, 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 costs of design, acquisition and construction of the Project as described in Section 1.02B hereof.

"DEP" means the West Virginia Department of Environmental Protection, 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, which shall be a member of FDIC.

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

"First Lien Bonds" means the Series 1987 A Bonds.

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

"Governing Body" means the Council of the Issuer, as it may now or hereafter be constituted.

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

"Grants" means any grants committed to the Project.

"Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System and all parts thereof, all as calculated in accordance with sound accounting practices.

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

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

"Investment Property" means:

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2011 A Bonds from the Issuer by the Authority, the form of which shall be approved and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Maximum Annual Debt Service" means at the time of computation, the greatest amount of debt service required to be paid on the Bonds for the then current or any succeeding Fiscal Year, assuming that the principal of any Term Bonds is deemed due on the earlier of their stated maturity date or the date on which they are required to be redeemed pursuant to mandatory sinking fund redemption.

"Net Proceeds" means the face amount of the Series 2011 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2011 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2011 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the System and its facilities, and includes, without limiting the generality of the foregoing, the SRF Administrative Fee (as hereinafter defined), insurance premiums, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting practices.

"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 monies, 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.

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

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

"Prior Bonds" means, collectively, the Series 1987 A and Series 1987 B.

"Prior Ordinance" means the ordinance of the Issuer authorizing the issuance of the Prior Bonds.

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

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

"Qualified Investments" means and includes the following:

(a) Government Obligations;

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

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

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

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

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

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

(h) The West Virginia "consolidated fund" managed by the West Virginia Board of Treasury Investments pursuant to Chapter 12, Article 6C of the West Virginia Code of 1931, as amended, including, without limitation, authorized pools of investments operated by such State Board of Investments; and

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve accounts established for the Prior Bonds and the Series 2011 A Bonds.

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

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

"Series 1987 A Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978.

"Series 1987 B Bonds" means the Issuer's Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $453,022.

"Series 2011 A Bonds" means the Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2011 A Bonds Reserve Account" means the Series 2011 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2011 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2011 A Bonds in the then current or any succeeding year.

"Series 2011 A Bonds Sinking Fund" means the Series 2011 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 2011 A Bonds Construction Trust Fund" means the Series 2011 Bonds Construction Trust Fund established by Section 5.01 hereof.

"Sinking Funds" means, collectively, the respective sinking funds established for the Prior Bonds and the Series 2011 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2011 A Bonds.

"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 2011 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2011 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Gross 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 Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund.

"System" means the complete existing public sewerage system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever.

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

"Term Bonds" means bonds subject to mandatory sinking fund redemption.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $5,659,822, 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 2011 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids or will receive and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $5,659,822, of which up to $4,700,000 will be obtained from proceeds of the Series 2011 A Bonds, $68,000 has been obtained from a West Virginia Legislative Digest Grant, $542,900 will be obtained from United States Environmental Protection Agency Grants and $348,922 will be as an Issuer contribution.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying a portion of the Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2011 A 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 2011 A Bonds of the Issuer. The Series 2011 A Bonds shall be issued in one series, as a single bond, designated as "Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program)", in the principal amount of not more than $4,700,000, and all shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2011 A Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2011 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2011 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2011 A 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 2011 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2011 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2011 A 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 2011 A Bonds shall cease to be such officer of the Issuer before the Series 2011 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to

hold such office. Any Series 2011 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2011 A Bonds shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 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 2011 A Bonds 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 2011 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2011 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2011 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2011 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging or transferring the registered Series 2011 A Bonds are exercised, all Series 2011 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2011 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2011 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of any Series 2011 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2011 A Bonds or, in the case of any proposed redemption of such 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 2011 A Bonds 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 2011 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 A 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 2011 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1987 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on and other payments for the 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 2011 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2011 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2011 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2011 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinions of bond counsel on the Series 2011 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2011 A Bonds shall be in substantially the following forms, 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:

[Remainder of Page Intentionally Blank]

(FORM OF SERIES 2011 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MOUNDSVILLE
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That on the ___ day of _____, 2011, the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marshall 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, 20___, to and including _____ 1, 20___, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with interest of ____ _____% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 20___, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of _____% (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, 20___, as set forth on Exhibit B attached hereto.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this bond is payable by check or draft of the Paying Agent mailed to the registered owner hereof at the address as it appears on the books of The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority and the DEP dated _____, 2011.

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

Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 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 _____, 2011, and a Supplemental Resolution duly adopted by the Issuer on _____, 2011 (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, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,846,978 (THE "SERIES 1987 A BONDS" OR THE "FIRST LIEN BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $453,022 (THE "SERIES 1987 B BONDS").

THE FIRST LIEN BONDS AND THE SERIES 1987 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED 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 First Lien Bonds, and senior and prior to the Series 1987 B Bonds and from monies in the Reserve Account created under the Bond Legislation for the Series 2011 A Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Series 2011 A 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Series 2011 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2011 A Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2011 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2011 A Bonds in the then current or any succeeding year, and in the respective

reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2011 A Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) 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 monies, 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 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.

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IN WITNESS WHEREOF, the CITY OF MOUNDSVILLE 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 the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 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: _____, 2011.

THE HUNTINGTON NATIONAL BANK

_____
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: _____, 20____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2011 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the forms 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 them to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated in this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Within 60 days following the Completion Date, the Issuer will file with the Authority and the DEP a schedule for the Series 2011 A Bonds, 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 Ordinance) 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 Prior Ordinance);

(2) Renewal and Replacement Fund (established by Prior Ordinance);

(3) Rebate Fund; and

(4) Series 2011 A Bonds Construction Trust Fund.

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

(1) Series 1987 A Bonds Sinking Fund (established by Prior Ordinance);

(2) Series 1987 A Bonds Reserve Account (established by Prior Ordinance);

(3) Series 1987 B Bonds Sinking Fund (established by Prior Ordinance);

(4) Series 1987 B Bonds Reserve Account (established by Prior Ordinance);

(5) Series 2011 A Bonds Sinking Fund; and

(6) Series 2011 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in 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 monies in the Revenue Fund shall be disposed of only in the following manner and order of priority:

(1) The Issuer shall first, each month, transfer from the Revenue Fund the amount necessary to pay 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 (i) to the Commission, the amount required by the Prior Ordinance for the payment of interest on the Series 1987 A Bonds and (ii) to the Commission, commencing 4 months prior to the first date of payment of interest on the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will mature and come due on the Series 2011 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2011 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment 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 (i) to the Commission, the amount required by the Prior Ordinance for payment of principal of the Series 1987 A Bonds; and (ii) to the Commission, commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and come due on the Series 2011 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2011 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment 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 First Lien Bonds Reserve Accounts, the amount required by the Prior Ordinances; and (ii) commencing 4 months prior to the first date of payment of principal of the Series 2011 A Bonds, if not fully funded upon issuance of the Series 2011 A Bonds, for deposit in the Series 2011 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2011 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2011 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2011 A Bonds Reserve Requirement.

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

(6) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Sinking Fund the amounts required by the Prior Ordinance to pay principal of the Series 1987 B Bonds.

(7) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Reserve Account the amount required by the Prior Ordinance.

Monies in the Series 2011 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2011 A Bonds, as the same shall become due. Monies in the Series 2011 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2011 A Bonds, as the same shall come due, when other monies in the Series 2011 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2011 A Bonds Construction Trust Fund, and following completion thereof, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 2011 A Bonds, if any, and then to the next ensuing principal payment due thereon, all on a pro rata basis.

Any withdrawals from the Series 2011 A Bonds Reserve Account which result in a reduction in the balance of such accounts to below the Reserve Requirements thereof, shall be restored from the first Net Revenues available after all required payments have been made in full in the order set forth above, all on a pro rata basis.

As and when additional Bonds ranking on a parity with the Series 2011 A 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 respective reserve account in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the respective aggregate principal amount of the Series 2011 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue, if any, 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 First Lien Bonds and the Series 2011 A Bonds in accordance with the respective principal amounts then Outstanding and senior and prior to the Series 1987 B Bonds.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account, created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. 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.

Monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2011 A Bonds under the conditions and restrictions set forth herein.

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

C. The Issuer shall 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 2011 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the SRF Administrative Fee as set forth in the Loan Agreement for the Series 2011 A Bonds.

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

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority at anytime, make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

F. The monies in excess of 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.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as herein above provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03, and the Net Revenues shall be applied to such deficiencies on a parity and pro rata with respect to the Series 2011 A Bonds and the First Lien Bonds and senior and prior to the Series 1987 B Bonds all in accordance with the respective principal amounts outstanding before being applied to any other payments hereunder.

H. All remittances made by the Issuer to the Commission and the Depository Bank shall clearly identify the fund or account into which each amount is to be deposited.

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

J. All Tap Fees shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2011 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2011 A Bonds, there shall first be deposited with the Commission in the Series 2011 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2011 A Bonds, there shall be deposited with the Commission in the Series 2011 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2011 A Bonds Reserve Account.

C. As the Issuer receives advances of the monies derived from the sale of the Series 2011 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2011 A Bonds 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 2011 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2011 A Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements of Bond Proceeds. 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 2011 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly. Invoices for which repayment from the Series 2011 A Bonds Construction Trust Fund will be sought must be first approved by the Issuer.

Except as provided in Section 6.01 hereof, disbursements from the Series 2011 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule.

Pending such application, monies in the Series 2011 A Bonds Construction Trust Fund 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 2011 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2011 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2011 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2011 A Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of the Series 2011 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2011 A 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 2011 A Bonds issued hereunder shall be secured equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with each other and with the lien on the Net Revenues in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1987 B Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds, and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 7.04. 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 and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement and the Issuer shall supply a certificate of Certified Public Accountant to such effect. 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 April 20, 2010, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2011 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Loan Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2011 A Bonds shall prove to be insufficient to produce the amounts required by this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the amounts required by 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, 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 2011 A 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 immediately be remitted to the Commission for deposit in the Series 2011 A Bonds Sinking Fund pro rata with respect to the principal amount of each of the Bonds then Outstanding, 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 2011 A Bonds in accordance with Article X hereof. Any balance remaining after the payment of the Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine, upon consultation with a professional engineer, that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund for repayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into such account by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding, without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the

Series 2011 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2011 A Bonds and payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2011 A 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 2011 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2011 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. 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, payable out of the revenues of the System, shall be issued after the issuance of the Series 2011 A 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 purposes of financing the costs of the design, acquisition and construction of extensions, additions, betterments or improvements to the System, refunding all or a portion of one or more series of Bonds issued pursuant hereto, or to pay claims which may exist against the revenues or facilities of the System or all of such purposes.

So long as the Series 1987 A Bonds or the Series 2011 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall be not less than 115%, of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

(2) Any 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 "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from the improvements to be financed by such Parity Bonds and any increase in rates enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to the date of issuance of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12 consecutive month period herein above referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which has expired (without successful appeal) prior to the issuance of such Parity Bonds.

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

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

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

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 designing, 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 design, 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 and the Act. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2011 A Bonds and shall mail in each year to any Holder or Holders of the Series 2011 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof), and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2011 A Bonds and shall submit the report to the Authority and the DEP or any other original purchaser of the Series 2011 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act and 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 the Loan Agreement for the Series 2011 A Bonds or any Exhibit thereto 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 2011 A 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, together with other revenues of the System, to meet the coverage requirements set forth in the Prior Ordinance so long as the Prior Bonds are outstanding and thereafter, (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2011 A Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Reserve Accounts and any reserve accounts for obligations on a parity with the Series 2011 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2011 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2011 A Bonds.

The Issuer hereby covenants to commence enactment of such ordinance or ordinances as shall be required to increase the rates and charges for the services and facilities of the System within 30 days following a determination of the Independent Certified Public Accountant 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 and 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, within 30 days of adoption thereof 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 Authority, the DEP and any Holder of any Bonds or anyone acting for and on behalf of such Holder.

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, 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 for the Series 2011 A Bonds 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 at all times provide operation and maintenance of the System in compliance with all state and federal standards.

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

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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, 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. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water 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 2011 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the amount of any construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

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

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

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

B. The Issuer shall 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 require, such insurance shall be made payable to the order of the Authority, the DEP, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

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

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

Section 7.17. Completion and Operation of Project; Permits and Orders. The Issuer will complete the acquisition and construction of 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, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals of issuance of the Series 2011 A Bonds required by State law, with all requisite appeal periods having expired without successful appeal, except as otherwise provided in Section 1.02(I) and the Issuer shall provide an opinion of counsel to such effect.

Section 7.18. Compliance with the Loan Agreement and the 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.

The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

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 2011 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2011 A Bonds during the term thereof is, under the terms of the Series 2011 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2011 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2011 A Bonds during the term thereof is, under the terms of the Series 2011 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2011 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2011 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of the portion of the Project to which such Private Business Use is related. All of the foregoing shall be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% of the Net Proceeds of the Series 2011 A Bonds or $5,000,000 are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2011 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will timely file all statements, instruments and returns necessary to assure the tax exempt status of the Series 2011 A Bonds and the interest thereon including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer will take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2011 A Bonds will be and remain excluded 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; Change Orders; Public Releases.

A. The Issuer shall, simultaneously with the delivery of the Series 2011 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2011 A 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 2011 A 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.

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2011 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of the Series 2011 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the First Lien Bonds and senior and prior to the Series 1987 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission or Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Depository Bank may make any and all investments permitted by this section through its own investment or trust department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2011 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and to assure the exclusion of interest, if any, on the Series 2011 A 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 2011 A Bonds which would cause the Series 2011 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take any and 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 2011 A Bonds) so that the interest on the Series 2011 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Tax Certificate and Rebate. The Issuer shall deliver a certificate of arbitrage, a tax certificate or other similar certificate to be prepared by nationally recognized bond counsel or tax counsel relating to payment of arbitrage rebate and other tax matters as a condition to issuance of the Series 2011 A Bonds. In addition, the Issuer covenants to comply with all Regulations from time to time in effect and applicable to the Series 2011 A 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 Bond Legislation.

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, unless otherwise agreed by the Authority, 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 shall be 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 from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in 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. In addition, the Issuer shall cooperate with the Authority in preparing 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. To the extent not so performed by the Authority, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate in order to assure compliance with this Section 8.03. The Issuer shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to this Section 8.03 in accordance with the requirements of Section 148(f) of the Code and such Regulations. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount, any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary, in order to maintain the exclusion of interest on the Series 2011 A Bonds from gross income for federal income tax purposes.

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 and certificate with respect thereto or, if the Issuer qualifies for the small governmental issue exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from such rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 2011 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating

to rebate as may be reasonably requested by the Authority including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2011 A 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 2011 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2011 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions relating to the Series 2011 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2011 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner or Holder 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 or Bondholders 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 or Bondholders 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 2011 A Bonds shall be on a parity with those of the Holders of the First Lien Bonds, and senior and prior to the Series 1987 B 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 herein above 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 Series 2011 A Bonds. If the Issuer shall pay, or there shall otherwise be paid, to the Registered Owners of the Series 2011 A Bonds, the principal of and interest due

or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2011 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2011 A 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 2011 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2011 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2011 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2011 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2011 A 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 2011 A 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 2011 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2011 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed; 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 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. 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 *Moundsville Daily Echo,* a newspaper of general circulation in the City of Moundsville, no newspaper being published therein, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2011 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

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Section 11.08. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Passed on First Reading:	February 15, 2011
Passed on Second Reading:	March 1, 2011
Passed on Final Reading Following Public Hearing:	April 5, 2011

Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Governing Body of the CITY OF MOUNDSVILLE on the 5th day of April, 2011.

Dated: June 9, 2011.

[SEAL]

City Clerk

EXHIBIT A

Loan Agreement included in bond transcript as Document 3

05.18.11
636290.00012

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF MOUNDSVILLE; APPROVING AND RATIFYING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of the City of Moundsville (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective April 5, 2011 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF MOUNDSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF MOUNDSVILLE OF NOT MORE THAN $4,200,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011 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 the Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program) (the "Series 2011 A Bonds") in an aggregate principal amount of $4,200,000, and has authorized the execution and delivery of a Loan Agreement relating to the Series 2011 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), 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 Series 2011 A Bonds are proposed to be purchased by the Authority pursuant to the Loan Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2011 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2011 A Bonds be herein provided for;

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

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 2011 A (West Virginia SRF Program), of the Issuer, originally represented by a single bond, numbered AR-1, in the original aggregate principal amount of $3,678,601. The Series 2011 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2033 and shall bear interest at the rate of 2% per annum. The principal of the Series 2011 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013 to and including March 1, 2033 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2011 A Bonds and incorporated in and made a part of the Series 2011 A Bonds. The interest of the Series 2011 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013 to and including March 1, 2033 and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement for the Series 2011 A Bonds and incorporated in and made a part of the Series 2011 A Bonds. The Series 2011 A 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 Series 2011 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Series 2011 A Bonds set forth in "Schedule Y" attached to the Loan Agreement.

Section 2. All other provisions relating to the Series 2011 A Bonds and the text of each series of the Series 2011 A Bonds shall be in substantially the forms provided in the Bond Legislation.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the DEP and the Authority. The price of the Series 2011 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2011 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2011 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2011 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2011 A Bonds under the Bond Legislation.

Section 6. The Issuer does hereby appoint and designate Branch Banking and Trust Company, Wheeling, West Virginia, to serve as Depository Bank under the Bond Legislation.

Section 7. Series 2011 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2011 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2011 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2011 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2011 A Bonds shall be deposited in or credited to the Series 2011 A Bonds Construction Trust Funds for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2011 A Bonds and related costs.

Section 10. 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 2011 A Bonds hereby and by the Bond Legislation approved and provided for, to the end that the Series 2011 A Bonds may be delivered on or about June 9, 2011, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2011 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 13. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Legislation 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 monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2011 A Bonds shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Sanitary Board is authorized to approve draw requests for payment of invoices.

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

[Remainder of Page Intentionally Blank]

Adopted this 7th day of June, 2011.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Moundsville on the 7th day of June, 2011.

Dated: June 9, 2011.

[SEAL]

City Clerk

05.18.11
636290.00012

SRF-LP-1
(01/11)

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 DEPARTMENT OF ENVIRONMENTAL PROTECTION (the "DEP"), and the local government designated below (the "Local Government").

CITY OF MOUNDSVILLE (C-544025-02)
(Local Government)

W I T N E S S E T H:

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, during 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 Record Drawings, 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 acquisition or construction of the Project and for two years following the completion of acquisition or construction 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 and the Authority.

2.13 The Local Government shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia (the "PSC").

2.14 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 or such later date as is agreed to in writing by DEP.

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 notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the

audited financial statements shall include a statement that notes whether 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 DEP 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 this Loan Agreement, 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 or such later date as is agreed to in writing by DEP 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 MOUNDSVILLE

By: _____
Its: Mayor
Date: June 9, 2011

(SEAL)

Attest:

_____
Its: Recorder

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: _____
Its: Director
Date: June 9, 2011

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: 6/9/11

(SEAL)

Attest:

_____
Its: Authorized Officer

{C2064834.1}

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government
Name of Bond Issue(s)_____
Type of Project _____ **Water**_____ **Wastewater**
Fiscal Year _____ **Report Month**_____

Item	Current Month	Total Year To Date	Budget Year To Date	Budget Year To Date Minus Total Year To Date
1. Gross Revenues				
2. Operating Expenses				
3. Bond Payments:				
Type of Issue				
Clean Water SRF				
Drinking Water TRF				
Infrastructure Fund				
Water Development Authority				
Rural Utilities Service				
Economic Development Administration				
Other (Identify)				
4. Renewal and Replacement Fund Deposits				

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

Item 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 ($1,200/12). This is the incremental amount for the Budget Year-to-Date column.

Item 2 Provide the amount of actual **Operating Expenses** for the current month and the total amount year-to-date in the respective columns. Any 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.

Item 3 Provide the **Bond Payments (principal, interest and reserve account)** for all the outstanding bonds of the Local Government according to the source of funding. For example, Clean Water State Revolving Fund loan from Department of Environmental Protection, Drinking Water Treatment Revolving Fund loan from Bureau for Public Health, Infrastructure Fund loan from Infrastructure and Jobs Development Council, or a loan from the Water Development Authority, etc.

Item 4 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 Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Local Government.

The Local Government must complete the Monthly Financial Report and forward it to the Water Development Authority by the 10th day of each month, commencing on the date contracts are executed for the acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project.

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 Department of Environmental Protection (the "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 the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at 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 the 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, ground breaking 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)) – Effective October 1, 2003, the Local Government that receives $500,000 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.

C. ASSET MANAGEMENT – The Local Government shall submit an acceptable asset management plan to DEP no later than six months following substantial completion of the Project. This requirement shall be included in the bond closing documents.

D. WAGE RATES – The Local Government shall require that all laborers and mechanics employed by its contractors and subcontractors be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the Secretary of Labor (DOL) in accordance with subchapter IV of chapter 32 of title 40, United States Code. The Local Government must require that contractors and subcontractors obtain wage determinations from DOL and comply with DOL guidance and regulations implementing wage rate requirements.

E. CLOSING REQUIREMENTS – [Reserved].

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 Department of Environmental Protection
601 57th Street
Charleston, WV 25304

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 Department 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 validly existing , with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Local Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Local Act and all other necessary orders and resolutions have been legally and effectively adopted or enacted by the Local 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, 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 $3,678,601
Purchase Price of Local Bonds $3,678,601

The Local Bonds shall bear interest at a rate of 2% per annum. Commencing June 1, 2013, principal and interest 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: City of Moundsville Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978.

There are also outstanding obligations of the Issuer which will be junior and subordinate to the Local Bonds as to liens, pledge, source of and security for payment, being the City of Moundsville Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $453,022.

Number of New Customers: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

NET DEBT SERVICE

City of Moundsville

SRF

$3,678,601

20 Years

2% Interest Rate

1% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Total Payments
6/1/2013	37,511	18,393.01	55,904.01	4,960.67	5,590.41	66,455.09
9/1/2013	37,698	18,205.45	55,903.45	4,960.67	5,590.41	66,454.53
12/1/2013	37,887	18,016.96	55,903.96	4,960.67	5,590.41	66,455.04
3/1/2014	38,076	17,827.53	55,903.53	4,960.67	5,590.41	66,454.61
6/1/2014	38,267	17,637.15	55,904.15	4,960.67	5,590.41	66,455.23
9/1/2014	38,458	17,445.81	55,903.81	4,960.67	5,590.41	66,454.89
12/1/2014	38,650	17,253.52	55,903.52	4,960.67	5,590.41	66,454.60
3/1/2015	38,844	17,060.27	55,904.27	4,960.67	5,590.41	66,455.35
6/1/2015	39,038	16,866.05	55,904.05	4,960.67	5,590.41	66,455.13
9/1/2015	39,233	16,670.86	55,903.86	4,960.67	5,590.41	66,454.94
12/1/2015	39,429	16,474.70	55,903.70	4,960.67	5,590.41	66,454.78
3/1/2016	39,626	16,277.55	55,903.55	4,960.67	5,590.41	66,454.63
6/1/2016	39,824	16,079.42	55,903.42	4,960.67	5,590.41	66,454.50
9/1/2016	40,024	15,880.30	55,904.30	4,960.67	5,590.41	66,455.38
12/1/2016	40,224	15,680.18	55,904.18	4,960.67	5,590.41	66,455.26
3/1/2017	40,425	15,479.06	55,904.06	4,960.67	5,590.41	66,455.14
6/1/2017	40,627	15,276.94	55,903.94	4,960.67	5,590.41	66,455.02
9/1/2017	40,830	15,073.80	55,903.80	4,960.67	5,590.41	66,454.88
12/1/2017	41,034	14,869.65	55,903.65	4,960.67	5,590.41	66,454.73
3/1/2018	41,239	14,664.48	55,903.48	4,960.67	5,590.41	66,454.56
6/1/2018	41,446	14,458.29	55,904.29	4,960.67	5,590.41	66,455.37
9/1/2018	41,653	14,251.06	55,904.06	4,960.67	5,590.41	66,455.14
12/1/2018	41,861	14,042.79	55,903.79	4,960.67	5,590.41	66,454.87
3/1/2019	42,070	13,833.49	55,903.49	4,960.67	5,590.41	66,454.57
6/1/2019	42,281	13,623.14	55,904.14	4,960.67	5,590.41	66,455.22
9/1/2019	42,492	13,411.73	55,903.73	4,960.67	5,590.41	66,454.81
12/1/2019	42,705	13,199.27	55,904.27	4,960.67	5,590.41	66,455.35
3/1/2020	42,918	12,985.75	55,903.75	4,960.67	5,590.41	66,454.83
6/1/2020	43,133	12,771.16	55,904.16	4,960.67	5,590.41	66,455.24
9/1/2020	43,348	12,555.49	55,903.49	4,960.67	5,590.41	66,454.57
12/1/2020	43,565	12,338.75	55,903.75	4,960.67	5,590.41	66,454.83
3/1/2021	43,783	12,120.93	55,903.93	4,960.67	5,590.41	66,455.01
6/1/2021	44,002	11,902.01	55,904.01	4,960.67	5,590.41	66,455.09
9/1/2021	44,222	11,682.00	55,904.00	4,960.67	5,590.41	66,455.08
12/1/2021	44,443	11,460.89	55,903.89	4,960.67	5,590.41	66,454.97
3/1/2022	44,665	11,238.68	55,903.68	4,960.67	5,590.41	66,454.76
6/1/2022	44,888	11,015.35	55,903.35	4,960.67	5,590.41	66,454.43
9/1/2022	45,113	10,790.91	55,903.91	4,960.67	5,590.41	66,454.99
12/1/2022	45,339	10,565.35	55,904.35	4,960.67	5,590.41	66,455.43
3/1/2023	45,565	10,338.65	55,903.65	4,960.67	5,590.41	66,454.73
6/1/2023	45,793	10,110.83	55,903.83	4,960.67		60,864.50
9/1/2023	46,022	9,881.86	55,903.86	4,960.67		60,864.53
12/1/2023	46,252	9,651.75	55,903.75	4,960.67		60,864.42
3/1/2024	46,483	9,420.49	55,903.49	4,960.67		60,864.16
6/1/2024	46,716	9,188.08	55,904.08	4,960.67		60,864.75
9/1/2024	46,949	8,954.50	55,903.50	4,960.67		60,864.17

NET DEBT SERVICE

City of Moundsville

SRF

$3,678,601

20 Years

2% Interest Rate

1% Administrative Fee

Date	Principal	Interest	Total Debt Service	Admin Fee	Reserve Fund	Total Payments
12/1/2024	47,184	8,719.75	55,903.75	4,960.67		60,864.42
3/1/2025	47,420	8,483.83	55,903.83	4,960.67		60,864.50
6/1/2025	47,657	8,246.73	55,903.73	4,960.67		60,864.40
9/1/2025	47,895	8,008.45	55,903.45	4,960.67		60,864.12
12/1/2025	48,135	7,768.97	55,903.97	4,960.67		60,864.64
3/1/2026	48,376	7,528.30	55,904.30	4,960.67		60,864.97
6/1/2026	48,617	7,286.42	55,903.42	4,960.67		60,864.09
9/1/2026	48,861	7,043.33	55,904.33	4,960.67		60,865.00
12/1/2026	49,105	6,799.03	55,904.03	4,960.67		60,864.70
3/1/2027	49,350	6,553.50	55,903.50	4,960.67		60,864.17
6/1/2027	49,597	6,306.75	55,903.75	4,960.67		60,864.42
9/1/2027	49,845	6,058.77	55,903.77	4,960.67		60,864.44
12/1/2027	50,094	5,809.54	55,903.54	4,960.67		60,864.21
3/1/2028	50,345	5,559.07	55,904.07	4,960.67		60,864.74
6/1/2028	50,596	5,307.35	55,903.35	4,960.67		60,864.02
9/1/2028	50,849	5,054.37	55,903.37	4,960.67		60,864.04
12/1/2028	51,104	4,800.12	55,904.12	4,960.67		60,864.79
3/1/2029	51,359	4,544.60	55,903.60	4,960.67		60,864.27
6/1/2029	51,616	4,287.81	55,903.81	4,960.67		60,864.48
9/1/2029	51,874	4,029.73	55,903.73	4,960.67		60,864.40
12/1/2029	52,133	3,770.36	55,903.36	4,960.67		60,864.03
3/1/2030	52,394	3,509.69	55,903.69	4,960.67		60,864.36
6/1/2030	52,656	3,247.72	55,903.72	4,960.67		60,864.39
9/1/2030	52,919	2,984.44	55,903.44	4,960.67		60,864.11
12/1/2030	53,184	2,719.85	55,903.85	4,960.67		60,864.52
3/1/2031	53,450	2,453.93	55,903.93	4,960.67		60,864.60
6/1/2031	53,717	2,186.68	55,903.68	4,960.67		60,864.35
9/1/2031	53,986	1,918.09	55,904.09	4,960.67		60,864.76
12/1/2031	54,256	1,648.16	55,904.16	4,960.67		60,864.83
3/1/2032	54,527	1,376.88	55,903.88	4,960.67		60,864.55
6/1/2032	54,800	1,104.25	55,904.25	4,960.67		60,864.92
9/1/2032	55,074	830.25	55,904.25	4,960.67		60,864.92
12/1/2032	55,349	554.88	55,903.88	4,960.67		60,864.55
3/1/2033	55,626	278.13	55,904.13	4,960.67		60,864.80
	3,678,601	**793,705.62**	**4,472,306.62**	**396,853.60**	**223,616.40**	**5,092,776.62**

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: October 22, 2010

FINAL

11/11/2010

CASE NO. 10-0304-S-PW-CN

MOUNDSVILLE SANITARY BOARD
Application for a certificate of convenience and necessity to improve the wastewater collection system to remove stormwater inflow from a portion of the collection system and to upgrade the digester and UV system at the wastewater treatment plant; petition for waiver to provide direct notice to customers.

RECOMMENDED DECISION

On March 10, 2010, Moundsville Sanitary Board (Moundsville), a municipally owned and operated public sewer utility, filed an application with the Public Service Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to improve the wastewater collection system to remove stormwater inflow from a portion of the collection system and to upgrade the digester and UV system at the wastewater treatment plant, and petitioned the Commission to waive the provision of direct notice to its customers. Moundsville has estimated that the project will cost approximately $4,638,423, to be funded with a $366,400 grant from the United States Environmental Protection Agency (EPA); another EPA grant[1] of $176,500; a $68,000 grant from the West Virginia Legislative Digest (WVLD); proceeds from an insurance settlement in the amount of $348,992; and a $3,678,601 loan from the Clean Water State Revolving Fund (SRF), verification to be received when the project is within six months of initiating construction. Moundsville proposed to use interim financing in the amount of $500,000 with a line of credit incurring 5.19% annual interest from Progressive Bank. While the District projected that operation and maintenance (O&M) expenses would remain constant at approximately $1,110,290, the additional debt service required by the SRF loan would require a rate increase that would increase annual revenues by approximately $300,818, or 19.4%. Since Moundsville is a municipally operated utility, it is not seeking a rate increase in this certificate application, but rather is in the process of passing a rate ordinance to adopt rates that would support the project. The project has been approved by the

[1]Referred to as an "NCLETTC" grant.

West Virginia Infrastructure and Jobs Development Council (IJDC). Moundsville filed a *Tariff Rule* 42 exhibit with its application.

On March 10, 2010, the Commission required that Moundsville publish the Notice of Filing once in a newspaper duly qualified by the Secretary of State, published and generally circulated in Marshall County, providing a 30-day protest period. The Notice of Filing also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. On April 8, 2010, Moundsville filed a publication affidavit indicating that the Notice of Filing was published on March 15, 2010, in the *Moundsville Daily Echo*, a newspaper published and generally circulated in Marshall County.

The Commission's file contains no protests.

By the Referral Order entered on March 24, 2010, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before July 22, 2010, if substantial protest was not filed, or by August 23, 2010, if the matter was substantially protested.

On April 7, 2010, Staff Attorney Cassius H. Toon submitted the Initial and Final Joint Staff Memorandum, attaching the April 6, 2010 Utilities and Engineering Divisions' Initial and Final Recommendation from Utilities Analyst Pam Latocha, Utilities Division, and from Staff Engineer Ralph Clark, P.E., Engineering Division. Upon its review of the application and supporting documentation, Commission Staff opined that Moundsville's Rule 42 Exhibit is deficient, as follows:

1. Statement A, Schedules 1, 2 and 7, are not shown by account number and classifications set out in the applicable uniform system of accounts prescribed by the Commission;

2. Statement A, Schedule 3, going-level depreciation, is not supported by a detailed calculation showing average test year plant balances, annual depreciation rates approved by the Commission and the annual depreciation resulting from such plant balances and depreciation rates;

3. Statement B is not included, nor are any of the required schedules in support of Statement B included;

4. Statement C does not include the required detail;

5. Statement D, Schedule 1, which shows the comparison of present rates and proposed rates, is not included;

6. Statement D, a bill analysis for per books revenue is not included, nor is a billing analysis for going-level revenue;

7. Statement E is not included; and

8. Statement F and the required supporting schedules are not included.

Relying upon the Commission's recent ruling in Case No. 09-1063-PWD-42T-PW-CN, *Mason County Public Service District*, Commission Order entered on March 23, 2010, which held that utilities are required to justify their tariff filings with financial support which fully reflect the data upon which the utility is relying to justify a proposed rate increase, Commission Staff recommended that the Commission dismiss Moundsville's application. Staff argued that the *Mason County* case states the Commission's concern with the "increasing number of incomplete filings that start the statutory clockwork running." Staff believes that the proper course of action in the instant application is for Moundsville first to eliminate the deficiencies in its filing and then resubmit the application. Staff acknowledged that, while Moundsville apparently is in the process of passing a rate ordinance to provide revenue to support the project, it is not clear whether those rates will support the project, since Moundsville did not provide sufficient financial data upon which Staff could reach a conclusion and since Moundsville had not yet provided Commission Staff with a copy of the ordinance for its review. Also, Staff Attorney Toon noted that, in addition to the incomplete Rule 42 Exhibit, the application is deficient because Moundsville has not provided a funding letter for the SRF loan.

On April 12, 2010, Staff Attorney Toon submitted the Motion to Administrative Law Judge Requesting Expedited Ruling (Staff Motion) on Staff Recommendation of Dismissal, again citing as authority the *Mason County* case and Case No. 09-0900-W-42T, *West Virginia-American Water Company*, Commission Order entered on March 25, 2009, i.e., the *WV-AWC* case.

On April 13, 2010, Moundsville filed Moundsville Sanitary Board's Response to Staff's Motion to Administrative Law Judge Requesting Expedited Ruling on Staff Recommendation of Dismissal (Moundsville Response), arguing that the Staff Motion should be denied because timely implementation of the project is in the state's interest; the Staff Motion cites no authority where the Commission has dismissed a case for a deficient Rule 42 Exhibit; and, since Moundsville is a municipally operated public utility, the Commission currently has no authority over Moundsville's sewer rates. Citing *Code* §24-1-1(a), Moundsville argued that the Commission is charged to ensure fair and prompt regulation of public utilities in the interest of the using and consuming public; to provide the availability of adequate, economical and reliable utility resources throughout the state; and to encourage the well-planned development of utility resources consistent with state needs. Moundsville argued that the project fulfills the requirements of *Code* §24-1-1(a) and that dismissing the application would contravene the state's needs, since doing so likely would lead to Moundsville failing to meet the schedule of improvements contained in a DEP consent order attached to the Moundsville Response. Also, Moundsville noted that the grants from the EPA are old and may require an extension if the application is dismissed. Moundsville concluded that Staff's position is based solely on numerous deficiencies in Moundsville's Rule 42 Exhibit as required by Rule 26 of the Commission's *Rules of Practice and Procedure* (*Procedural Rules*). Moundsville argued that the only reason that it has not obtained a commitment letter for the SRF loan was due to a policy change by the DEP to require a completed title search for all real property required for the project, which

Moundsville expects to obtain soon. Acknowledging that Staff had found deficiencies in Moundsville's Rule 42 Exhibit in a recent rate case, Moundsville argued that, since Commission Staff had not raised any of its arguments about the deficient Rule 42 Exhibit in Moundsville's recent rate case, Case No. 09-1518-S-MA, *Moundsville Sanitary Board*, Moundsville had no expectation of those deficiencies becoming a problem in this certificate application.

In particular, Moundsville argued that, as a municipally operated public sewer utility, the Commission does not have jurisdiction over Moundsville's rates, except and unless one of the elements of *Code* §24-2-4b is raised and the Commission asserts its jurisdiction in the context of a municipal appeal case. Moundsville is not seeking, nor could it seek or the Commission grant, a rate increase in the certificate application. Also, Moundsville argued that the two cases relied upon by Staff, i.e., the *Mason County* case and the *WV-AWC* case, are rate cases, not certificate cases. In addition, although the Commission found that the Rule 42 Exhibits were deficient in the *Mason County* and *WV-AWC* cases, the Commission did not dismiss either of those cases, leading Moundsville to conclude that those two cases do not compel dismissal of the instant certificate application. Moundsville believes that, in a certificate application where a rate increase is not sought, and where the Commission has no jurisdiction over the rates of the utility applying for the certificate, the significance of the Rule 42 Exhibit is diminished. Finally, Moundsville noted that the ordinance approving post-project rates would be before the Moundsville City Council for final adoption on April 20, 2010, and, within five days of adoption, Moundsville would file the required materials with the Commission, including a revised Rule 42 Exhibit that would be modified to address the inadequacies noted by Staff in the Staff Motion. Should the Commission obtain jurisdiction over Moundsville's post-project rates, then the Commission would have access to a Rule 42 Exhibit that would satisfy Staff's concerns in the instant certificate application.

On April 16, 2010, Staff Attorney Toon submitted the Reply of Staff to Response of Moundsville Sanitary Board (Staff Reply) arguing that the Moundsville Response ignores an essential element of a certificate application, i.e., sufficient financing and economic feasibility. Staff cited *Re Crab Orchard-McArthur Pub. Service Dist.*, Case No. 81-458-CN, 69 ARPSCWV 1972, May 12, 1982, adopted July 8, 1982, 69 ARPSCWV 1976. Staff asserted that, to date, no ordinance has been adopted to support the proposed project. Also, Staff argued that, before the Commission will grant a certificate application to a municipal utility, the municipally operated utility must file proof that a duly enacted rate ordinance was passed to finance construction, citing *Re Town of Ripley*, Case No. 82-332-W-CN, 71 ARPSCWV 2120, May 7, 1984, affirming in part and reversing in part the Recommended Decision entered on February 28, 1984, 71 ARPSCWV 2117.

On April 19, 2010, Jeffrey V. Kessler, Chairman, Judiciary Committee, West Virginia State Senate, filed a letter urging that Moundsville's certificate application not be dismissed.

By Recommended Decision entered on April 21, 2010, the ALJ held that, while the certificate application does not seek a rate increase, and while the Commission lacks jurisdiction to grant a rate increase in the context of a certificate application filed by a municipally operated public utility, it is clear that *Procedural Rule* 26 requires that a complete, accurate and sufficient Rule 42 exhibit,

meeting the requirements set forth in *Tariff Rule* 42, be furnished to the Commission as part of the filing of the application. Should minor flaws appear in a Rule 42 exhibit, the Commission can exercise discretion to waive a portion of the filing or to grant additional time to correct the filing. However, in the instant case, Moundsville's Rule 42 Exhibit was so grossly inadequate that Commission Staff could not make a recommendation on whether Moundsville's revenues will support the project; the ALJ Division could not render a recommended decision on whether Moundsville's revenues support the project; and, finally, the Commission could not enter a final order dealing with the issue of whether Moundsville's revenues will support the project. For all of the reasons discussed above, the ALJ granted Commission Staff's dismissal motion, without prejudice, thereby allowing time for Moundsville to resubmit its application on a timely basis by including a sufficient Rule 42 Exhibit and addressing any of the other concerns raised by Staff in its final recommendation, e.g., filing funding commitment letters.

On May 6, 2010, Moundsville filed exceptions to the April 21, 2010 Recommended Decision, based primarily on its belief that Conclusion of Law No. 2, which held that the Commission has established a policy by recent orders to more closely review Rule 42 Exhibits filed with certificate applications and rate cases to ensure that enough data is contained in those Rule 42 Exhibits to allow the Commission to make an informed decision on the merits of those cases, since, among other things, those types of cases have statutory imposed deadlines which begin to run upon filing, and Conclusion of Law No. 4, which held that it is reasonable to dismiss the certificate application, without prejudice, thereby allowing Moundsville to resubmit its application once it has prepared a complete Rule 42 Exhibit to include with the application and address any other shortcomings discussed by Commission Staff, were improper.

On May 14, 2010, Staff filed a response opposing Moundsville's exceptions.

By Commission Order entered on July 9, 2010, the Commission directed that Moundsville and Staff file a joint proposed procedural schedule or other filing proposing a resolution of the time constraints in this case.

On July 16, 2010, Moundsville, indicating that Staff had agreed to the dates, filed the joint proposed procedural schedule required by the July 9, 2010 Order, as follows:

1. July 30, 2010. Moundsville files a revised Rule 42 exhibit based upon the fiscal year ended June 30, 2009;

2. September 30, 2010. Due date for filing of Final Joint Staff Memorandum.

3. October 7, 2010. Due date for Moundsville to reply to Final Joint Staff Memorandum.

4. October 13, 2010. Hearing scheduled and held, if necessary, based on Moundsville's response to Staff's final substantive recommendation;

5. October 19, 2010. Expedited hearing transcript to be filed by the reporter.

6. October 29, 2010. Initial briefs due.

7. November 5, 2010. Reply briefs due.

8. November 30, 2010. ALJ decision due date.

9. January 16, 2011. Final Order due date.

By Commission Order entered on August 3, 2010, the Commission rejected the April 21, 2010 Recommended Decision and remanded this matter to the ALJ Division for further processing consistent with the August 3, 2010 Order. The Order also tolled the statutory deadline by 135 days, setting a new deadline of January 16, 2011, for the Commission to enter a final order; required that Moundsville file a complete Rule 42 exhibit within five days of the date of the Order; and established a November 30, 2010 decision due date for the ALJ Division.

On August 10, 2010, which was five working days after entry of the August 3, 2010 Order, Moundsville filed a revised Rule 42 exhibit.

Responding to all of the above, by the Procedural Order issued on August 12, 2010, the ALJ adopted a procedural schedule to process and resolve this matter, including a Wednesday, October 13, 2010 hearing date.

By the Commission Order entered on August 24, 2010, upon motion from Moundsville, the Commission tolled the statutory deadline until January 26, 2011, and modified the referral to the ALJ Division by granting the ALJ until December 10, 2010.

By the Order Canceling Hearing and Adopting New Procedural Schedule issued on August 25, 2010, the ALJ adopted a new procedural schedule to process and resolve this matter, including an October 21, 2010 hearing date.

On October 5, 2010, Staff Attorney Toon submitted the Further Final Joint Staff Memorandum, attaching the October 4, 2010 Utilities and Engineering Divisions Further Final Recommendations from Ms. Lotocha and Mr. Clark. Together, these Memoranda comprise Commission Staff's final substantive recommendations regarding this remanded proceeding. Staff related that it now had sufficient information upon which it could make an informed recommendation. The project, comprised of improvements to Moundsville's wastewater collection and treatment system, will cost approximately $4,638,423, to be funded with a $366,400 EPA grant; a $176,500 EPA NCLETTC grant; a $68,000 WVLD grant; $348,992 in proceeds from an insurance settlement; and a $3,678,601 SRF loan. The improvements are needed because a portion of the sewer mainline has damaged the pavement on Seventh Street due to a failure by the mainline and other mainline failures in that vicinity. The Seventh Street improvements were made without obtaining a certificate

because that failure constituted an emergency. However, the project includes those improvements as part of the financial package for the certificate case, i.e., the $314,283 paid to make the Seventh Street improvements was paid out of reserve funds and short-term financing, and those expenditures are rolled into the total project. The project is divided into three contracts, one including the Seventh Street improvements; one including improvements for the sewer mainlines serving Jefferson Avenue, Grant Avenue to Twelfth Street and the National Institute of Justice; and the third including improvements to the wastewater treatment plant digester. Total construction costs are estimated at $3,070,740 and total project costs are estimated at $4,638,424. The project has not been bid. Moundsville has obtained most major permits.

The project will not create additional operation and maintenance (O&M) expenses. Plans and specification for the project do not reveal any conflicts with Commission rules and regulations regarding engineering requirements. The $3,678,601 SRF loan will incur 2% interest and a 1% administration fee for a term of 20 years, with the principal and interest payments totaling $266,321 annually. The loan requires the funding of a 10% debt reserve of $24,482 and a renewal and replacement fund equaling 2.5% of operating revenues. Moundsville has obtained commitment letters for all of the funding. Moundsville adopted a rate ordinance on February 2, 2010, to cover going-level revenue requirements, and another rate ordinance on April 20, 2010, to cover the additional revenue required by the project, to become effective upon substantial completion of the project. The post-project rates will generate $172,162 for plant additions, including $43,832 in the renewal and replacement reserve and a $128,330 cash flow surplus and will provide a 148.91% debt service coverage ratio. Staff opined that the rates are sufficient, but not more than sufficient, to cover the O&M expenses and debt service coverage, once the project is operational, and provide a sufficient debt service coverage ratio and a reasonable amount for capital improvements. Staff recommended that the Commission grant the certificate application; approve the financing for the project; require separate Commission approval if the project's scope, plans or rates to support the project change; if changes to the financing do not require a rate change, require Moundsville to support that fact with an affidavit from a certified public accountant; require Moundsville to file the certified bid tabulations once available; and require Moundsville to file the certificate of substantial completion once available.

On October 12, 2010, Moundsville filed a letter concurring with Staff's substantive recommendations, but pointing out discrepancies or typographical errors in the Staff Memoranda that needed to be corrected by the Commission, i.e., the EPA grants were incorrectly referred to by Staff as grants from the United States Economic Development Administration. Moundsville opined that the hearing scheduled for October 19, 2010, was not necessary.

By the Order Canceling Hearing issued on October 18, 2010, the ALJ canceled the procedural schedule adopted by the August 25, 2010 Order, including the hearing scheduled to convene on October 21, 2010.

DISCUSSION

Having considered all of the above, since no dispute remains to be resolved in this proceeding, as evidenced by the responses to Staff's final recommendation, the ALJ will consider the parties to have waived their rights under *West Virginia Code* §24-1-9(b) to file proposed findings of fact and conclusions of law, or briefs, in this proceeding, or to a hearing.

The ALJ holds that, since the project is comprised of necessary improvements to Moundsville's wastewater collection and treatment system, including portions of the collection system that have failed and caused streets to collapse and present a health hazard; and since the treatment plant is not able to treat the volumes of effluent delivered for treatment, the public convenience and necessity require the project. Moundsville has obtained financing for the project and most of the necessary permits, and the rates that will be generated by the ordinance enacted by Moundsville on April 20, 2010, to become effective upon substantial completion of the project, are sufficient, but not more than sufficient, to cover the reasonable O&M expenses and debt service coverage, once the project is operational, and provide a sufficient debt service coverage ratio and a reasonable amount for capital improvements. Accordingly, the certificate will be granted. The ALJ also will approve the funding for the project, comprised of a $366,400 EPA grant; a $176,500 EPA NCLETTC grant; a $68,000 WVLD grant; $348,992 in proceeds from an insurance settlement; and a $3,678,601 SRF loan, for a total financing package of approximately $4,638,423. Since the project has not been bid, Moundsville may have to revise the financing, and, if so, it needs to obtain separate Commission approval. For any changes to the financing that do not require a rate change, Moundsville must support that fact with an affidavit from a certified public accountant. Moundsville must file the certified bid tabulations and the certificate of substantial completion once available.

FINDINGS OF FACT

1. Moundsville Sanitary Board filed an application with the Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to improve the wastewater collection and treatment system. Moundsville has estimated that the project will cost approximately $4,638,423, to be funded with a $366,400 EPA grant; a $176,500 EPA NCLETTC grant; a $68,000 WVLD grant; $348,992 in proceeds from an insurance settlement; and a $3,678,601 SRF loan. The project has been approved by the IJDC. (See, March 10, 2010 application).

2. The Notice of Filing provided a 30-day protest period and provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. Moundsville filed a publication affidavit indicating that the Notice of Filing was published on March 15, 2010, in the *Moundsville Daily Echo*, a newspaper published and generally circulated in Marshall County. (See, March 10, 2010 Notice of Filing; April 8, 2010 publication affidavit).

3. No one protested the certificate application. (See, Commission's file).

4. The project, comprised of improvements to Moundsville's wastewater collection and treatment system, will cost approximately $4,638,423, to be funded with a $366,400 EPA grant; a $176,500 EPA NCLETTC grant; a $68,000 WVLD grant; $348,992 in proceeds from an insurance settlement; and a $3,678,601 SRF loan. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

5. A portion of the sewer mainline has damaged the pavement on Seventh Street due to a failure by the mainline and other mainline failures in that vicinity. Also, the wastewater treatment plant is not able to treat the volumes of effluent delivered for treatment. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

6. The Seventh Street improvements were made without obtaining a certificate because that failure constituted an emergency. However, the project includes those improvements as part of the financial package for the certificate case, i.e., the $314,283 paid to make the Seventh Street improvements was paid out of reserve funds and short-term financing, and those expenditures are rolled into the total project. The project is divided into three contracts, one including the Seventh Street improvements; one including improvements for the sewer mainlines serving Jefferson Avenue, Grant Avenue to Twelfth Street and the National Institute of Justice; and the third including improvements to the wastewater treatment plant digester. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

7. Total construction costs are estimated at $3,070,740 and total project costs are estimated at $4,638,424. The project has not been bid. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

8. Moundsville has obtained most major permits. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

9. The project will not create additional operation and maintenance O&M expenses. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

10. Plans and specification for the project do not reveal any conflicts with Commission rules and regulations regarding engineering requirements. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

11. The $3,678,601 SRF loan will incur 2% interest and a 1% administration fee for a term of 20 years, with the principal and interest payments totaling $266,321 annually. The loan requires the funding of a 10% debt reserve of $24,482 and a renewal and replacement fund equaling 2.5% of operating revenues. Moundsville has obtained commitment letters for all of the funding. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

12. Moundsville adopted a rate ordinance on February 2, 2010, to cover going-level revenue requirements, and another rate ordinance on April 20, 2010, to cover the additional revenue required by the project, to become effective upon substantial completion of the project. The post-project rates will generate $172,162 for plant additions, including $43,832 in the renewal and replacement reserve and a $128,330 cash flow surplus and will provide a 148.91% debt service coverage ratio. Staff opined that the rates are sufficient, but not more than sufficient, to cover the O&M expenses and debt service coverage, once the project is operational, and provide a sufficient debt service coverage ratio and a reasonable amount for capital improvements. (See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

13. Staff recommended that the Commission grant the certificate application; approve the financing for the project; require separate Commission approval if the project's scope, plans or rates to support the project change; if changes to the financing do not require a rate change, require Moundsville to support that fact with an affidavit from a certified public accountant; require Moundsville to file the certified bid tabulations once available; and require Moundsville to file the certificate of substantial completion once available.(See, Further Final Joint Staff Memorandum, with attachment, filed on October 5, 2010).

14. Moundsville concurred with Staff's substantive recommendations, but pointed out discrepancies or typographical errors in the Staff Memoranda that needed to be corrected by the Commission, i.e., the EPA grants were incorrectly referred to by Staff as grants from the United States Economic Development Administration. (See, October 12, 2010 letter).

CONCLUSIONS OF LAW

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

2. The proposed financing for the project should be approved.

3. Moundsville's rates that are to become effective upon substantial completion of the project are sufficient, but not more than sufficient, to support the proposed project.

4. Should the scope, plans or financing for the project change, Moundsville must obtain prior Commission approval before commencing construction. Changes in project costs do not require separate approval if those changes do not affect rates and Moundsville submits an affidavit from a certified public accountant to this effect.

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on March 10, 2010, by Moundsville Sanitary Board pursuant to *West Virginia Code* §24-2-11 to improve its wastewater collection and treatment system, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, totaling $4,638,423, to be funded with a $366,400 United States Environmental Protection Agency grant; a $176,500 EPA NCLETTC grant; a $68,000 West Virginia Legislative Digest grant; $348,992 in proceeds from an insurance settlement; and a $3,678,601 Clean Water State Revolving Fund loan, bearing 2% interest and a 1% administration fee for a term of 20 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that, should the scope, plans or financing for the project change, Moundsville Sanitary Board obtain prior Commission approval before commencing construction. Changes in project cost do not require separate approval if those changes do not affect rates and Moundsville submits an affidavit from a certified public accountant to this effect.

IT IS FURTHER ORDERED that Moundsville Sanitary Board submit a copy of the certified tabulation of bids to the Commission, making the bids a part of the Commission's file in this case, as soon as the bids are tabulated.

IT IS FURTHER ORDERED that Moundsville Sanitary Board notify the Commission when the project engineer has performed the substantial completion inspection and submit the certificate of substantial completion to the Commission as soon as it becomes available.

IT IS FURTHER ORDERED that, if this project requires the use of Division of Highways' rights-of-way, Moundsville Sanitary Board comply with all rules and regulations of the Division of Highways regarding the use of those rights-of-way.

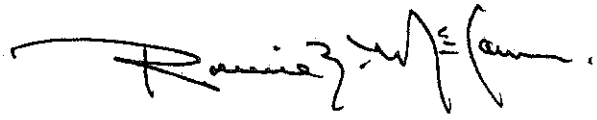
IT IS FURTHER ORDERED that this matter be, and hereby is, removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this order upon the Commission by hand delivery; by electronic service upon all parties of record who have filed an e-service agreement with the Commission; and by United States Certified Mail, return receipt requested, upon all parties of record who have not filed an e-service agreement with the Commission.

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

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

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



Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
100304ad.wpd

Affidavit of filing

MOUNDSVILLE DAILY ECHO
SINCE 1891

(304) 845-2660
P.O. BOX 369
MOUNDSVILLE
WEST VIRGINIA
26041

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF MARSHALL, to wit:

I, Marian Walton, being first duly sworn upo
my oath, do depose and say:

- that I am Co-Publisher of the MOUNDSVILLE DAILY ECHO, a Republica newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 103 years, is regularly pub lished afternoons daily except Sundays, for at least fifty weeks during the calen dar year, in the municipality of Moundsville, Marshall County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Ar 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Moundsvill and Marshall County;
- that such newspaper averages in length four or more pages, exclusive of ar cover, per issue;
- that such newspaper is circulated to the general public at a definite price c consideration;
- that such newspaper is a newspaper to which the general public resorts fa passing events or a political, religious, commercial and social nature and for cu rent happenings, announcements, miscellaneous reading matters, advertisement and other notices;
- and that the annexed notice described as follows:

PARTY(ies)

Moundsville Sanitary Board

NATURE (and agency if heard before one)

PSC application

CERTIF-BILL TO

James Kelsh
POB 3713
Charleston WV 25337

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
one	March 15,2010

BY WORDS	PUBLICATION CHARGES
2542@.115	$292.33

(signed) Marian Walton

NOTARIZATION

Taken, sworn to and subscribed before me this 24th day of March 2010

Notary public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINDA M. MASSIE
Moundsville Daily Echo
P. O. Box 369
Moundsville, West Virginia 26041
My Commission Expires Jan. 9, 2016

LEGAL ADVERTISEMENT

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA CHARLESTON

Entered by the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston, on the 10th day of March, 2010.

CASE NO. 10-0304-S-PW-CN

MOUNDSVILLE SANITARY BOARD

a public utility,

Application for a certificate of convenience and necessity to improve the wastewater collection system to remove storm water inflow from a portion of the collection system and to upgrade the digester and UV system at the wastewater treatment plant and petition for waiver to provide direct notice to customers.

NOTICE OF FILING

On March 9, 2010, the Moundsville Sanitary Board (Board) filed an application, duly verified, for a certificate of convenience and necessity to construct improvements to its sanitary sewer system in Moundsville, Marshall County. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

The utility anticipates charging the following rates for its customers upon project completion:

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale service.

RATES

Domestic Rates (based upon metered volume of water supplied)

Customer charge — $4.00

Commodity charge — $3.77 per 1,000 gallons

Commercial Industrial Rates (based upon metered volume of water supplied)

Customer charge — $4.00

Commodity charge — $5.30 per 1,000 gallons

Resale Rates to Other Utilities (based upon metered volume of water supplied)

Commodity charge — $2.74 per 1,000 gallons

MINIMUM BILL

No bill will be rendered for less than $7.77 per month for Domestic Service or for less than $9.30 per month for Commercial or Industrial Service.

GENERAL TERMS

PUMPING SERVICE

The above rates and charges are subject to a twenty-five percent surcharge where it is necessary for the Board to provide pumping service in order that the existing gravity sewer system can receive wastes from all or part of a particular drainage area, exclusive of the main pumping service now provided at the treatment works.

DOMESTIC SECURITY DEPOSITS

A refundable security deposit of $50.00 shall be required prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate as provided annually by the Public Service Commission) after 12 consecutive months of on time payments, except for tenants, which the Board shall hold until the tenant discontinues service.

COMMERCIAL AND INDUSTRIAL SECURITY DEPOSITS

A refundable security deposit not to exceed 1/6 of the average annual charge shall be required of commercial and industrial customers prior to being connected or reconnected. Said deposit will be refunded with interest at a rate as provided annually by the Public Service Commission) after 12 consecutive months of on time payments.

SERVICE CONNECTION FEE, RESIDENTIAL

(1) To apply where an opening for residential connection must be made by the Board in its collector sewer line or manhole, and a service line laid from such opening to the customer pipe at property line.

(2) The connection fee shall be the greater of $750.00 or the actual cost for the connection.

(3) When the distance from the Board's connection opening to Customers pipe at the property line connection point, exceeds 50 feet, customer will be charged a fee according number two (2) above for the first 50 feet plus $25.00 per foot for all service pipe over 50 feet.

(4) All residential sewer tap applications must be approved by the Board or a representative of the Board before installation.

SERVICE CONNECTION FEE, COMMERCIAL OR INDUSTRIAL

(1) To apply where an opening for commercial or industrial connection must be made by the Board in its collector sewer line stub out or any manhole. A service line shall be run by the property owner or contractor from the commercial or industrial building to the nearest sewer line stub out or manhole for the sewer connection.

(2) The connection fee shall be the greater of $500.00 or the actual cost of connection for a commercial or industrial tap.

(3) The Board reserves the right to inspect all installation of the sewer line stub out from the building to its connecting point as explained in item number one. The fees for inspection will be further explained below.

(4) All commercial or industrial sewer taps applications must be approved by the Board or a representative of the Board before installation.

INSPECTION

The Board shall inspect all construction work performed relating to extensions of mains and other construction of sanitary facilities, in order to insure that all work performed is in conformance with the Board's design and installation requirements. The fee for such inspection services shall be $100.00 per day. Such fee shall be payable to the Board by the contractor or other individual primarily responsible for the construction work performed.

SEWER TAP INSPECTION FEE

The sewer tap inspection fee shall be $100.

DISCONNECT/RECONNECT/ ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of the sewer bills, the customer shall be charged a disconnect, reconnect, and/or administrative fee in the same amount as the Board is charged by the customer's water utility.

INCREMENTAL LEAK ADJUSTMENT (limited to two monthly billings)

$1.00 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly Minimum Bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge.

House trailer or mobile home courts served through a single meter shall be required to pay the monthly Minimum Bill multiplied by the number of units in place at the time the meter is read each month.

DELAYED PAYMENT PENALTY

The above schedule is net. On all

accounts not paid in full within 20 days of the date of bill, ten percent will be added to the net amounts shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the Board or a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

SURFACE OR GROUND WATER SURCHARGE

Surface or Ground Water Surcharge

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

Applicability

Whenever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty days of receipt of a demand by the utility in accordance with the rules of the Public Service Commission, to eliminate such connection, a surcharge will be imposed upon the customer calculated on the basis of the following formula:

S = A x R x .0006233 x C

S = The surcharge in dollars.

A = The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.

R = The measured monthly rainfall, in inches.

.0006233 = A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.

.0008333 = A conversion factor to change inches of rain x square feet of surface water to $ per 100 cubic feet.

C = The utility's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty days from receipt of such no' : to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

Surcharge Formula to be applied to a customer producing unusual waste.

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

Ci = VoVi + BoBI + SoSi

Ci = charge to unusual users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from unusual users, in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical, Oxygen Demand (BOD), in dollars per pound

Bi = weight of BOD from unusual users, in pounds per year

So = average unit costs of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the costs of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the utility should not be introduced into the sewer system needed not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new costs figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

These rates represent the following increases:

Residential @ 4,500 gpm — ($) INCREASE - $3.91; INCREASE (%) - 22.9%

Commercial @ 10,000 gpm — ($) INCREASE - $12.20; INCREASE (%) - 27.2%

Resale @ 100,000 gpm — ($) INCREASE - $27.00; INCREASE (%) - 10.9%

Resale customers of the City include Marshall County Sewerage District and the City of Glen Dale.

The proposed increased rates and charges will produce approximately $300,818 annually in additional revenue, an increase of 19.4%.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing.

Pursuant to W.Va. Code §24-2-11, IT IS ORDERED that the Moundsville Sanitary Board give notice of the filing of the application, by publishing a copy of this order once in a qualified newspaper as provided in W.Va. Code §59-3-1 et seq, published and of general circulation in Marshall County, making due return to this Commission of proper certification of publication immediately after publication. Anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of this publication unless otherwise modified by Commission order. Failure to timely protest or intervene can affect your right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. All protests or requests to intervene should briefly state the reason for the protest or intervention. Requests to intervene must comply with the Commission's rules on intervention set forth in the Commission's Rules of Practice and Procedure. All protests and interventions should be addressed to Sandra Squire, Executive Secretary, P.O. Box 812, Charleston, West Virginia 25323.

IT IS FURTHER ORDERED that if there is no substantial protest to the Application received within the thirty day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with the application and its review thereof.

A True Copy, Teste:
/s/Sandra Squire
Sandra Squire
Executive Secretary
PUBLISH: Ma h 15, 2010.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Kenneth Lowe, Jr.
Shepherdstown
Dwight Calhoun
Petersburg
Dave McComas
Prichard
Ron Justice
Morgantown

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

February 6, 2008

Allen Hendershot, Chairman
Moundsville Sanitary Board
819 Lafayette Avenue
Moundsville, West Virginia 26041

Re: City of Moundsville Sanitary Board
Sewer Project 2005S-878

Dear Mr. Hendershot:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Moundsville Sanitary Board's (the "City") revised preliminary application regarding its proposed project to separate the combined sewers from Jefferson Avenue to the 12th and Parriott Avenue CSO with the installation of new storm or sanitary sewers; install new sanitary sewers to serve a proposed formitory for NCLETTC; repair a damanged sanitary sewer located on 7th Street between Washington and Grant Avenue; and replace a damaged digester roof cover (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 City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Infrastructure Council recommends that the City utilize a $366,400 US Environmental Protection Agency - Jefferson Avenue grant, a $176,500 US Environmental Protection Agency - NCLETTC grant, a $68,000 West Virginia Legislative Digest gratn, a $10,000 City of Moundsville contribution and pursue a $2,909,020 Clean Water State Revolving Fund loan to fund this $3,529,920 project. Please contact the West Virginia Department of Environmental Protection office at 926-0495for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

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

Sincerely,

Kenneth Lowe, Jr.

Enclosure
cc: Mike Johnson, P.E., DEP (w/o enclosure)
Region X Planning & Development Council
Tim Utt, P.E., Burgess & Niple, Inc.

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

April 26, 2010

Honorable Dave Wood
Mayor, City of Moundsville
800 6th Street
Moundsville, West Virginia 26041

RE: City of Moundsville
C-544025-02

Dear Mayor Wood:

This letter is to confirm our intention of providing of the long-term financing through the Clean Water State Revolving Fund program for the City's wastewater improvement project. The project is for improving the wastewater collection system to remove storm water from the collection system and to upgrade the digester and UV system at the WWTP.

We are hereby committing the amount of $3,678,601 to be issued at 2% interest and a 1% annual administrative fee for a term of 20 years. These funds are being provided through the base CWSRF program.

If the City's bonds have not been issued to the Fund prior to October 1, 2010, it is understood that the Fund reserves the right to discontinue processing the City's application and on that day, will have no further responsibilities or obligations hereunder.

Should you have any questions, please do not hesitate to contact me at 304-926-0499, extension 1611, or John.M.Johnson@wv.gov .

Sincerely,

Mike Johnson

Mike Johnson, P.E.
Program Manager
Clean Water SRF Program

cc: Angela Chestnut, P. E. WVIJDC (2005S-878)
Samme Gee, Jackson & Kelly
Burgess & Niple, Inc.
Public Service Commission
Bel-o-Mar Regional Council

Promoting a healthy environment.

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On the 9th day of June, 2011, 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 Moundsville (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 9th day of June, 2011, the Authority received the Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, in the principal amount of $3,678,601, numbered AR-1 (the "Series 2011 A Bonds"), issued as a single, fully registered Bond, and dated June 9, 2011.

2. At the time of such receipt, all the Series 2011 A 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 Series 2011 A Bonds, of $1,072,550, being a portion of the principal amount of the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be advanced by the Authority and by the DEP to the Issuer as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

CITY OF MOUNDSVILLE

By: _____
Its: Mayor

05.18.11
636290.00012

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank,
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

There are delivered to you herewith on this 9th day of June, 2011.

(1) Bond No. AR-1, constituting the entire original issue of the City of Moundsville Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), in the principal amount of $3,678,601, dated June 9, 2011 (the "Series 2011 A Bonds"), executed by the Mayor and the City Clerk of the City of Moundsville (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on April 5, 2011, and a Supplemental Resolution duly adopted by the Issuer on June 7, 2011 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of an Loan Agreement for the Series 2011 A Bonds, dated June 9, 2011 (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"); and

(4) Executed opinions of nationally recognized bond counsel regarding the validity of the Loan Agreement and the Series 2011 A Bonds.

You are hereby requested and authorized to deliver the Series 2011 A Bonds to the Authority upon payment to the Issuer of the sum of $1,072,550, representing a portion of the principal amount of the Series 2011 A Bonds. Prior to such delivery of the Series 2011 A Bonds, you will please cause the Series 2011 A Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CITY OF MOUNDSVILLE

By: _____
Its: Mayor

05.18.11
636290.00012

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MOUNDSVILLE
SEWER REVENUE BONDS, SERIES 2011 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $3,678,601

KNOW ALL MEN BY THESE PRESENTS: That on the 9th day of June, 2011, the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marshall County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of THREE MILLION SIX HUNDRED SEVENTY-EIGHT THOUSAND SIX HUNDRED ONE DOLLARS ($3,678,601), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013, to and including March 1, 2033, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference with interest of 2% payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2013, to and including March 1, 2033 as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee of 1% (as defined in the hereinafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing June 1, 2013, 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 The Huntington National Bank, Charleston, West Virginia, as registrar (the "Registrar"), on the 15th day of the next month preceding an interest payment date, or 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 Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement (the "Loan Agreement") by and among the Issuer, the Authority and the DEP dated June 9, 2011.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The existing

public sewerage system of the Issuer, the Project, and any further extensions, additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on April 5, 2011, and a Supplemental Resolution duly adopted by the Issuer on June 7, 2011 (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, TO THE ISSUER'S (I) SEWER REVENUE BONDS, SERIES 1987 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $1,846,978 (THE "SERIES 1987 A BONDS" OR THE "FIRST LIEN BONDS").

THIS BOND IS ISSUED SENIOR AND PRIOR, WITH RESPECT TO LIENS, PLEDGE, AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, TO THE ISSUER'S SEWER REVENUE BONDS, SERIES 1987 B (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED NOVEMBER 18, 1987, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $453,022 (THE "SERIES 1987 B BONDS").

THE FIRST LIEN BONDS AND THE SERIES 1987 B BONDS ARE HEREINAFTER COLLECTIVELY CALLED 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 First Lien Bonds, and senior and prior to the Series 1987 B Bonds and from monies in the Reserve Account created under the Bond Legislation for the Series 2011 A Bonds (the "Series 2011 A Bonds Reserve Account"), and unexpended proceeds of the Series 2011 A 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 an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same, except from said special fund provided from the Net Revenues, the monies in the Series 2011 A Bonds Reserve Account and unexpended proceeds of the Series 2011 A Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds and all other obligations secured by a lien on or payable from such revenue on a parity with the Series 2011 A Bonds including the Prior Bonds; provided however, that, so long as there exists in the Series 2011 A Bonds

Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Series 2011 A Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior and subordinate to the Series 2011 A Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) 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 monies, 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 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the CITY OF MOUNDSVILLE 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 the day and year first written above.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2011 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: June 9, 2011.

THE HUNTINGTON NATIONAL BANK
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $1,072,550	06/09/2011	(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

BOND DEBT SERVICE
City of Moundsville
SRF
$3,678,601
20 Years
2% Interest Rate
1% Administrative Fee

Dated Date	6/9/2011
Delivery Date	6/9/2011

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
6/1/2013	37,511	2.000%	18,393.01	55,904.01	
9/1/2013	37,698	2.000%	18,205.45	55,903.45	
12/1/2013	37,887	2.000%	18,016.96	55,903.96	
3/1/2014	38,076	2.000%	17,827.53	55,903.53	223,614.95
6/1/2014	38,267	2.000%	17,637.15	55,904.15	
9/1/2014	38,458	2.000%	17,445.81	55,903.81	
12/1/2014	38,650	2.000%	17,253.52	55,903.52	
3/1/2015	38,844	2.000%	17,060.27	55,904.27	223,615.75
6/1/2015	39,038	2.000%	16,866.05	55,904.05	
9/1/2015	39,233	2.000%	16,670.86	55,903.86	
12/1/2015	39,429	2.000%	16,474.70	55,903.70	
3/1/2016	39,626	2.000%	16,277.55	55,903.55	223,615.16
6/1/2016	39,824	2.000%	16,079.42	55,903.42	
9/1/2016	40,024	2.000%	15,880.30	55,904.30	
12/1/2016	40,224	2.000%	15,680.18	55,904.18	
3/1/2017	40,425	2.000%	15,479.06	55,904.06	223,615.96
6/1/2017	40,627	2.000%	15,276.94	55,903.94	
9/1/2017	40,830	2.000%	15,073.80	55,903.80	
12/1/2017	41,034	2.000%	14,869.65	55,903.65	
3/1/2018	41,239	2.000%	14,664.48	55,903.48	223,614.87
6/1/2018	41,446	2.000%	14,458.29	55,904.29	
9/1/2018	41,653	2.000%	14,251.06	55,904.06	
12/1/2018	41,861	2.000%	14,042.79	55,903.79	
3/1/2019	42,070	2.000%	13,833.49	55,903.49	223,615.63
6/1/2019	42,281	2.000%	13,623.14	55,904.14	
9/1/2019	42,492	2.000%	13,411.73	55,903.73	
12/1/2019	42,705	2.000%	13,199.27	55,904.27	
3/1/2020	42,918	2.000%	12,985.75	55,903.75	223,615.89
6/1/2020	43,133	2.000%	12,771.16	55,904.16	
9/1/2020	43,348	2.000%	12,555.49	55,903.49	
12/1/2020	43,565	2.000%	12,338.75	55,903.75	
3/1/2021	43,783	2.000%	12,120.93	55,903.93	223,615.33
6/1/2021	44,002	2.000%	11,902.01	55,904.01	
9/1/2021	44,222	2.000%	11,682.00	55,904.00	
12/1/2021	44,443	2.000%	11,460.89	55,903.89	
3/1/2022	44,665	2.000%	11,238.68	55,903.68	223,615.58
6/1/2022	44,888	2.000%	11,015.35	55,903.35	
9/1/2022	45,113	2.000%	10,790.91	55,903.91	
12/1/2022	45,339	2.000%	10,565.35	55,904.35	
3/1/2023	45,565	2.000%	10,338.65	55,903.65	223,615.26
6/1/2023	45,793	2.000%	10,110.83	55,903.83	
9/1/2023	46,022	2.000%	9,881.86	55,903.86	

BOND DEBT SERVICE
City of Moundsville
SRF
$3,678,601
20 Years
2% Interest Rate
1% Administrative Fee

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/1/2023	46,252	2.000%	9,651.75	55,903.75	
3/1/2024	46,483	2.000%	9,420.49	55,903.49	223,614.93
6/1/2024	46,716	2.000%	9,188.08	55,904.08	
9/1/2024	46,949	2.000%	8,954.50	55,903.50	
12/1/2024	47,184	2.000%	8,719.75	55,903.75	
3/1/2025	47,420	2.000%	8,483.83	55,903.83	223,615.16
6/1/2025	47,657	2.000%	8,246.73	55,903.73	
9/1/2025	47,895	2.000%	8,008.45	55,903.45	
12/1/2025	48,135	2.000%	7,768.97	55,903.97	
3/1/2026	48,376	2.000%	7,528.30	55,904.30	223,615.45
6/1/2026	48,617	2.000%	7,286.42	55,903.42	
9/1/2026	48,861	2.000%	7,043.33	55,904.33	
12/1/2026	49,105	2.000%	6,799.03	55,904.03	
3/1/2027	49,350	2.000%	6,553.50	55,903.50	223,615.28
6/1/2027	49,597	2.000%	6,306.75	55,903.75	
9/1/2027	49,845	2.000%	6,058.77	55,903.77	
12/1/2027	50,094	2.000%	5,809.54	55,903.54	
3/1/2028	50,345	2.000%	5,559.07	55,904.07	223,615.13
6/1/2028	50,596	2.000%	5,307.35	55,903.35	
9/1/2028	50,849	2.000%	5,054.37	55,903.37	
12/1/2028	51,104	2.000%	4,800.12	55,904.12	
3/1/2029	51,359	2.000%	4,544.60	55,903.60	223,614.44
6/1/2029	51,616	2.000%	4,287.81	55,903.81	
9/1/2029	51,874	2.000%	4,029.73	55,903.73	
12/1/2029	52,133	2.000%	3,770.36	55,903.36	
3/1/2030	52,394	2.000%	3,509.69	55,903.69	223,614.59
6/1/2030	52,656	2.000%	3,247.72	55,903.72	
9/1/2030	52,919	2.000%	2,984.44	55,903.44	
12/1/2030	53,184	2.000%	2,719.85	55,903.85	
3/1/2031	53,450	2.000%	2,453.93	55,903.93	223,614.94
6/1/2031	53,717	2.000%	2,186.68	55,903.68	
9/1/2031	53,986	2.000%	1,918.09	55,904.09	
12/1/2031	54,256	2.000%	1,648.16	55,904.16	
3/1/2032	54,527	2.000%	1,376.88	55,903.88	223,615.81
6/1/2032	54,800	2.000%	1,104.25	55,904.25	
9/1/2032	55,074	2.000%	830.25	55,904.25	
12/1/2032	55,349	2.000%	554.88	55,903.88	
3/1/2033	55,626	2.000%	278.13	55,904.13	223,616.51
	3,678,601		**793,705.62**	**4,472,306.62**	**4,472,306.62**

(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: _____, 20____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

June 9, 2011

City of Moundsville
Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Moundsville
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel to the City of Moundsville (the "Issuer"), a municipal corporation and political subdivision of the State of West Virginia in connection with its $3,678,601 Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and a certified copy of proceedings and other papers relating to the authorization of (i) a Loan Agreement dated June 9, 2011, 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 Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $3,678,601, in the form of one bond, bearing interest at the rate of 2% per annum, registered as to principal and interest to the Authority, with principal of and interest on the Bonds payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning June 1, 2013, to and including March 1, 2033, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Series 2011 A Bonds are subject to the SRF Administrative Fee equal to 1% of the principal amount of the Series 2011 A Bonds as set forth in the Schedule Y attached to the Loan Agreement.

The Bonds are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), and the Bond

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Ordinance duly enacted by the Issuer on April 5, 2011, as supplemented by the Supplemental Resolution duly adopted by the Issuer on June 7, 2011 (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 undertaken. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Legislation.

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 Issuer and is a valid and binding special obligation of the Issuer enforceable in accordance with the terms thereof.

2. The Loan Agreement inures to the benefit of the Authority and 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 Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to adopt or enact the Bond Legislation and to issue and sell the Bonds, all under the Act and other applicable provisions of law.

4. The Bond Legislation and all other necessary ordinances and resolutions have been legally and effectively adopted or enacted by the Issuer and constitute valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions in the form of those set forth in Section 4.1 of the Loan Agreement.

5. 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 and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with the Issuer's Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978 (the "Series 1987 A Bonds"), and senior and prior to, with respect to liens, pledge and source of and security for payment the Issuer's Sewer Revenue Bond, Series 1987 B (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $453,022 (the "Series 1987 B Bonds"), all in accordance with the terms of the Bond Legislation.

6. 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.

7. 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. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

No opinion is given herein as to the effect upon enforceability of the 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 Bond numbered AR-1, and in our opinion the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

STEPTOE & JOHNSON PLLC

636290.00012

Kevin L. Neiswonger, Esq.

409 Morton Avenue
Moundsville, WV 26041

David C. White, Esq.

Phone: 304-843-1714
Fax: 304-843-1837

June 9, 2011

City of Moundsivlle
Sever Revenue Bonds, Series 2001 A
(West Virginia SRF Program)

City of Moundsville
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Moundsville in Marshall County, West Virginia (the "issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a loan agreement for the Series 2001 A Bonds, dated June 9, 2011, including all schedules and exhibits attached thereto, by an among the Issuer and the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Loan Agreement"), a Bond Ordinance July enacted by the Issuer on April 5, 2011, as supplemented by a Supplemental Resolution duly adopted by the Issuer on June 7, 2001 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). 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:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, City Clerk and members of the council of the Issuer 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 other parties thereto, constitute valid and binding agreements of the Issuer enforceable in accordance with its terms.

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

4. The execution and delivery of the Bonds, 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 nay material respect, conflict with or constitute, on the part of the Issuer, a breach of or default under any ordinance, order, resolution, agreement or other instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, court order or consent decree to which the Issuer is subject.

5. The Issuer has received all permits, licenses, approvals, consents, exceptions, orders, certificates 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 form the West Virginia Department of Environmental Protection and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has duly enacted a sewer rate ordinance on April 20, 2010, setting rates and charges of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

6. To the best of my knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, 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 ascertained that all successful bidders have provided the drug free workplace affidavit, submitted their drug free workplace plan, and the contracts contain language that complies with the Drug Free Workplace Act, Article 1D, Chapter 21 of the West Virginia Code. I have also ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. Prior to the execution of construction contracts by the Issuer, I will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies: (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect he various interests of the Issuer; (3) have been executed by duly authorized

representatives of the property 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 oblations 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.

Sincerely,

David C. White, Esq,

DCW/kc

LAW OFFICE OF
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June 9, 2011

City of Moundsville
Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Moundsville
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am special counsel to the City of Moundsville, a municipality in Marshall County, 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, 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 Recommended Decision entered October 22, 2010, which became Final Order on November 11, 2010, in Case No. 10-0304-S-PW-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has expired prior to the date hereof. Such Order remains in full force and effect.

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

Very truly yours,

JAMES KELSH, ESQUIRE

05.18.11
636290.00012

Kevin L. Neiswonger, Esq.
409 Morton Avenue
Moundsville, WV 26041

David C. White, Esq.
Phone: 304-843-1714
Fax: 304-843-1837

FINAL TITLE OPINION

WASTEWATER PROJECT
CWSRF FINANCING

May 10, 2011

West Virginia Division of Environmental Protection
Division of Water and Waste Management
601 57th Street, SE
Charleston, West Virginia 25304
Attn: Rosalie Brodersen, Environmental Resources Program Manager

West Virginia Bureau for Public Health
Office of Infrastructure and Capacity Development
350 Capitol Street, Room 313
Charleston, West Virginia 25301-3713
Attn: Robert DeCrease, Manager

Re: The Moundsville Sanitary Board
Installation of sanitary sewer lines

Dear Ladies & Gentlemen:

This firm represents the City of Moundsville and the Moundsville Sanitary Board ("Board") with regard to a proposed project to construct and install a Sanitary Sewer improvements Project (the "Project"), and provides this final title opinion on behalf of the Board to satisfy the requirements of the West Virginia Department of Environmental Protection (DEP) and the West Virginia Bureau of Public Health (BPH) with regard to the financing proposed for the Project. Please be advised of the following:

1. That I am of the opinion that the Moundsville Sanitary Board is a duly created and existing sanitary board possessed with all the powers and authority granted to a sanitary board under the laws of the State of West Virginia and has the full power and authority to construct, operate and maintain the Project as approved by the Division of Environmental Protection and the Bureau for Public Health.

2. That the Moundsville Sanitary Board has obtained approval for all necessary permits and approvals for the construction of the Project.

3. That I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Burgess and Niple, the consulting engineers for the Project.

4. That I have examined the records on file in the Office of the Clerk of the County Commission of Marshall County, West Virginia, the county in which the Project is to be located, and, in my opinion, the City and the Moundsville Sanitary Board has acquired legal title or such other estate or interest in the necessary site components for the Project sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance of the estimated life of the facilities to be constructed.

The following listed properties are being acquired by eminent domain and the necessary filings have occurred to permit the Moundsville Sanitary Board a right-of-entry for the purpose of construction, operation and maintenance of the subject facilities on the subject properties. The Moundsville Sanitary Board title thereto is defeasible in the event the Moundsville Sanitary Board does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the pending litigation.

1. Nickerson, Joseph
   Lot 15A&C Add
   Map 21, Parcel 158

2. Eiler R.D., et ux
   Lot 11, Mike Popp Add
   Map 21, Parcel 138

3. Wolf, Irene A.
   Lot 12, Mike Popp Add
   Map 21, Parcel 137

4. That all deeds or other documents which have been acquired to date by the Moundsville Sanitary Board have been duly recorded in the aforesaid Clerk's Office in order to protect the legal title to and interest of the District.

Sincerely,

David C. White, Esq.

DCW/sn
cc: Samme L. Gee, Esq.

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 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. INSURANCE
12. VERIFICATION OF SCHEDULE
13. RATES
14. SIGNATURES AND DELIVERY
15. BOND PROCEEDS
16. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
17. PUBLIC SERVICE COMMISSION ORDER
18. SPECIMEN BONDS
19. CONFLICT OF INTEREST
20. CLEAN WATER ACT
21. GRANTS
22. PROCUREMENT OF ENGINEERING SERVICES
23. EXECUTION OF COUNTERPARTS

We, the undersigned MAYOR and CITY CLERK of the City of Moundsville in Marshall County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER hereby certifies on this 9th day of June, 2011 in connection with the Issuer's Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated the date hereof (the "Series 2011 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance of the Issuer duly enacted April 5, 2011, and the Supplemental Resolution duly adopted June 7, 2011 (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 Series 2011 A Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues or any grants, or in any way contesting or affecting the validity of the Series 2011 A

Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Series 2011 A Bonds, the pledge or application of the Net Revenues or any other moneys or security provided for the payment of the Series 2011 A Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Series 2011 A 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 Net Revenues or the pledge of Net Revenues as security for the Series 2011 A 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 Series 2011 A 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. 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 a parity with the Series 2011 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978 (the "Series 1987 A Bonds" or the "First Lien Bonds") and senior and prior to the Sewer Revenue Bonds, Series 1987 B Bonds (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $453,022 (the "Series 1987 B Bonds") (collectively, the "Prior Bonds"). The Issuer is current on all Prior Bonds' payments and is in compliance with all covenants and requirements of the Prior Ordinance.

The Series 2011 A Bonds shall be issued on a parity with the First Lien Bonds, with respect to liens, pledge, source of and security for payment and in all other respects. The Issuer has obtained (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the First Lien Bonds are met, (ii) the written consent of certain of the Holders of the First Lien Bonds to the issuance of the Series 2011 A Bonds on a parity with the First Lien Bonds, and (iii) written consent of the Holders of the Series 1987 B Bonds to the issuance of the Series 2011 A Bonds, senior and prior to the Series 1987 B Bonds. Other than the Prior Bonds, there are no other bonds, notes or other obligations of the Issuer which are secured by revenues or assets of the System

5. CERTIFICATION OF COPIES OF DOCUMENTS: The copies of the below-listed documents hereto attached or delivered herewith or heretofore delivered are true, correct and complete copies of the originals of the documents of which they purport to be copies, and such original documents are in full force and effect and have not been repealed, rescinded, amended or changed in any way unless modification appears from later documents also listed below:

Bond Ordinance

Supplemental Resolution

Loan Agreement for Series 2011 A Bonds

Public Service Commission Orders

Infrastructure Council Approval

City Charter

Ordinance Creating Sanitary Board

Petition of Sanitary Board

Oaths of Office of Officers and Councilmembers

Resolution on Open Governmental Proceedings Rules

Sewer Rate Ordinance

Minutes on Enactment of Sewer Rate Ordinance and Notice of Public Hearing

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

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

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

Prior Bond Ordinance and Supplemental Resolution

Consent of WDA to Issuance of Parity Bonds

Evidence of Insurance

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Moundsville". The Issuer is a municipal corporation in Marshall County and is presently existing under the laws of, and is a political subdivision of, the State of West Virginia. The governing body of the Issuer is its Council, consisting of a Mayor, City Clerk and six (6) councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name		Date of Commencement of Office	Date of Termination of Office
Dennis Wallace	- Mayor	January 1, 2011	December 31, 2015
Paul Haynes	- Councilmember	January 1, 2009	December 31, 2013
Eugene Saunders	- Councilmember	January 1, 2011	December 31, 2015
Ginger DeWitt	- Councilmember	January 1, 2011	December 31, 2015
David Wood	- Councilmember	January 1, 2011	December 31, 2015

K. Mark Simms	- Councilmember	January 1, 2009	December 31, 2013
Phil Remke	- Councilmember	January 1, 2011	December 31, 2015

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

Chairman	-	Allen Hendershot
Member	-	Joe Richmond
Member	-	Bill McConnell
Member	-	Jack Schellhase, P.E.

The duly appointed Clerk is Sandra Hewitt and the duly appointed acting Counsel to the Issuer is David White, Esquire, Moundsville, West Virginia and the duly appointed Special PSC Counsel is James Kelsh, Esquire, Charleston, West Virginia.

7. LAND AND RIGHTS-OF-WAY: All land in fee simple and all rights-of-way and easements necessary for the acquisition and construction of the Project and the operation and maintenance of the System have been acquired or will be acquired 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 Series 2011 A 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 Series 2011 A 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. The successful bidders have provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code. Prior to the execution of construction contracts by the Issuer, all insurance for the System required by the Bond Legislation will be 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.

The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the system.

11. INSURANCE. The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability, property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Bond Legislation and the Loan Agreement. All insurance for the System required by the Bond Legislation and the Loan Agreement are in full force and effect.

12. VERIFICATION OF SCHEULE: The final Schedule B attached to the Certificate of Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

13. RATES: The Issuer has duly enacted a sewer rate ordinance on April 20, 2010, setting rates and charges of the System. The time for appeal of such rate ordinance has expired prior to the date hereof without any appeal and such rates are currently in full force and effect.

14. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Series 2011 A Bonds of the aforesaid issue, consisting upon original issuance of a single Bond of each series, dated the date hereof, by his or her manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Series 2011 A Bonds and to be attested by his or her manual signature, and the Registrar did officially authenticate and deliver the Series 2011 A Bonds to a representative of the Authority as the original purchaser of the Series 2011 A Bonds under the Loan Agreement. Said official seal of the Issuer is also impressed above the signatures appearing on this certificate.

15. BOND PROCEEDS: On the date hereof, the Issuer received $1,072,550 from the Authority and the DEP, being a portion of the principal amount of the Series 2011 A Bonds. The balance of the principal amount of the Series 2011 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

16. 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 *Moundsville Daily Echo,* a qualified newspaper of general circulation in the City of Moundsville, no newspaper being published therein, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Series 2011 A 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 5th day of April, 2011, at 7:00 p.m., at 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.

17. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision dated October 22, 2010 which became Final Order on November 11, 2010 in Case No. 10-0304-S-PW-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Order has expired prior to the date hereof. The Order is in full force and effect.

18. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Series 2011 A Bonds.

19. CONFLICT OF INTEREST: No member, officer or employee of the Issuer has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Series 2011 A 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.

20. CLEAN WATER ACT: The Project described in the Bond Legislation complies with the Clean Water Act.

21. GRANTS: The West Virginia Legislative Digest Grant in the amount of $68,000 and the United States Environmental Protection Agency Grants of a total of $542,900, are hereby fully committed.

22. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

23. 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.

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of the CITY OF MOUNDSVILLE on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	City Clerk
_____	Counsel to Issuer
_____	Special PSC Counsel to Issuer (Paragraph 17)

636290.00012

WITNESS our signatures and the official seal of the CITY OF MOUNDSVILLE on this the day and year first above written.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	City Clerk
_____	Counsel to Issuer
_____	Special PSC Counsel to Issuer (Paragraph 17)

636290.00012

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CERTIFICATE AS TO ARBITRAGE FOR SERIES 2011 A BONDS

The undersigned Mayor of the City of Moundsville in Marshall County, West Virginia (the "Issuer"), being one of the officials of the Issuer duly charged with the responsibility for the issuance of $3,678,601 aggregate principal amount of Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, dated June 9, 2011 (the "Bonds" or the "Series 2011 A Bonds"), hereby certify this 9th day of June, 2011 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 one of the officers of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am 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 Bond Ordinance duly enacted by the Issuer on April 5, 2011, as supplemented by Supplemental Resolution duly adopted by the Issuer on June 7, 2011 (collectively, the "Bond Legislation"), 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 June 9, 2011, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus amount of the principal of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Bond Legislation 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 Sections 103 and 148 of the Code.

6. The Series 2011 A Bonds were sold on June 9, 2011, to the West Virginia Water Development Authority (the "Authority") pursuant to a loan agreement dated June 9, 2011, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of $3,678,601 (100% of par value), at which time, the Issuer received $1,072,550 from the Authority and the DEP. The balance of the principal amount of the Series 2011 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

7. The Series 2011 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain improvements and extensions to the existing public sewerage facilities of the Issuer (the "Project"); and (ii) paying costs of issuance of the Bonds and related costs.

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project will commence immediately and will proceed with due diligence to completion, and, with the exception of proceeds constituting capitalized interest, if any, and proceeds deposited in the reserve account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before October 1, 2012, 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 April 1, 2012.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $4,638,423. Sources and uses of funds for the Project are as follows:

SOURCES	
Gross Proceeds of the Series 2011 A Bonds	$3,678,601
USEPA Grants	$542,900
Partnership Grant	$68,000
Issuer Contribution	$348,922
Total Sources	$4,638,423

USES	
Acquisition and Construction of Project	$4,597,923
Costs of Issuance	$40,500
Total Uses	$4,638,423

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 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 Legislation, the following special funds or accounts have been created or continued:

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

(2) Renewal and Replacement Fund (established by the Prior Ordinances);

(3) Rebate Fund;

(4) Series 2011 A Bonds Construction Trust Fund;

(5) Series 2011 A Bonds Sinking Fund; and

(6) Series 2011 A Bonds Reserve Account.

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

A. From the proceeds of the Series 2011 A Bonds, there shall first be deposited with the Commission in the Series 2011 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 2011 A Bonds for the period commencing on the date of issuance of the Series 2011 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. From the proceeds of the Series 2011 A Bonds, there shall be deposited with the Commission in the Series 2011 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2011 A Bonds Reserve Account.

C. As the Issuer receives advances of the derived from the sale of the Series 2011 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2011 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project in the manner as set forth in the Bond Legislation.

Amounts in the Series 2011 A Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years. All of such monies are necessary for such purpose.

12. Monies held in the Series 2011 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2011 A Bonds, and will not be available to meet costs of acquisition

and construction of the Project. Except to the extent transferred to the Rebate Fund at the request of the Issuer, all investment earnings on monies in the Series 2011 A Bonds Sinking Fund and the Series 2011 A Bonds Reserve Account will be withdrawn therefrom, not less than once each year, and, during construction of the Project, deposited into the Series 2011 A Bonds Construction Trust Fund, and following completion of construction of the Project, will be deposited in the Revenue Fund, and such amounts will be applied as set forth in the Bond Legislation.

13. Except for the Series 2011 A Bonds Sinking Fund and the Series 2011 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 Series 2011 A Bonds, or which are pledged as collateral for the Series 2011 A Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 2011 A Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that monies in the Renewal and Replacement Fund will be used or needed for payments upon the Series 2011 A Bonds, and because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. 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 desegregation plan or other investment property producing a yield in excess of the yield on the Series 2011 A Bonds, have been or will be pledged to payment of the Series 2011 A Bonds. Less than 10% of the proceeds of the Series 2011 A Bonds, if any, will be deposited in the Series 2011 A Bonds Reserve Account and or any other reserve or replacement fund. The amounts deposited in the Series 2011 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal and interest on the Series 2011 A Bonds, and will not exceed 125% of average annual principal and interest on the Series 2011 A Bonds. Amounts in the Series 2011 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 2011 A Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2011 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Series 2011 A Bonds, and is reasonably required to assure payments of debt service on the Series 2011 A Bonds.

14. The Issuer shall, on the date hereof or immediately hereafter, enter into a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

15. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. Acquisition and construction of the Project is expected to be completed within 9 months.

16. 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.

17. With the exception of the amount deposited in the Series 2011 A Bonds Sinking Fund for payment of interest on the Bonds, if any, and amounts deposited in the Series 2011 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 15 months from the date of issuance thereof.

18. The Series 2011 A Bonds Sinking Fund (other than the Series 2011 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Series 2011 A Bonds each year. The Series 2011 A Bonds Sinking Fund (other than the Series 2011 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 Series 2011 A Bonds, or 1 year's interest earnings on the Series 2011 A Bonds Sinking Fund (other than the Series 2011 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2011 A Bonds Sinking Fund for payment of the principal of or interest on the Series 2011 A Bonds (other than the Series 2011 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 monies received from the investment of amounts held in the Series 2011 A Bonds Sinking Fund (other than in the Series 2011 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

19. All proceeds of the Bonds which will be used for the payment of costs of the Project will be expended for such purposes within three years of June 9, 2011.

20. 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.

21. 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.

22. The Issuer shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Ogden, Utah 84201.

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 Bonds or $5,000,000 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, except to the extent any such proceeds are required for rebate to the United States.

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 necessary to comply with the Code and the Treasury Regulations promulgated or to be promulgated thereunder in order to assure that the interest on the Bonds is excluded from gross income for federal income tax purposes.

27. 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.

28. The Issuer will rebate to the United States the amount, if any, required by the Code and 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.

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

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

31. The Issuer has either (a) funded the Series 2011 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 2011 A Bonds in the then current or any succeeding year with the proceeds of the Series 2011 A Bonds, or (b) created the Series 2011 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10 year period until such Series 2011 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Series 2011 A Bonds in the then current or any succeeding year. Monies in the Series 2011 A Bonds Reserve Account and the Series 2011 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2011 A 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 and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority 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. The Issuer expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

34. The Issuer covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds and the interest thereon. In addition, the Issuer has covenanted to comply with all Regulations from time to time in effect and applicable to the Bonds as may be necessary in order to fully comply with Section 148(f) of the Code, and has covenanted to take such actions, and refrain from taking such actions, as may be necessary to fully comply with such Section 148(f) of the Code and such Regulations, regardless of whether such actions may be contrary to any of the provisions of the Resolutions authorizing issuance of the Bonds.

The Issuer has further covenanted to calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, 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 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. The Issuer has further covenanted to 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. The Issuer shall remit payments to the United States in the time and at the address prescribed by the Regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such Regulations. In the event that, for any reason, amounts in 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.

35. The Bonds are each a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

36. None of the Bonds has a yield-to-maturity more than one-fourth of one percent higher than the yield on the Bond determined by assuming the Bond is retired on the date that when used in computing the yield on the Bond produces the lowest yield.

37. No portion of the proceeds of the Bonds will be used, directly or indirectly, to replace funds which were used, directly or indirectly, to acquire higher yielding investments, all within the meaning of Section 148 of the Code.

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

39. Except for a reasonable temporary period until such proceeds are needed for the purpose for which such issue was 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.

40. The transaction contemplated herein does 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.

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

42. 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.

43. Steptoe & Johnson PLLC 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.

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

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WITNESS my signature on the day and year first written above.

CITY OF MOUNDSVILLE

Dennis L Wallace

Mayor

05.18.11
636290.00012

CH5400495

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Timothy Utt, P.E., Registered Professional Engineer, West Virginia License No. 013237, of Burgess & Niple, Inc., in Parkersburg, West Virginia, hereby certify this 9th day of June, 2011 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage system (the "System") of the City of Moundsville (the "Issuer"), to be constructed in Marshall County, West Virginia, which acquisition and construction are being permanently financed in part by the proceeds of the above-captioned bonds (collectively, the "Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance enacted by the Issuer on April 5, 2011, as supplemented by the Supplemental Resolution of the Issuer adopted June 7, 2011 (collectively, the "Bond Legislation"), the Loan Agreement for the Series 2011 A Bonds by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), dated June 9, 2011, (the "Loan Agreement").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and the Authority and any change orders approved by the Issuer, the Authority, 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 22 years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule B attached hereto as Exhibit A and David White, Esquire, counsel to the Issuer, will ascertain that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds will be verified for accuracy; (iv) the successful bidder has provided the Drug-Free Workplace Affidavit as evidence of compliance with the provisions of Article 1D, Chapter 21 of the West Virginia Code; (v) the successful bidder received any and all addenda to the original bid documents; (vi) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vii) the successful bids include prices for every item on such bid forms; (viii) the uniform bid procedures were followed; (ix) 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; (x) in reliance

upon the certificate of the Issuer's certified public accountant, Abraham & Company, 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 (xi) the net proceeds of the Bonds, together with all other monies on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xii) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

4. The Project will serve no new customers.

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WITNESS my signature and seal on the day and year first written above.

(SEAL)

TIMOTHY L. UTT
REGISTERED
13237
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER
5/26/11

BURGESS & NIPLE, INC.

Timothy Utt, P.E.
West Virginia License No. 013237

636290.00012

Contract 08-2 - Digester Cover & UV Disinfection Improvements	55,869	0	55,869	55,869	0	0	0	0
Contract 08-3 - Jefferson Avenue	19,489	0	19,489	19,489	0	0	0	0
Contract 08-3 - Grant Ave to 12th Street	21,189	0	21,189	21,189	0	0	0	0
Contract 08-3 - National Inst. of Justice (NIJ) - Water Impts.	3,751	0	3,751	0	3,751	0	0	0
Contract 08-3 - National Inst. of Justice (NIJ) - Wastewater Impts.	6,597	0	6,597	0	6,597	0	0	0
Interest		2,220						
10 Total Line of Credit		382,860	382,860	382,860	0	0	0	0
11 TOTAL of Lines 1 through 10	4,595,703		4,597,923	3,638,101	348,922	68,000	366,400	176,500
II. COST OF FINANCING								
12 Funded Reserve	0		0	0	0	0	0	0
13 Registrar	500		500	500	0	0	0	0
14 Bond Counsel & Registration Fee	40,000		40,000	40,000	0	0	0	0
15 Cost of Issuance (Lines 12 to Line 14)	40,500		40,500	40,500	0	0	0	0
16 TOTAL PROJECT COST (line 11 plus line 15)	4,636,203		4,638,423	3,678,601	348,922	68,000	366,400	176,500
C SOURCES OF PROJECT FUNDS								
17 Federal Grants - (USEPA Grant)	366,400		366,400	0	0	0	366,400	0
18 Federal Grants - (USEPA Grant)	176,500		176,500	0	0	0	0	176,500
19 State Grant	0		0	0	0	0	0	0
20 Other Grants - (Budget Divest)	68,000		68,000	0	0	68,000	0	0
21 Any Other Source (Insurance Settlement)	348,922		348,922	0	348,922	0	0	0
22 TOTAL Grants Lines 17 through 21	959,822		959,822	0	348,922	68,000	366,400	176,500
23 Proceeds From Bond Issue (Line 16 minus Line 22)	3,676,381		3,676,381	3,678,601	0	0	0	0

City of Manitowoc

6/7/2011
Date

Finance & Audit

5/26/11
Date

Moundsville Sanitary Board - Wastewater Treatment Plant Improvements
Total Project - Contracts 08-1, 08-2, & 08-3

Revised 5/18/2011 rev 0

A. COST OF PROJECT	TOTAL	Credit	Total	CWSRF	SRB	Legislative	Grant (55%)	Grant
1 Construction								
Contract 08-1 - 7th Street Improvements	440,052	282,920	157,132	157,132	0	0	0	0
Contract 08-2 - Digester Cover & UV Disinfection Improvements	1,161,770	0	1,161,770	1,043,775	2,283	0	0	115,712
Digester Cleaning - Synagro	229,333	0	229,333	0	229,333	0	0	0
Contract 08-3 - Jefferson Avenue	389,771	0	389,771	175,397	0	0	214,374	0
Contract 08-3 - Grant Ave. to 12th Street	423,789	0	423,789	423,789	0	0	0	0
Contract 08-3 - National Inst. of Justice (NIJ) - Water Impts	75,024	0	75,024	0	0	33,761	0	41,262
Contract 08-3 - National Inst. of Justice (NIJ) - Wastewater Impts.	131,943	0	131,943	131,943	0	0	0	0
Future Change Orders & Associated Soft Costs	390,618	0	390,618	390,618	0	0	0	0
2 Technical Services								
Design - B&N								
Contract 08-1 B&N #45646	34,300	0	34,300	34,300	0	0	0	0
Contract 08-2 B&N #45101 (13,000) 45647 (44700) 48215 (53350)	111,050	53,350	57,700	0	57,700	0	0	0
Contract 08-3 (Jeff Ave & Grant Ave. to 12th St)(55,300, 37,400, 70,630)	166,330	0	166,330	88,372	0	0	77,958	0
Contract 08-3 (NIJ - Water Improvements Only!!)	13,490	0	13,490	0	0	6,070	0	7,420
Contract 08-3 (NIJ - Wastewater Improvements)	22,010	0	22,010	9,905	0	0	0	12,105
Bidding - B&N								
Contract 08-1 (46439)	7,650	0	7,650	7,650	0	0	0	0
Contract 08-2 (49994)	10,900	7,085	3,815	3,815	0	0	0	0
Contract 08-3 (Jefferson Avenue & Grant Ave. to 12th Street)	8,180	6,080	2,100	2,100	0	0	0	0
Contract 08-3 (NIJ - Water Improvements Only!!)	504	0	504	0	0	504	0	0
Contract 08-3 (NIJ - Wastewater Improvements)	816	0	816	816	0	0	0	0
Digester Surface Cleaning - Hydro Power[3]	1,227	0	1,227	0	1,227	0	0	0
Preliminary Design - Elmco[3]	4,350	0	4,350	0	4,350	0	0	0
Stegman								
Grant Ave. to 12th Street	9,287	0	9,287	9,287	0	0	0	0
NIJ	4,268	0	4,268	4,268	0	0	0	0
UV	1,303	0	1,303	1,303	0	0	0	0
Jefferson Ave.	250	0	250	250	0	0	0	0
NIJ Outlay	453	0	453	0	453			0
Inspection(Construction Management) - B&N								
Contract 08-1	32,850	20,730	12,120	12,120	0	0	0	0
Contract 08-2	50,500	0	50,500	50,500	0	0	0	0
Contract 08-3 (Jefferson Avenue & Grant Ave. to 12th Street)	52,995	0	52,995	29,348	0	0	23,647	0
Contract 08-3 (NIJ - Water Improvements - RPR Costs)	3,262	0	3,262	0	0	3,262	0	0
Contract 08-3 (NIJ - Wastewater Improvements - RPR Costs)	5,293	0	5,293	5,293	0	0	0	0
Inspection (RPR) - B&N								
Contract 08-1	26,630	0	26,630	26,630	0	0	0	0
Contract 08-2	77,860	0	77,860	77,860	0	0	0	0
Contract 08-3 (Jefferson Avenue & Grant Ave. to 12th Street)	89,553	0	89,553	53,732	0	0	35,821	0
Contract 08-3 (NIJ - Water Improvements - RPR Costs)	5,513	0	5,513	0	0	5,513	0	0
Contract 08-3 (NIJ - Wastewater Improvements - RPR Costs)	8,945	0	8,945	8,945	0	0	0	0
Post Construction Services (Contract 08-1, 08-2, 08-3)	11,100	0	11,100	2,210	0	8,890	0	0
Other Engineering Services								
B&N 41540 - Jeff. Ave. - Preliminary Eng. Report	6,700	0	6,700	3,100	0	0	3,600	0
B&N 45645 - IJDC Applications	27,300	0	27,300	27,300	0	0	0	0
Archeological Consultants	7,580	0	7,580	7,580	0	0	0	0
3 Accounting	17,500	0	17,500	17,500	0	0	0	0
4 Legal	35,000	0	35,000	35,000	0	0	0	0
5 Administrative								
Contract 08-1	15,000	0	15,000	15,000	0	0	0	0
Contract 08-2	15,000	0	15,000	15,000	0	0	0	0
Contract 08-3 (Grant Ave. to 12th Street)	15,000	0	15,000	15,000	0	0	0	0
Contract 08-3 (Jefferson Avenue)	20,000	0	20,000	9,000	0	0	11,000	0
Contract 08-3 (NIJ - Water Improvements Only!!)	5,000	0	5,000	0	0	5,000	0	0
Contract 08-3 (NIJ - Wastewater Improvements)	5,000	0	5,000	0	0	5,000	0	0
6 Sites & Other Lands	30,000	0	30,000	0	30,000	0	0	0
7 Miscellaneous								
Miscellaneous Digester Expenses	13,228	0	13,228	0	13,228	0	0	0
Miscellaneous: 7th Street Sewer Repair	10,475	10,475	0	0	0	0	0	0
Bidding Legal Advertisements	1,377	0	1,377	1,377	0	0	0	0
8 Equipment (HVAC Truck)	261,480	0	261,480	261,480	0	0	0	0
9 Contingency								

KATHRYN GODDARD
Certified Public Accountant
324 7th Street, Suite 112
Moundsville WV 26041
Phone: 304-810-4239 Fax: 304-810-4257
Email: KGoddard1@hotmail.com

June 9, 2011

City of Moundsville
Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

City of Moundsville
Moundsville, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department 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 Moundsville (the "Issuer"), dated February 2, 2010, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Burgess & Niple, Inc., the Consulting Engineer to the Issuer, it is my opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system (the "System") of the Issuer, will pay all repair, operation and maintenance expenses of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Issuer's Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program) (the "Bonds"), and all other obligations secured by a lien on or payable from such revenues, including the Issuer's: (1) Sewer Revenue Bonds, Series 1987 A (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978 (the "Series 1987 A Bonds") and (2) Sewer Revenue Bonds, Series 1987 B (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $453,022 (the "Series 1987 B Bonds") (collectively, the "Prior Bonds").

It is my further opinion that the Net Revenues actually derived from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, if any, are not less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for the principal of and interest on the Bonds and the Prior Bonds.

Sincerely,

Kathryn Goddard, CPA

Kathryn Goddard
Certified Public Accountant

ARTICLE I

INCORPORATION: FORM OF GOVERNMENT: POWERS

Section 1. Incorporation

2. Form of Government

3. Powers of City

Incorporation

1. The inhabitants of The City of Moundsville, Marshall County, West Virginia, within the corporate limits as now established or as hereafter established in the manner provided by law, shall continue to be a municipal body politic and corporate in perpetuity, under the name of the "City of Moundsville."

Form of Government

2. The municipal government provided by this charter shall be known as the "council-manager government". Pursuant to its provisions and subject only to the limitations imposed by the State Constitution, the general laws of the State, and this charter, all powers of the city shall be vested in an elective council, hereinafter referred to as "the council", which shall enact local legislation, adopt budgets, determine policies, and appoint the city manager, who shall execute the laws and administer the government of the city. All powers of the city shall be exercised in the manner prescribed by law and in this Charter.

Powers of the City

3. The city shall have all the powers now or hereafter granted to municipal corporations and to cities by the Constitution and general laws of this State, including but not limited to Chapter 8 of the Official Code with all the implied powers necessary to carry into execution all the powers granted. The city may acquire property within or without its corporate limits for any city purpose, in fee simple or any lesser interest or estate, by purchase, gift, devise, lease or condemnation, and may sell, lease, mortgage, hold, manage and control such property as its interests may require; and, except as prohibited by the Constitution of this State or restricted by

this charter, the city shall and may exercise all municipal powers, functions, rights, privileges and immunities of every name and nature whatsoever. The enumeration of particular powers by this charter shall not be deemed to be exclusive, and in addition to the powers enumerated therein or implied thereby, or appropriate to the exercise of such powers, it is intended that the city shall have and may exercise all powers which, under the Constitution of this State, it would be competent for this charter specifically to enumerate.

Article II
THE COUNCIL

Section 4. Number, selection, term

5. Qualifications

6. Salary

7. Presiding officer, Mayor and Vice Mayor

8. Powers

9. Appointment of city manager

10. Removal of city manager

11. Council not to interfere in appointments or removals

12. Vacancies in council

13. Creation of new departments or offices; change of duties

14. City Clerk

15. City Attorney

16. Meetings of council

17. Council to be judge of qualifications of its own members

18. Rules of procedure; journal

19. Ordinances

20. Procedure for passage of ordinances

21. Annual audit

22. Merit System

Number, Selection, Term

4. The council shall have seven members with one elected from each ward and three elected at large as provided in Article VII, by

the Qualified voters of the city for terms of four years or until their successors have been elected and take office as provided in Section 16.

Qualifications

5. Members of Council shall be qualified electors of the City. Council members elected as Ward Council Members shall be qualified voters of the Ward for which they are elected. If a member of Council shall cease to possess any of these qualifications or shall be convicted of a crime involving moral turpitude, his or her office shall immediately become vacant.

Salary

6. The annual salary of each member of Council shall be $1,200.00 payable monthly until changed by ordinance, but shall not be increased during the current term of the members of Council enacting such ordinance. The mayor shall receive an additional salary of $300.00 while serving in that capacity.

Presiding Officer: Mayor and Vice Mayor

7. The council at the last regular meeting held in June of each year, shall elect one of its remaining members to serve as mayor for a term of one year commencing on the first day of July of that year. The mayor shall preside at meetings of the council and shall be recognized as head of the city government for all ceremonial and military purposes, but shall have no regular administrative duties. A person who has been elected or who has served as mayor during all or any part of two consecutive terms shall be ineligible for the office of mayor during any part of the term immediately following the second of the two consecutive terms. The council at the last regular meeting held in June of each year, shall elect one of its remaining members to serve as vice mayor for a term of one year commencing on the first day of July of that year. The vice mayor shall perform all the duties of the mayor in the event of the absence or disability of the mayor.

Powers

8. All powers of the city, the determination of all matters

of policy, and authority to pass all laws and ordinances relating to its municipal affairs shall be vested in the council. Without limitation of the foregoing, the council shall have power to:

(1) Establish administrative departments and distribute the work of divisions, upon recommendation of the City Manager;

(2) Adopt the city budget;

(3) Authorize the issuance of bonds by a bond ordinance;

(4) Inquire into the conduct of any office, department or agency of the city and make investigation as to municipal affairs;

(5) Appoint the members of the planning commission;

(6) Appoint the members of the zoning board of appeals;

(7) Adopt and modify the official map of the city;

(8) Adopt plats;

(9) Regulate and restrict the height and number of stories of buildings and other structures, the size of yards and courts, the density of populations, and the location and use of buildings for trade, industry, business, residence or other purposes; subject, however, to the provisions of Article 24 of Chapter 8 of the Code of West Virginia, as amended;

(10) Adopt, modify and carry out plans proposed by the Planning commission for the clearance of slum districts and rehabilitation of blighted areas;

(11) Adopt, modify and carry out plans proposed by the planning commission for the replanning, improvement and redevelopment of neighborhoods and for the replanning, reconstruction or redevelopment of any area or district which may have been destroyed in whole or in part by disaster;

(12) Provide for an independent audit;

(13) At the end of each calendar year, council shall formally evaluate the performance of the City Manager and suggest items for improvement and priorities for the coming year. This shall be done in executive session as a personnel

matter;

(14) The council may provide by ordinance for a procedure for the appeal to council of the firing or discharge of any employee not covered by the Civil Service Laws of the State of West Virginia.

Appointment of City Manager

9. The council shall appoint a city manager who shall have the powers and perform the duties provided in this charter. No councilmen shall receive such appointment during the term for which he shall have been elected, nor within one year after the expiration of his term.

Removal of City Manager

#10. The council shall appoint the city manager for an indefinite term and may remove him by a majority vote of its members and the appointment must be affirmed by a majority of Council every two years from the date of the appointment of the City Manager. At least thirty days before such removal shall become effective, the council shall by a majority vote of its members adopt a preliminary resolution stating the reasons for his removal. The manager may reply in writing and may request a public hearing which shall be held not earlier than twenty days nor later than thirty days after the filing of such request. After such public hearing, if one be requested and after full consideration, the council by majority vote of its members may adopt a final resolution of removal. By the preliminary resolution the council may suspend the manager from duty, but shall in any case cause to be paid him forthwith any unpaid balance of his salary for the next two calendar months following the adoption of the preliminary resolution.

Council Not to Interfere in Appointments and Removals

#11. Neither the council nor any of its members shall direct or request the appointment of any person to, or his removal from office by the city manager or by any of his subordinates, or in any manner take part in the appointment or removal of officers in the

administrative service of the city; except that the council may by ordinance provide for a procedure for the appeal to council of the firing or discharge of any employee not covered by the Civil Service law of the State of West Virginia. Except for the purpose of inquiry, the council and its members shall deal with the administrative service solely through the city manager, and neither the council nor any member thereof shall give orders to any subordinates of the city manager, either publicly or privately. Any councilmen violating the provisions of this section shall, after due notice and a hearing, be subject to removal as a member of Council.

Vacancies in Council

#12. If a vacancy occurs in the Council, the council shall by a majority vote of the remaining members appoint a qualified person to fill the vacancy until the next regular election, at which time a member of council to fill the unexpired term shall be elected.

Creation of New Departments or Offices; Change of Duties

#13. The council by ordinance may create, change, and abolish offices, departments or agencies, other than the offices, departments and agencies established by this charter. The council by ordinance may assign additional functions or duties to offices, departments or agencies established by this charter, but may not discontinue or assign to any other office, department or agency any function or duty assigned by this charter to a particular office, department or agency.

City Clerk

#14. The city manager shall appoint an officer of the city who shall have the title of city clerk. The clerk shall give notice of meetings of the council, shall keep the journal of its proceedings, shall authenticate by his or her signature and record in full in a book kept for the purpose all ordinances and resolutions and shall perform such other duties as shall be required by this Charter, the Code of West Virginia, or by ordinance.

City Attorney

#15. The city manager shall appoint the city attorney, who shall be a resident of Marshall County, West Virginia and a member of the bar of Marshall County in good standing, and shall perform and discharge all duties and exercise all powers which shall be conferred upon him or her by any ordinance or resolution of the city council, and in addition he or she shall exercise the following powers:

(A) Be the legal advisor of and attorney and counsel for the city and for all of the administrative officers thereof, in respect to their official duties.

(B) Prosecute and defend all suits for or against the city, and prepare all contracts, bonds or other writings in which the city is concerned, and endorse on each, his approval of the form and correctness thereof.

(C) Be Prosecuting Attorney of the Police Court and prosecute all cases brought before such court, and perform the same duties so far as they are applicable thereto as are required of the Prosecuting Attorney of the county.

(D) The city council and all administrative officers of the city may require the opinion of the city attorney upon any question of law involving their respective powers and duties, and he or she shall furnish the same in writing.

(E) Apply in the name of the city to a court of competent jurisdiction for an order of injunction restraining the misapplication of funds of the city or the abuse of its corporate powers, or the execution or performance of any contract, made on behalf of the city in contravention of law, or which was procured by fraud or corruption.

(F) When an obligation or contract made on behalf of the city granting a right or easement, or creating a public duty, is evaded or violated, the city attorney shall require the specific performance of the duty by any administrative officer by application for a writ of mandamus to a court of competent jurisdiction. The city attorney shall receive a salary to be fixed by council. The city manager or

city council, whenever the exigencies of the business of the city require such action shall have the right to employ special counsel to assist the city attorney.

Meetings of Council

#16. The terms of office of newly elected members of council shall commence on the first day of July next following their election. The council shall meet regularly at such times as may be prescribed by its rules, but not less frequently than twice each month. All meetings of the council shall be open to the public.

Council to be Judge of Qualifications of its Members

#17. The council shall be the judge of the election and qualifications of its members and for such purpose shall have power to subpoena witnesses and require the production of records, but the decision of the council in any such case shall be subject to review by the courts.

Rules of Procedure: Journal

#18. The council shall determine its own rules and order of business. It shall keep a journal of its proceedings and the journal shall be open to public inspection, on any question or issue any member of Council may require a roll call vote which shall be conducted as follows: The matter to be voted on shall be stated by the presiding officer, and each member of Council shall cast a signed ballot. The ballots shall be given to the Clerk who shall read and record the same, and announce the result.

Ordinances

#19. In addition to such acts as are required by statute or by this charter to be by ordinance, every act of the council establishing a fine or other penalty or providing for the expenditure of funds or for the contracting of indebtedness shall be by ordinance The enacting clause of all ordinances shall be, "The council of the city of Moundsville hereby ordains".

Procedure for Passage of Ordinances

#20. Every ordinance shall be passed and enacted in accordanc

with the general laws of the State of West Virginia.

Annual Audit

#21. In addition to the annual audit conducted by the State, the council may employ qualified public accountants to make an independent audit of accounts and other evidences of financial transactions of the city government.

Merit System

#22. The Council by ordinance may provide for a merit system for all or any class of city employees in addition to those classes for which a merit system is made mandatory by general law.

Article III

THE CITY MANAGER

Section 23. The city manager; qualifications

24. The city manager; powers and duties

25. Absence of city manager

26. Administrative departments

27. Directors of departments

28. Departmental divisions

The City Manager; Qualifications

#23. The city manager shall be chosen by the council solely on the basis of his or her executive and administrative qualifications with special reference to his or her actual experience in, or his or her knowledge of, accepted practice in respect to the duties of the office as hereinafter set forth. At the time of appointment, he or she need not be a resident of the city or state, but during his or her tenure of office he or she shall reside within the city.

The City Manager; Powers and Duties

#24. The city manager shall be the chief executive officer and head of the administrative branch of the city government. He or she shall be responsible to the council for the proper administration of all affairs of the city and to that end, shall have powers and shall be required to:

(1) Appoint and, when deemed necessary or advisable, remove all officers and employees of the city except as otherwise provided by this charter or by the Code of West Virginia and except as he or she may authorize the head of a department or office to appoint and remove subordinates in such department or office;

(2) Prepare the budget annually and submit it to the council and be responsible for its administration after adoption;

(3) Prepare and submit to the council as of the end of the fiscal year a complete report on the finances and administrative activities of the city for the preceding year;

(4) Keep the council advised of the financial condition and future needs of the city and make such recommendations as may seem desirable;

(5) Perform such other duties as may be prescribed by this charter or required by the council, not inconsistent with this charter.

Absence of City Manager

#25. The manager may designate by letter filed with the city clerk a qualified administrative officer of the city to perform his or her duties during his or her temporary absence or disability. In the event of failure of the manager to make such designation, the council may by resolution appoint an officer of the City to perform the duties of the manager until he or she shall return or the disability shall cease.

Administrative Departments

#26. There shall be a department of finance, a police department, fire department, and such other administrative departments as may be established by ordinance upon the recommendation of the manager.

Directors of Departments

#27. At the head of each department there shall be a director, who shall be an officer of the city and who shall have supervision and control of the department subject to the direction of the city manager. With the approval of Council, two or more departments may be headed by the same individual, the manager may head one or more departments, and directors of departments may also serve as chiefs

of divisions, and the compensation shall be determined by Council.

Departmental Divisions

#28. The work of each department may be distributed among such divisions thereof as may be established by ordinance upon the recommendation of the city manager. Pending the passage of an ordinance or ordinances distributing the work of departments under the supervision and control of the city manager among specific divisions thereof, the city manager may establish temporary divisions.

Article IV
BUDGET

Section 29. Fiscal year
30. Preparation and submission of budget
31. Budget a public record
32. Public hearing on budget
33. Vote required for adoption

Fiscal year

#29. The fiscal year of the city government shall begin on the first day of July and shall end on the last day of June of each calendar year. Such fiscal year shall also constitute the budget and accounting year. As used in this charter the term "Budget Year" shall mean the fiscal year for which any particular budget is adopted and in which it is administered.

Preparation and Submission of Budget

#30. The city manager, on or before February 28th of each budget year, shall submit to the council a budget and explanatory budget message. For such purpose, at such date as he shall determine, he, or an officer designated by him, shall obtain from the head of each office, department or agency estimates of revenue and expenditures of that office, department or agency, detailed by organization units and character and object of expenditure, and such other supporting data as he may request; together with an estimate of all capital projects pending or which such department head believes should be

undertaken (a) within the budget year, and (b) within five next succeeding years. In preparing the budget, the city manager shall review the estimates, shall hold hearings thereon and shall consult with the Finance Committee of Council and may revise the estimate as he may deem advisable.

Budget a Public Record

#31. The budget and budget message and all supporting schedules shall be a public record in the office of the city clerk. The city manager shall cause sufficient copies of the budget and budget message to be prepared for distribution to interested persons.

Public Hearing on Budget

#32. At the meeting of the council at which the budget and budget message are submitted, the council shall determine the place and time of the public hearing on the budget, at which all interested persons shall be given an opportunity to be heard, for or against the estimates or any item thereof. The council shall enter of record any objections so made and the reasons and grounds therefore.

Vote Required for Adoption

#33. The budget shall be adopted by the favorable votes of at least a majority of all the members of the council.

Article V
DEPARTMENT OF FINANCE

Section 34. Director of finance; appointment, qualification and salary

35. Director of finance; powers and duties

36. Transfers of appropriations

37. Accounting supervision and control

38. When contracts and expenditures prohibited

39. Appropriations lapse at end of year

40. Fees shall be paid to city government

41. Competitive bidding

42. Contracts for city improvements

Director of Finance; Appointment, Qualifications and Salary

#34. There shall be a department of finance, the Director of which shall be the city manager, or a person appointed by him.

The director of finance shall have knowledge of municipal accounting and taxation and shall have had experience in budgeting and financial control.

The annual salary of the director of finance shall be determined by the council.

Director of Finance; Powers and Duties

#35. The director of finance shall have charge of the administration of the financial affairs of the city and to that end shall have the authority and shall be required to:

(1) Compile the current expense estimates.

(2) Compile the capital estimates for the budget.

(3) Supervise and be responsible for the disbursement of all moneys and have control over all expenditures to insure that budget appropriations are not exceeded.

(4) Maintain a general accounting system for the city government and each of its offices, departments and agencies; keep books for and exercise financial budgetary control over each office, department and agency; keep separate accounts for items of appropriation contained in the city budget, each of which accounts shall show the amount of the appropriation, the amount paid therefrom, the unpaid obligations against it and the unencumbered balance; require reports of receipts and disbursements from each receiving and spending agency of the city to be made daily or at such intervals as he may deem expediant.

(5) Submit to the council through the city manager a monthly statement of all receipts and disbursements in sufficient detail to show the exact financial condition of the city.

(6) Prepare, as of the end of each fiscal year, a complete financial statement and report.

(7) Collect all taxes, fees, and service charges, except those collectable by the county treasurer, special assessments, license

fees and all other revenues of the city, and receive all money receivable by the city from other levels of government, or from any court, or from any office, department or agency of the city.

(8) Have custody of all public funds belonging to or under control of the city, or any office, department or agency of the city government, and deposit all funds coming into his hands in such depositories as may be designated by resolution of the council, or, if no such resolution be adopted, by the city manager, subject to the requirements of law as to surety and the payment of interest on deposits, but all such interest shall be the property of the city and shall be accounted for and credited to the proper account.

(9) Supervise and be responsible for the purchase, storage and distribution of all supplies, materials, equipment and any other articles used by any office, department or agency of the city government.

(10) Approve all proposed expenditures; unless he shall certify that there is an unencumbered balance of appropriation and available funds, no appropriation shall be encumbered and no expenditure made.

Transfers of Appropriations

#36. The city manager may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency; at the request of the city manager and within the last three months of the budget year, the council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another.

Accounting Supervision and Control

#37. The director of finance shall have powers and shall be required to:

(1) Prescribe the forms of receipts, requisitions, vouchers, bills or claims to be used by all the offices, departments and agencies of the city government;

(2) Examine and approve all contracts, orders and other documents by which the city government incurs financial obligations having

previously ascertained that moneys have been appropriated and allotted and will be available when the obligations shall become due and payable;

(3) Audit and approve before payment all bills, invoices, payrolls and other evidences of claims, demands or charges against the city government and with the advice of the city attorney determine the regularity, legality and correctness of such claims, demands or charges;

(4) Inspect and audit any accounts or records of financial transactions which may be maintained in any office, department or agency of the city government apart from or subsidiary to the accounts kept in his office.

When Contracts and Expenditures Prohibited

#38. No officer, department, or agency shall during any budget year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, for any purpose, in excess of the amounts appropriated for that general classification of expenditure pursuant to this charter. Any contract, verbal or written, made in violation of this charter shall be null and void. Any officer or employee of the city who shall violate this section shall be guilty of a misdemeanor and, upon conviction thereof, shall cease to hold his office or employment. Nothing in this section contained, however, shall prevent the making of contracts or the spending of money for capital improvements to be financed in whole or in part by the issuance of bonds, nor the making of contracts of lease or for the services for a period exceeding the budget year in which each contract is made, when such contract is permitted by law.

Appropriations Lapse at End of Year

#39. All appropriations shall lapse at the end of the budget year to the extent that they shall not have been expended or lawfully encumbered.

Fees Shall be Paid to City Government

#40. All fees received by any officer or employee shall belong

to the city government and shall be paid daily to the department of finance.

Competitive Bidding

#41. Before the director of finance makes any purchase of or contract for supplies, materials or equipment, he shall give ample opportunity for competitive bidding, under such rules and regulations, and with such exceptions as the council may prescribe by Ordinance; provided, however, that the council shall not except individual contracts, purchases or sales from the requirement of competitive bidding.

Contracts for City Improvements

#42. Any city improvement costing more than $2,500.00 shall be executed by contract except where such improvement is authorized by the council to be executed directly by a city department in conformity with detailed plans, specifications and estimates. All such contracts for more than $2,500.00 shall be awarded to the lowest responsible bidder after such public notice and competition as may be prescribed by ordinance, provided the city manager shall have the power to reject all bids and advertise again. Alterations in any contract may be made when authorized by the council upon the written recommendation of the city manager. In the event of an emergency requiring immediate action the Council by Resolution may waive the requirement for competitive bidding providing that the resolution set forth the nature of the emergency and necessity for immediate action.

Article VI
POLICE COURT

Section 43. Appointment of Police Judge; Qualifications; Salary
44. Police Court Judge; Jurisdiction; duties and Powers
45. Temporary Judge

Appointment of Police Judge; Qualifications; Salary

#43. The city manager shall appoint as an officer of the city a person who shall have the title of police judge and who shall be

any qualified resident of the City of Moundsville. The police judge shall serve at the will and pleasure of the city manager and shall receive an annual salary as determined by the council.

Police Court Judge; Jurisdiction; Duties and Powers

#44. The police court judge shall have the following duties, jurisdiction and powers:

(A) He or she shall have charge of and preside over the municipal court of the City. He or she shall have the power to summons witnesses for the trial of any case before him or her; to compel the attendance of police officers of the city; to require of said police officers the enforcement of any order of judgment entered or rendered by him or her under the powers herein given said police court judge; and to issue executions for all fines, penalties and cost imposed by him. All cases for alleged ordinance violations may be tried by the police court judge without a jury, or with a jury if one is demanded. He or she shall have all of the powers, authorities and duties which are now or may hereafter be granted by Section 1, Article 10, Chapter 8 of the Code of West Virginia, or other statutes of the State of West Virginia.

(B) He or she shall issue warrants upon complaint under oath of any person or officer for the arrest of anyone charged with the violation of any ordinance of the city, or on a state warrant as ex-officio County Magistrate.

(C) He or she shall keep a record of all warrants issued by him or her, of all persons arrested and brought before him or her, and of all trials, fines, or sentences imposed or judgments entered by him or her in a well-bound book to be known as the Police Court Docket. A record of the entries made each day in said docket shall be signed by the police court clerk or the police court judge at the close of the day. An appeal shall lie to the circuit court or to the criminal court of Marshall County from all judgments of the police court judge wherein and in the manner an appeal from the judgment of a mayor of a city is allowed by law, or as may otherwise be provided by law.

(D) He or she shall exercise the power to punish within the

limits prescribed by the ordinances of the city or by the laws of the State of West Virginia applicable to the city and not in conflict with this charter.

Temporary Judge

#45. In the event of and during the temporary absence or disability of the police judge, the city manager shall appoint a qualified person to preside over said Court, and perform the duties of the judge thereof. The compensation of the temporary judge shall be determined by council.

Article VII
NOMINATIONS AND ELECTIONS

Section 46. Municipal elections

47. Wards

48. Nominations

49. Council ballots

50. Election regulations

51. Canvass

Municipal Elections

#46. The regular election of members of the council shall be held on the first Tuesday in June in odd numbered years, the first said regular election shall be held on the first Tuesday in June, 1987. At the election to be held on the first Tuesday in June, 1987 there shall be elected one councilman from Second Ward and one councilman from the Fourth Ward and one member of council at large. At the next regular election the remainder of Council shall be elected. Special elections shall be held at such times as may be fixed by the council, or required by law or this charter.

Wards

#47. The city shall be divided into not more than four wards the boundaries of which shall be determined by the council, provided,

however, that the wards shall be as nearly equal as may be in area and populations, and each ward shall be composed of contiguous territory.

Nominations

#48. Any qualified elector of the city may be nominated for the council by petition; provided, however, that no person may be nominated for more than one office at one election.

The term "qualified elector" as used in this charter shall mean a citizen having the qualifications required by law to vote, and who has been a resident of the city for at least thirty days next preceding the election at which he desires to vote. A petition for this purpose shall be signed by not fewer than 50 qualified electors who shall be residents of the ward from which they seek to nominate a candidate, and for nomination of a candidate at large by 100 qualified electors of the city. No elector shall sign more than one petition for persons nominated by wards, and not more than one petition for each position to be filled for persons to be nominated at large, and should an elector do so, his signature shall be void except as to the petition first filed. The signatures on the nominating petition need not all be subscribed to one paper, but to each separate paper there shall be attached a signed statement of the circulator thereof, stating the number of signers of such paper and that each signature appended thereto was made in his presence and is the genuine signature or mark of the person whose name it purports to be. With each signature including the signature of the circulator, shall be stated, the place of residence of the signer, giving the street and number or other description sufficient to identify it. The form of the nominating petition shall be substantially as follows:

We, the undersigned electors of the (_____ward in the) *City of Moundsville hereby nominate _____ at large** whose residence is _____ for the office of member of Council from the _____ ward, to be voted for at the election to be held on the _____ day of _____, 19___; and

we individually certify that we are qualified to vote for a candidate for the council and that we have not signed any other nominating petition for that office.

Name	Street and Number	Address from which last registered (if different)	Date of Signing

(Spaces for signature and required date)

*Where appropriate

**Cross out one

Statement of Circulator

The undersigned is the circulator of the foregoing paper containing _____ signatures. Each signature appended thereto was made in my presence and is the genuine signature of the person whose name it purports to be.

Signature of Circulator _____

Address _____

Any signature made earlier than the first day of February next preceding the election shall be void. All nominating papers comprising a petition shall be filed as one instrument with the city clerk, not later than the 15th day of March before the election. The city clerk shall make a record of the exact time at which each petition is filed. No nominating petition shall be accepted unless accompanied by a signed acceptance of the nomination in substantially the following form:

Acceptance of Nomination

I hereby accept the nomination for the council and agree to serve if elected.

Signature of Candidate _____

All petitions so filed shall be submitted by the clerk to the council no later than its next regular meeting, for its determination as to their sufficiency. If a petition is found insufficient, the clerk shall return it immediately to the person who filed it with a statement certifying wherein the petition is found insufficient.

Within the regular time for filing petitions such a petition may be amended and filed again as a new petition (in which case the time of the first filing shall be disregarded in determining the validity of signatures thereon) or a different petition may be filed for the same candidate.

Council Ballots

#49. The full names of all candidates nominated for the council as hereinbefore provided, except such as may have withdrawn, died or become ineligible, shall be printed on the official ballots without party designations. If two candidates with the same surname, or with names so similar as to cause confusion, are nominated, the addresses of their places of residence shall be placed with their names on the ballots.

In the printing of the ballots the names of candidates shall be arranged so that each appears first on an equal number of ballots. The ballot shall bear instructions as to the number of candidates for whom the voter is entitled to vote. If voting machines are used, the names shall be arranged by lot, as provided by ordinance.

Unless voting machines are used, members of council shall be voted for on ballots separate and distinct from ballots used for any other office or question.

Election Regulations

#50. Except as otherwise provided by this charter, city elections shall be conducted and the results determined and certified in accordance with the provisions of general law governing elections, so far as they are applicable. The duties imposed by such general election laws upon County Clerks and Circuit Clerks shall as to city elections devolve upon the City Clerk, and the duties imposed by such laws upon County Courts shall devolve upon the governing body of the City. The council shall appoint three commissioners and two clerks to serve as election officials in each precinct in the city. At least three days before the date of the election the city clerk shall procure from the clerk of the county court the necessary registration records and other election supplies and shall deliver

them on the day of the election to the election officials. Ballots shall be delivered to the election officials on the day of the election. The election officials shall as soon as possible after the closing of the polls on election day return to the city clerk the ballots, tally sheets, certificates of the results of the election, registration reports, ballot boxes and all other election supplies. The council may prescribe other rules for the conduct of elections not inconsistent with general law or the provisions of this charter. The registration of voters for city elections shall be done in the manner provided by the general laws of the state pertaining to the registration of voters for municipal elections, provided, however, that the registration lists for municipal elections shall not make any reference to the political party affiliations of the registered voters.

Canvass

#51. On the first Monday following the election the council shall canvass the returns of the election and declare the result. Whenever two or more of the persons voted for have received the highest and equal number of votes for election for the same office, so that the election to the office is not decided by the returns, the council shall decide by lot which of the candidates shall be declared elected.

Article VIII
GENERAL PROVISIONS

Section 52. Removal of officers and employees
53. Right of city manager and other officials in council
54. Investigations by city manager and council
55. Publicity of records
56. Personal interest
57. Official bonds
58. Oath of Office

59. Effect of this charter on existing law

60. Amending the charter

61. Separability clause

Removal of Officers and Employees

#52. Any officer or employee to whom the city manager, or head of any office, department or agency, may appoint a successor, may be removed by the manager or other appointing officer at any time. Except as otherwise provided by general law or by City Ordinance, the decision of the manager, or other appointing officer, shall be final and there shall be no appeal therefrom to any other office, body, or court whatsoever.

Right of City Manager and other Officers in Council

#53. The city manager, the heads of all departments, and such other officers of the as may be designated by vote of the council shall be entitled to seats in the council, but shall have no vote therein. The city manager shall have the right to take part in the discussion of all matters coming before the council, and the directors and other officers shall be entitled to take part in all discussions of the council relating to their respective offices, departments or agencies.

Investigations by Council or City Manager

#54. The council, the city manager, or any person or committee authorized by either of them, shall have power to inquire into the conduct of any offices, department, agency or officer of the city and to make investigations as to municipal affairs, and for that purpose may subpoena witnesses, administer oaths, and compel the production of books, papers and other evidence. Failure to obey such subpoena or to produce books, papers or other evidence as ordered under the provisions of this section shall constitute a misdemeanor and shall be punishable by a fine not to exceed $500.00 or by imprisonment not to exceed six months or both.

Publicity of Records

#55. All records and accounts of every office, department or

agency of the city shall be open to public inspection at all reasonable times and under reasonable regulations established by the city manager, except records and documents the disclosure of which would tend to defeat the lawful purpose which they are intended to accomplish.

Personal Interest

#56. No member of the council or any officer or employee of the city shall have a financial interest, direct or indirect or by reason of ownership of stock in any corporation, in any contract or in the sale to the city or to a contractor supplying the city or any land or rights or interests in any land, material, supplies or services. Any willful violation of this section shall constitute malfeasance in office, and any officer or employee of the city found guilty thereof shall thereby forfeit his office or position. Any violation of this section with the knowledge express or implied of the person or corporation contracting with the city shall render the contract voidable by the city manager or the council. Any employee or officer of the City who shall take office as a member of Council shall forfeit his office or position.

Official Bonds

#57. All officers or employees as the council may by ordinance require to do so or as may be required by law shall give bond in such amount and with such surety as may be approved by the council. The premiums of such bonds shall be paid by the city.

Oath of Office

#58. Every officer of the city shall, before entering upon the duties of his office, 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 and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of _____ to the best of my skill and judgment".

Effect of this Charter on Existing Law

#59. (a) All laws and parts of laws relating to or affecting the City of Moundsville in force when this charter shall take effect are hereby repealed and superceded to the extent that the same are inconsistent with the provisions of this charter;

(b) Insofar as the provisions of this charter are the same in terms or in substance and effect as provisions of law in force when this charter shall take effect, relating to or affecting the City of Moundsville the provisions of this charter are intended to be not a new enactment but a continuation of such provisions of law, and this charter shall be so construed and applied.

Amending the Charter

#60. Amendments to this charter shall be made in accordance with the general laws of the State.

Separability Clause

#61. If any section or part of this charter shall be held invalid by a court of competent jurisdiction such holding shall not affect the remainder of this charter nor the context in which such section or part of section so held invalid may appear, except to the extent that an entire section or part of section may be inseparably connected in meaning and effect with the section or part of section to which such holding shall directly apply.

Article IX

SUCCESSION IN GOVERNMENT

Section 62. Rights of officers and employees preserved

63. Continuance of present officers

64. Transfer of records and property

65. Continuity of offices, departments or agencies

66. Continuance of contracts and public improvements

67. Pending actions and proceedings

68. Termination of Offices of Elective Officials

Rights of Officers and Employees Preserved

#62. Nothing in this charter contained, except as specifically provided, shall effect or impair the right or privileges of appointive officers or employees of the city or any department or agency existing at the time when this charter shall take effect and not inconsistent with the provisions of this charter, in relation to the personnel, ranks, grades, tenure of office, promotion, removal, pension and retirement rights, civil rights or any other right or privileges of appointive officers or employees of the city or any department or agency thereof.

Continuance of Present Officers

#63. All persons holding administrative office at the time this charter takes effect shall continue in office and in the performance of their duties until provisions shall have been made in accordance herewith for the performance of such duties or the discontinuance of such office. The powers conferred and the duties imposed upon any office, department or agency of this city by the laws of the state shall, if such office, department or agency, be abolished by this charter, or under its authority, be thereafter exercised and discharged by the office, department or agency designated by the council unless otherwise provided herein.

Transfer of Records and Property

#64. All records, property and equipment whatsoever of any office, department or agency or part thereof, all the powers and duties of which are assigned to any other office, department or agency by this charter, shall be transferred and delivered to the office, department or agency to which such powers and duties are so assigned. If part of the powers and duties of any office, department or agency which are by this charter assigned to another office, department or agency, all records, property and equipment relating exclusively thereto shall be transferred and delivered to the office, department or agency to which such powers and duties are so assigned.

Continuity of Offices, Departments, or Agencies

#65. Any office, department or agency provided for in this charter with a name or with powers and duties the same or substantially the same as those of an office, department or agency heretofore existing shall be deemed to be a continuation of such office, department or agency and shall exercise its powers and duties in continuation of their exercise by the office, department or agency by which the same were heretofore exercised and shall have power to continue any business proceeding or other matter within the scope of its regular powers and duties commenced by any office, department or agency by which such powers and duties were heretofore exercised. Any provision in any law, rule, regulation, contract, grant or other document relating to such a formerly existing office, department or agency, shall, so far as not inconsistent with the provisions of this charter, apply to such office, department or agency provided for by this charter.

Continuance of Contracts and Public Improvements

#66. All contracts entered into by the city, or for its benefit, prior to the taking effect of this charter, shall continue in full force and effect. Public improvements for which legislative steps have been taken under laws or charter provisions existing at the time this charter takes effect may be carried to completion as nearly as practicable in accordance with the provisions of such existing laws and charter provisions.

Pending Actions and Proceedings

#67. No action or proceeding, civil or criminal, pending at the time when this charter shall take effect, brought by or against the city or any office, department or agency or officer thereof, shall be affected or abated by the adoption of this charter or by anything therein contained; but all such actions or proceedings may be continued notwithstanding that functions, powers and duties of any office, department or agency or officer party thereto may be or under this charter be assigned or transferred to another office, department or agency or office, but in that event the same may be prosecuted or defended by the head of the office, department or

agency to which such function, powers and duties have been assigned or transferred by or under this charter.

Termination of Offices of Elective Officials

#68. The terms of all elective officials of the City in office on the effective date of this charter shall continue until the end of the term for which they were elected.

Article X

DEFINITION OF TERMS

As used in this charter, the following definitions shall apply:

The word state shall mean State of West Virginia.

The word city shall mean City of Moundsville.

The word manager shall mean City Manager.

Where the context so permits, the plural shall include the singular, the singular shall include the plural, and any gender shall include all genders.

We, the undersigned, being a majority of the members of the Charter Board of the City of Moundsville, certify that the foregoing is a true copy of the Charter of the City of Moundsville as finally revised by the Charter Board of the City of Moundsville on March 28, 1985.

James R. McElroy
Jay Linsett
Nida L. Blake
William M. Reger
Robert E. Straight, Chairman
Gary M. Knapp
Merrill F. Wilson
Orson V. Jack Baker

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, Dennis Wallace solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of Mayor to the best of my skill and judgment."

Signed D. Wallace

Attested: 12/29/2010

Effective: Andrew J. Hurst

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, Gene Saunders solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of Vice Mayor to the best of my skill and judgment."

Signed Eugene Saunders

Attested: 12/29/2010

Effective: Andrew J. Hurst

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, Ginger DeWitt solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of Fourth Ward Councilperson to the best of my skill and judgment."

Signed Ginger DeWitt

Attested: 12/29/2010

Effective: Sandra J. Stewart

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, Phil Remke solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of Councilperson at Large to the best of my skill and judgment."

Signed Philip K. Remke

Attested: 12/29/2010

Effective: Sandra J. Stewart

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, David Wood solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of Second Ward Councilperson to the best of my skill and judgment."

Signed X David L. Wood

Attested: 12/29/2010

Effective: Sidney J. Merritt

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, Paul Haynes solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of First Ward Councilperson to the best of my skill and judgment."

Signed X Paul G. Haynes

Attested: Sidney J. Merritt

Effective: 01/01/2009

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL,

CITY OF MOUNDSVILLE, Towit:

"I, K Mark Simms solemnly swear (or affirm) that I will support the Constitution and will obey the laws of the United States and of the State of West Virginia, that I will, in all respects, observe the provisions of the Charter and ordinances of the City of Moundsville and will faithfully discharge the duties of the office of Councilperson at Large to the best of my skill and judgment."

Signed K. Mark Simms

Attested: [illegible]

Effective: 01/01/2009

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, CITY OF MOUNDSVILLE, DECEMBER 21, 2010

The Council of the City of Moundsville met in regular session in the Council Chambers on December 21, 2010 at 7:00 p.m.

Meeting was called to order by Mayor David Wood.

Invocation by City Manager Allen Hendershot.

City Clerk Hewitt called the roll and the following councilpersons were in attendance: DeWitt, Haynes, Saunders, Simms, Wallace, Young and Mayor Wood. Also present: City Manager Hendershot, Police Chief Kudlak, Fire Chief Clarke, Street Commissioner Richmond, Building Inspector Schneider, CPA Kathryn Goddard, Attorney Thomas White and City Clerk Hewitt.

MINUTES:

Regular Council Meeting of December 7, 2010.

Councilperson Haynes made a motion to accept and approve the minutes of the regular council meeting of December 7, 2010, seconded by Councilperson Saunders. Motion carried unanimously.

Presentation of House Decorating Winners.

Mayor Wood presented awards to Honorable Mention, Jonna & Jordan Cunningham, 1301 Fourth Street; Third Place, Mark & Gina Hedrick, 1419 Second Street; Second Place, Kim & Denny Kidd, 1215 Second Street; and First Place, Ted & Beth Hanket, 1908 Center Street.

GENERAL PUBLIC HEARING:

* Brad Varlas, 1107 12th Street, represented the Moundsville Volunteer Fire Department, thanked council for another good year. The MVFD will be providing council with yearly reports at the next council meeting.

* Larry Vucelick, 27 Simpson Avenue, asked council if they would be interested in a pine tree for the Riverfront Park or other parks in the city. Mr. Duffy of 10 Drummond is going to remove a pine tree from his yard and would like the city to have it. Councilperson Saunders will ask the Parks & Recreation Board.

OLD BUSINESS:

Discussion and Approval of an Ordinance Providing for a Zone Change Located at 400 11th Street. (Second Reading)

Attorney White read the following ordinance by title only to be passed by council on second reading:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA, PROVIDING TO CHANGE A CERTAIN DESIGNATED AREA ON 11TH STREET IN THE CITY OF MOUNDSVILLE FROM A MULTI-FAMILY RESIDENTIAL ZONE TO A COMBINED INTEGRATED COMMERCIAL CENTERS ZONE. (SECOND READING)

Councilperson Haynes made a motion to accept and approve the zone change ordinance, seconded by Councilperson Simms.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Saunders, Simms, Wallace, Young, Mayor Wood, DeWitt and Haynes. 7 yeas. Motion carried unanimously.

Other Items to be Discussed by Council.

* Councilperson Saunders asked if the Curtis Avenue residents are interested in taking possession of the property at East End that the city has agreed to abandon? Manager Hendershot noted that all residents but one that have contacted are willing to take possession of the property.

* Councilperson DeWitt asked Chief Kudlak if and when the scales will be used? Chief Kudlak reported that officers are certified and can start utilizing the scales.

* Councilperson DeWitt asked Manager Hendershot if the Building Inspectors have notified the RV owners of regulations pertaining to the campers as temporary and permanent? Manager Hendershot reported that Building Inspector Mercer has prepared a letter containing information from FEMA that describes how the skirting can not be permanently attached.

NEW BUSINESS:

Election of Mayor & Vice Mayor.

* Councilperson Young nominated Dennis Wallace as Mayor, seconded by Councilperson Saunders. Councilperson Simms closed nominations.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Simms,

Wallace, Young, Mayor Wood, DeWitt, Haynes and Saunders. 7 yeas. Motion carried unanimously.

* Councilperson DeWitt nominated Gene Saunders as Vice Mayor, seconded by Councilperson Wallace. Councilperson Wallace closed nominations.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Wallace, Young, Mayor Wood, DeWitt, Haynes, Saunders and Simms. 7 yeas. Motion carried unanimously.

Discussion and Approval of the Recommendation by the Planning Commission for a Zone Change at 1006 Thompson Avenue.

Councilperson Saunders made a motion to direct the City Attorney to draft a zone change ordinance for 1006 Thompson Avenue, seconded by Councilperson DeWitt.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Young, Mayor Wood, DeWitt, Haynes, Saunders, Simms and Wallace. 7 yeas. Motion carried unanimously.

Receive & File the Police Pension Relief Fund Annual Fiscal Year Report as of 06/30/2010.

Councilperson Simms made a motion to receive and file the Police Pension Relief Fund Annual Fiscal Year Report, seconded by Councilperson Saunders. Motion carried unanimously.

Receive & File the Fire Pension Relief Fund Annual Fiscal Year Report as of 06/30/2010.

Councilperson Saunders made a motion to receive and file the Fire Pension Relief Fund Annual Fiscal Year Report, seconded by Councilperson DeWitt. Motion carried unanimously.

Discussion and Approval of 2011 Fourth of July Fireworks Bid.

Councilperson Young made a motion to approve the 2011 Fourth of July Fireworks Bid from Schaefer Pyrotechnics in the amount of $8,200, seconded by Councilperson Saunders.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Mayor Wood, DeWitt, Haynes, Saunders, Simms, Wallace and Young. 7 yeas. Motion carried unanimously.

MANAGER ITEMS:

CHANGE, Inc., Job Access Reverse Commute Program.

Manager Hendershot received a letter from Judy Raveaux, CEO of Change Inc., informing him of their decision to eliminate the JARC program in Marshall County due to expenses and mandated

50/50 match. The Change, Inc., office will continue to be open 5 days per week and offer residents of the county access to the other programs.

Family Medical Leave Act (FMLA) Regulations.

Manager Hendershot reported that Moundsville needs to update their FMLA Regulations due to changes on the federal level. The WV Municipal League referred the City Manager to Attorney Ashley Burton who will review the city's policies for $500 bringing the city up to date with the

FMLA Regulations.

Councilperson Wallace made a motion to authorize the City Manager to proceed with contracting Ashley Burton to review the city's FMLA regulations, seconded by Councilperson Young.

Mayor Wood called for a voice vote. City Clerk announced the following tally. DeWitt, Haynes, Saunders, Simms, Wallace, Young and Mayor Wood. 7 yeas. Motion carried unanimously.

Other Items to be Discussed by City Manager.

* Manager Hendershot reminded council members, department heads and employees of the city's Christmas Luncheon at 12:00 on December 23, 2010 at the City Garage and wished everyone a Merry Christmas & Happy New Year.

MAYOR ITEMS:

* Mayor Wood presented an article to council members concerning the oil & gas regulations in the State of WV.

* Mayor Wood presented a "Key to the City of Moundsville" to outgoing Councilperson Rick Young.

* Mayor Wood commended the City Manager Hendershot, CPA Kathryn Goddard, the Department Heads, Employees and fellow Council Members for the work they have done during his two terms as Mayor.

* Mayor Wood wished everyone a Merry Christmas & Happy New Year.

* Mayor Wood announced that an executive session will follow after the regular session concerning litigation, personnel and real estate matters.

COMMITTEE REPORTS:

Discussion and Approval of Recommendations by the Finance Committee.

1. Discussion of Acquiring Knights of Pythias Building. Committee recommends the Police Chief to provide council with a report.

Chief Kudlak explained the report has not been provided by McKinley & Associates at this time. Councilperson Saunders made a motion to table this item until the report is received from McKinley & Associates, seconded by Councilperson Wallace. Motion carried unanimously.

2. Discussion of City Taking Possession of 102 Jefferson Avenue.

Councilperson Wallace made a motion to take possession of 102 Jefferson Avenue after Attorney White drafts better deed, seconded by Councilperson Saunders. Motion carried unanimously.

3. Discussion of Renewal of Employee Dental Insurance Coverage. Committee recommends remain with present carrier with no rate increase.

Councilperson Wallace made a motion to renew the employee dental insurance coverage with present carrier and no rate increase, seconded by Councilperson Saunders. Motion carried unanimously.

4. Discussion of Cost to Provide Internet Access to City Code. Estimated cost of $1,950.

Councilperson Wallace made a motion to authorize the City Manager to enter an agreement with Walter Drane Company to provide the Moundsville City Code on the internet, seconded by Councilperson Young. Motion carried unanimously.

5. Councilperson Saunders reported on the Skateboard Park commenting that the process needs to be put out for bid by the Parks & Recreation Board. Another meeting is scheduled for December 29, 2010 at 2:00 p.m. in the Council Chambers.

Discussion and Approval of Recommendations by the Traffic Committee.

1. Discussion of Turn Arrow at Fifth Street & Lafayette Avenue. Committee recommends contacting DOH requesting the "turn arrow" turning east onto Fifth Street.

2. Discussion of Turn Arrow at First Street & Grant Avenue. Committee recommends contracting DOH requesting the "turn arrow" westbound on First Street turning onto Grant Avenue.

* Manager Hendershot reported in reference to the traffic light at 10th & Lafayette Avenue that he spoke with DOH Engineers and are confident the traffic light is fixed and would like council to be at the location to watch the light cycle.

Discussion and Approval of Recommendations by the Policy Committee.

1. Discussion of Ordinance Pertaining to Graffiti in the City. Committee recommends to direct the City Attorney to draft an ordinance pertaining to graffiti.

Mayor Wood directed City Attorney White to draft a graffiti ordinance and present to the Policy Committee in January.

COUNCIL ITEMS:

* **DeWitt** - Announced that the street light she requested on Fourth Street was discovered to be a private owned pole, therefore, AEP can not install a street light on that pole.

* Commended the Officers who participated in the "Kids, Cops & Christmas" program and

reported that approximately 50 kids were taken to WalMart to shop for themselves or their family members.

* Wished everyone a Merry Christmas & Happy New Year.

* **Saunders** - Asked if a work order has been done for the garbage around the house on the corner of Sycamore Avenue. Fire Chief Clarke reported he and the Building Inspector is working on this area.

* Asked for an update on the Sanford Center. Manager Hendershot reported the center was notified they are receiving a $5,000 grant for a kids exercise program. They are continuing to move forward reviewing goals from last year which most have been met.

* Wished to thank Mayor Wood for an excellent job as mayor for the last two years.

* Wished everyone a Merry Christmas & Happy New Year.

* **Haynes** - Nothing at this time.

Simms - Asked if the City Manager could provide him with a list of liens the city has on properties in Moundsville.

* Wished everyone a Merry Christmas & Happy New Year.

* **Wallace** - Wished to thank Councilperson DeWitt for all the goodies she made and provided council for tonight's meeting.

* Wished to thank Councilperson Young for representing the citizens of Moundsville and for making the best decisions he thought were necessary at the time.

* Wished to thank council for electing him as Mayor and stated the position will be tough to fill the seat of Mayor Wood.

* Congratulations to Councilperson Saunders as Vice Mayor.

* Wished everyone a Merry Christmas & Happy New Year.

* **Young** - Wished everyone a Merry Christmas & Happy New Year.

* Thanked council members for all the kinds words and expressed how great it was working with this council for the last two years.

* Thanked Councilperson Wallace for being open and honest. And thanked Mayor Wood for a great job.

* Wished to thank City Manager Hendershot, the Department Heads, CPA Kathryn Goddard and

employees.

Councilperson Wallace made a motion for an Executive Session for personnel, litigation and real estate matters, seconded by Councilperson Saunders. Motion carried unanimously.

Meeting recessed at 7:53 p.m.

Meeting reconvened at 8:00 p.m.

Executive Session recessed at 8:39 p.m.

Regular Session reconvened at 8:39 p.m.

Councilperson Saunders made motion to authorize the City Attorney to settle the Moundsville Ventures lawsuit on the terms discussed in Executive Session, seconded by Councilperson Haynes.

Mayor Wood called for a voice vote. City Clerk announced the following tally. DeWitt, Saunders, Haynes, Young, Wallace, Simms and Mayor Wood. 7 yeas. Motion carried unanimously.

Councilperson Saunders made a motion to adjourn, seconded by Councilperson Simms. Motion carried unanimously.

Meeting adjourned at 8:40 p.m.

Sondra J. Hewitt, City Clerk

David Wood, Mayor

AN ORDINANCE OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA AMENDING THE EXISTING RATE SCHEDULES FOR THE SANITARY DEPARTMENT OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA

WHEREAS, the Sanitary Board and the Council of the City of Moundsville have determined that the rate charged to customers for sanitary sewer and other services provided by said Department must increase upon substantial completion of construction of a combined sewer overflow ("CSO") separation project ("Project") and related facilities.

WHEREAS, the Project is estimated to cost $4,638,423;

WHEREAS, the Sanitary Board has obtained funding for the Project consisting of a $366,400 US Environmental Protection Agency grant, a $176,500 US Environmental Protection Agency - NCLETTC grant, a $68,000 West Virginia Legislative Digest grant, a $348,922 insurance settlement, and a $3,678,601 Clean Water State Revolving Fund loan;

WHEREAS, the proposed post project rate results in a minimum bill of $7.77 and a bill of $20.97 for households using 4,500 gallons per month;

WHEREAS, the post project rates are well below the median of rates charged by sewer utilities in West Virginia of $30.83 per month for 4,500 gallons;

WHEREAS, the Project is expected to be completed by the end of 2011;

WHEREAS, the Public Service Commission of West Virginia will require that the Board have adequate rates in place in order to issue a certificate of convenience and necessity for the Project;

WHEREAS, the Board's accountant has prepared a financial analysis of the sewer system's revenue needs and developed proposed rates;

WHEREAS, the Board's proposed rates fairly allocate costs and minimize rates while providing sufficient revenue for the sewer system;

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA:

That the following tariff is adopted to become effective upon certification of completion of the Project by the Sanitary Board's engineer:

SANITARY DEPARTMENT OF THE CITY OF MOUNDSVILLE

TARIFF

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale service

RATES

Domestic Rates (based upon metered volume of water supplied)

Customer charge	$4.00
Commodity charge	$3.77 per 1,000 gallons

Commercial and Industrial Rates (based upon metered volume of water supplied)

Customer charge	$4.00
Commodity charge	$5.30 per 1,000 gallons

Resale Rates to Other Utilities (based upon metered volume of water supplied)

Commodity charge	$2.74 per 1,000 gallons

MINIMUM BILL

No bill will be rendered for less than $7.77 per month for Domestic Service or for less than $9.30 per month for Commercial or Industrial Service.

GENERAL TERMS

PUMPING SERVICE

The above rates and charges are subject to a twenty-five percent (25%) surcharge where it is necessary for the City to provide pumping service in order that the existing gravity sewer system can receive wastes from all or part of a particular drainage area, exclusive of the main pumping service now provided at the treatment works.

DOMESTIC SECURITY DEPOSITS

A refundable security deposit of $50.00 shall be required prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate as provided annually by the Public Service Commission) after 12 consecutive months of on time payments, except for tenants, which the City shall hold until the tenant discontinues service.

COMMERCIAL AND INDUSTRIAL SECURITY DEPOSITS

A refundable security deposit not to exceed 1/6 of the average annual charge shall be required of commercial and industrial customers prior to being connected or reconnected or reconnected. Said deposit will be refunded with interest (at a rate as provided annually by the Public Service Commission) after 12 consecutive months of on time payments

SERVICE CONNECTION FEE, RESIDENTIAL

(1) To apply where an opening for residential connection must be made by the Moundsville Sanitary Department in its collector sewer line or manhole, and a service line laid from such opening to the customer pipe at property line.

(2) The connection fee shall be the greater of $750.00 or the actual cost for the connection.

(3) When the distance from the Moundsville Sanitary Department's connection opening to Customers pipe at the property line connection point, exceeds 50 feet, customer will be charged a fee according to number two (2) above for the first 50 feet plus $25.00 per foot for all service pipe over 50 feet.

(4) All residential sewer tap applications must be approved by the Moundsville Sanitary Department or a representative of the Department before installation.

SERVICE CONNECTION FEE, COMMERCIAL OR INDUSTRIAL

(1) To apply where an opening for commercial or industrial connection must be made by the Moundsville Sanitary Department in its collector sewer line stub out or any manhole. A service line shall be run by the property owner or contractor from the commercial or industrial building to the nearest sewer line stub out or manhole for the sewer connection.

(2) The connection fee shall be the greater of $500.00 or the actual cost of connection for a commercial or industrial tap.

(3) The Moundsville Sanitary Department reserves the right to inspect all installation of the sewer line stub out from the building to its connecting point as explained in item number 1. The fees for inspection will be further explained below.

(4) All commercial or industrial sewer taps applications must be approved by the Moundsville Sanitary Department or a representative of the Department before installation.

INSPECTION

The Sanitary Department shall inspect all construction work performed relating to extensions of mains and other construction of sanitary facilities, in order to insure that all work performed is in conformance with the Sanitary Department's design and installation requirements. The fee for such inspection services shall be $100.00 per day. Such fee shall be payable to the Moundsville Sanitary Department by the contractor or other individual primarily responsible for the construction work performed.

SEWER TAP INSPECTION FEE

The sewer tap inspection fee shall be $100.

DISCONNECT/RECONNECT/ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of sewer bills, the customer shall be charged a disconnect, reconnect, and/or administrative fee in the same amount as the Sanitary Department is charged by the customer's water utility.

INCREMENTAL LEAK ADJUSTMENT (limited to two monthly billings)

$1.00 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly Minimum Bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge.

House trailer or mobile home courts served through a single meter shall be required to pay the monthly Minimum Bill multiplied by the number of units in place at the time the meter is read each month.

DELAYED PAYMENT PENALTY

The above schedule is net. On all accounts not paid in full within 20 days of the date of bill, ten percent (10%) will be added to the net amount shown. This delayed payment penalty is not interest and is only to be collected once for each bill where it is appropriate.

RETURNED CHECK CHARGE

A service charge equal to the actual bank fee assessed to the Moundsville Sanitary Board or a maximum of $25.00 will be imposed upon any customer whose check for payment of charges is returned by their bank due to insufficient funds.

SURFACE OR GROUND WATER SURCHARGE

Surface or Ground Water Surcharge

An additional amount shall be charged where surface or ground water is introduced into the sanitary system where evidence of a violation exists.

Surcharge formula to be applied in cases where surface drainage is connected to the utility's sewer system.

Applicability

Whenever the utility has discovered that a customer's roof drain, downspout, storm sewer or similar facilities conducting surface water have been connected to the utility's sewer system, and such customer has failed to take appropriate action, within thirty (30) days of receipt of a demand by the utility in accordance with the Rules of the Public Service Commission, to eliminate such connection, a surcharge

will be imposed upon the customer calculated on the basis of the following formula:

S	=	A x R x .0006233 x C
S	=	The surcharge in dollars
A	=	The area under roof and/or the area of any other water collection surface connected to the sanitary sewer, in square feet.
R	=	The measured monthly rainfall, in inches.
.0006233	=	A conversion factor to change inches of rain x square feet of surface to thousands of gallons of water.
.0008333	=	A conversion factor to change inches of rain x square feet of surface water to $ per 100 cubic feet
C	=	The utility's approved rate per thousand gallons of metered water usage.

The utility shall not impose the surcharge unless and until the customer has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

Surcharge Formula to be applied to a customer producing unusual waste.

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$$Ci = VoVi + BoBi + SoSi$$

Ci	=	charge to unusual users per year
Vo	=	average unit cost of transport and treatment chargeable to volume, in dollars per gallon
Vi	=	volume of waste water from unusual users, in gallons per year
Bo	=	average unit cost of treatment, chargeable to Biochemical, Oxygen Demand (BOD), in dollars per pound
Bi	=	weight of BOD from unusual users, in pounds per year
So	=	average unit costs of treatment (including sludge treatment) chargeable to total solids, in dollars per pound
Si	=	weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the costs of transport and treatment thereof, will be made. Waste containing materials

which, in the judgment of the utility should not be introduced into the sewer system need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new cost figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

PASSED FIRST READING: March 16, 2010

PASSED SECOND READING: April 20, 2010

CITY CLERK

PUBLISH: March 18, 2010

March 20, 2010

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, CITY OF MOUNDSVILLE, APRIL 20, 2010

The Council of the City of Moundsville met in regular session in the Council Chambers on April 20, 2010 at 7:00 p.m.

Meeting was called to order by Mayor David Wood.

Invocation by Councilperson Mark Simms.

City Clerk Hewitt called the roll and the following councilpersons were in attendance: DeWitt, Haynes, Saunders, Simms, Wallace, Young and Mayor Wood. Also present: Acting City Manager Deanna J Hess, Police Chief Kudlak, Fire Chief Clarke, Street Commissioner Richmond, Building Inspector Wise, CPA Kathryn Goddard, Attorney Thomas White and City Clerk Hewitt. Absent: City Manager Hendershot.

MINUTES:

Regular Council Meeting of April 6, 2010.

Councilperson Saunders made a motion to accept and approve the minutes of the regular council meeting of April 6, 2010 with amendments on page 5, line 37 should read "COUNCIL ITEMS", seconded by Councilperson DeWitt. Motion carried unanimously.

GENERAL PUBLIC HEARING:

* Mr. George Kachalo, 31 Fostoria Avenue, spoke to council concerning his property and showed pictures of his leg where the neighbor hit garbage cans with his vehicle and into Mr. Kachalo.

* Mrs. Micheala Karr, 401 Eleventh Street, reported semi trucks from the Marshall County Co-op damaging her sidewalk and hoped that she would not have to repair it. Mrs. Karr provided council members with pictures.

Public Hearing on the Moundsville Sanitary Board's Collection System & Plant Improvements. (Anyone wishing to ask questions on the projects, expected costs, rates or express concerns of any projects).

Mayor Wood asked the audience if anyone would like to speak on the Sanitary Board's Collection System & Plant Improvements. Hearing none, Mayor Wood closed the public hearing.

OLD BUSINESS:

Discussion and Review of Changes to City Code Section 171.15, Reinstatement Fee - Drivers License. (Second Reading)

Attorney White read the following ordinance by title only to be passed by council on second reading:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA, AMENDING SECTION 171.15 TO THE MUNICIPAL CODE OF THE CITY OF MOUNDSVILLE TO INCREASE THE ADMINISTRATIVE FEE TO DEFER COSTS FOR SUSPENSION AND REINSTATEMENT OF DRIVERS LICENSE PRIVILEGES AS A RESULT OF UNPAID MUNICIPAL FINES AND COSTS OR FAILURE TO APPEAR BEFORE THE MUNICIPAL COURT OF THE CITY OF MOUNDSVILLE FOR CERTAIN MOTOR VEHICLE OFFENSES. (SECOND READING)

Councilperson Saunders made a motion to approve the above ordinance, seconded by Councilperson DeWitt.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Simms, Wallace, Young, Mayor Wood, DeWitt, Haynes and Saunders. 7 yea. Motion carried unanimously.

Discussion and Approval of a Proposed Sanitary Tier II Rate Increase. (Second Reading)

Attorney White read the following ordinance by title only to be passed by council on second reading:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA, AMENDING THE EXISTING RATE SCHEDULE FOR THE SANITARY DEPARTMENT OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA. (SECOND READING)

Councilperson Simms made a motion to approve the ordinance concerning Sanitary Rate Increase, seconded by Councilperson Haynes.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Wallace, Mayor Wood, DeWitt, Haynes, Saunders and Simms voting yea. Young voting nay. 6 yeas, 1 nay. Motion carried.

Other Items to be Discussed by Council.

* Councilperson Saunders complained about the abandoned houses in Moundsville. Hopes to revise the housing ordinance. Fire Chief Clarke reported that properties are turned over to him when the property is vacant. He sends letters to the owner giving 30 days to correct the problem. If the problem is not corrected, the information is turned over to the police department who then gives the owner a citation. The owner will then have to appear in Municipal Court. The Judge hears the case, fines the owner. When a property is turned over to the Building Inspector, the owner pays for a building permit or demolition permit that is good for six months.

Mayor Wood referred this matter to the Policy Committee.

* Councilperson Saunders asked why is there no clean up at the Fostoria? He knows the city is waiting on the Brownfields Grant.

Mayor Wood agreed with Councilperson Saunders stating that other things can be cleaned up that are not connected with the remaining four or five structures. Mayor Wood also commented that GAB has not sent any representation to council meetings.

* Councilperson DeWitt asked Fire Chief Clarke if the owners have been contacted concerning the property at 519 8th Street which has fire damage?

Chief Clarke reported the property had been declared arson and he is not aware if the property has been released yet, but he will investigate.

* Councilperson DeWitt asked if the city still has an Ambulance Committee because she has not heard any discussions on the service.

Fire Chief Clarke commented that a list of questions were sent to the City Attorney with no response. Attorney White stated that he will get the information right away.

NEW BUSINESS:

Discussion and Approval to Lay the Levy for the City of Moundsville 2010-2011 General Fund Budget.

CPA Kathryn Goddard explained the levy information is provided by the Marshall County Assessors Office. The Levy Order and Rate Sheet consist of Class II and Class IV real estate and personal property tax assessments.

Councilperson Simms made a motion to approve the Levy for the 2010-2011 General Fund Budget, seconded by Councilperson Haynes.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Young, Mayor Wood, DeWitt, Haynes, Saunders, Simms and Wallace. 7 yeas. Motion carried unanimously.

MANAGER ITEMS:

Planning Commission Vacancy.

Acting City Manager Hess reported a vacancy exists on the Planning Commission. This is a manager's appointment and 3 year term. Council suggested re-advertise the vacancy.

Business After Hours.

The Marshall County Chamber of Commerce is sponsoring Business After Hours hosted by the Marshall County Co-op on Thursday, April 22, 2010 from 5-7 p.m.

MAYOR ITEMS:

* Mayor Wood reported having some questions about the minutes of the Planning Commission meeting provided the council concerning the authority of the Planning Commission. Mayor Wood will speak to Manager Hendershot on the matter.

* Mayor Wood made comment on the letter concerning the purchase of the Knights of Pythius building and the possible sale of the old state police barracks will be discussed with Manager Hendershot.

* Mayor Wood announced the ground breaking event scheduled for Wednesday, April 21, 2010 with Governor Manchin has been postponed because of travel issues.

* Mayor Wood commented on different items on the City of Moundsville website, such as dates of events. Also, bio's of council members.

* Mayor Wood reminded council members attending the graduation of officers need to be at the city building on Friday morning at 6:00 a.m.

* Mayor Wood asked for an update on Project Lifesaver. Fire Chief Clarke reported having a couple of meetings and hope donations start coming in to purchase the transmitters.

COMMITTEE ITEMS:

Discussion and Approval of Recommendations by the Finance Committee.

1. Discussion of State Police Barracks. Committee recommended to authorize the City Manager to discuss with MEDC if there is a way that they would remodel this and rent it back to the city for a reasonable cost.

2. Discussion of Hotel/Motel Feasibility Study. Committee recommended the City can not participate at this time. Mr. Knuth of the Chamber of Commerce will be notified.

3. Discussion of Cost Estimate to Update Comprehensive Plan. Committee recommends no action on proposal letter from Steptoe & Johnson to perform the review of comprehensive plan. City Attorney White suggested an engineering firm be involved. City Manager to contact Municipal League to see if they have any recommendations on engineering firms assisting with comprehensive plans.

4. Discussion & Review of Request Concerning City Business License Refund Request. Committee recommended after review of the City Code, there would be no reimbursement to Tuck's First Street Bar & Grill due to closing.

5.

Discussion and Approval of Recommendations by the Traffic Committee.

1. Discussion and Approval of Handicapped Parking Request at 215 Washington Avenue. Committee recommended no action taken, table at this time.

2. Discussion and Review of the Paving Project Costs for 2010. Committee recommends no decision at this time.

Discussion and Approval of Recommendations by the Policy Committee.

1. Discussion of Proposed Ordinance regarding Rental Housing Registration. Committee recommends City Attorney to draft two proposals to be discussed at May's Policy Meeting.

Option 1: Implement the rental inspection plan.
Option 2: Implement the registration of vacant houses.

2. Discussion of new procedures for Obtaining Police Reports and new fee schedule. Committee recommends to forward to council for approval. City Attorney stated this can be a verbal resolution.

Councilperson Saunders made a motion to table this request until Chief Kudlak can meet with Attorney White, seconded by Councilperson Haynes. Motion carried unanimously.

3. Discussion of MS-4 Storm Water Permit Project. Committee recommends the City Manager to contact Tim Stranko to draft an ordinance for committee's review.

COUNCIL ITEMS:

* **Haynes** - Nothing at this time.

* **Saunders -** Would like to make the public aware that the Skateboard Park is not under the city's control and no cost to the tax payers. This is a privately funded project.

* Announced that Mr. Joe Marcinek, National Mens Softball League attended the Parks & Recreation meeting where he was permitted to use the ball fields one weekend in July.

* Reported video cameras at various locations of Four Seasons Pool.

* **DeWitt** - Wished to thank the Street Department for patching holes and cleaning cinders from the streets.

* Reported the house at 907 Seventh Street is in deplorable condition. Building Inspector Wise is aware of the condition of the house and has spoke to the owner on occasion. Attorney White noted that people living in houses of this condition can be cited and brought before the Judge.

* **Young** - Requested patrol area of Four Seasons Pool and playground parking lot.

* Need to contact the owner of the old Convenient Food Store. Trash has been left in area around building.

* Asked if the City website has an area for Real Estate in Moundsville. Chief Kudlak reported there being a problem with the link on real estate, but he can look into putting back on.

* Wished to thank all the employees for their hard work.

* **Wallace** - Need signs replaced on Jefferson Extension going south before light at First Street & Jefferson Avenue - No Parking at Anytime. Two "One Hour Parking" signs on 10th Street on the Mound Museum property. Street Commissioner Richmond thinks they belong to the Mound.

* Reported a tree hanging into alley between Weaver Avenue & Tomlinson Avenue. Chief Kudlak will address problem.

* Reported the city losing a lot of revenue at the Riverfront by not following through with the Camping area. Discussion was held on a grant submitted with assistance from Belomar.

* **Simms** - Nothing at this time.

Councilperson Simms made a motion to adjourn, seconded by Councilperson Haynes. Motion carried unanimously.

Meeting adjourned at 8:01 p.m.

_____ _____

Sondra J. Hewitt, City Clerk David Wood, Mayor

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, CITY OF MOUNDSVILLE, MARCH 16, 2010

The Council of the City of Moundsville met in regular session in the Council Chambers on March 16, 2010 at 7:00 p.m.

Meeting was called to order by Mayor David Wood.

Invocation by City Manager Allen Hendershot.

City Clerk Hewitt called the roll and the following councilpersons were in attendance: DeWitt, Haynes, Saunders, Simms, Young and Mayor Wood. Absent: Vice Mayor Wallace. Also present: City Manager Hendershot, Police Chief Kudlak, Fire Chief Clarke, Street Foreman Stocklask, Building Inspector Watson, Attorney Thomas White, CPA Kathryn Goddard and City Clerk Hewitt. Absent: Street Commissioner Richmond.

MINUTES:

Special Council Meeting of February 23, 2010.

Councilperson Haynes made a motion to accept and approve the minutes of the special council meeting of February 23, 2010, seconded by Councilperson Saunders. Motion carried unanimously.

Regular Council Meeting of March 2, 2010.

Councilperson Haynes made a motion to accept and approve the minutes of the regular council meeting of March 2, 2010, seconded by Councilperson Saunders. Motion carried unanimously.

GENERAL PUBLIC HEARING:

* William Groft, 204 Tomlinson Avenue, opposed the zone change at 702 Second Street mainly because of the parking problem. He hopes that Mr. McGilton will find a garage with the parking he needs.

Public Hearing on the 2010-2011 General Fund Budget.

Manager Hendershot reported a balanced budget for 2010-2011 General Fund with revenues being $6,165,187.00 and expenditures are $6,165,187.00.

Mayor Wood asked if citizens in the audience had any comments on the 2010-2011 General Fund Budget. With no comments being heard, Councilperson Saunders moved to close the public hearing, seconded by Councilperson DeWitt. Motion carried unanimously.

OLD BUSINESS:

* Councilperson DeWitt asked if Manager Hendershot heard anything back from DOH concerning the turn signals 7th & Lafayette? Manager Hendershot said it was discussed to remove the turn signal at 5th Street and installing the one at 7th Street. Another option was to leave the one at 5th Street and installing one at 7th Street.

* Councilperson DeWitt reported that Rt. 2 is still sinking in front of the Mexican Restaurant. Manager Hendershot will contact DOH.

* Councilperson Saunders reported more graffiti on the back of the old Convenient Store and remains on the Yellow Cab building.

* Councilperson Saunders complained the burned house on Curtis Avenue has had no repairs done to it. Manager Hendershot reported the owner obtained a six month permit and is waiting on the weather to clear. The owner is still in his time line.

NEW BUSINESS:

Discussion and Approval of Recommendation by the Moundsville Planning Commission Concerning a Zone Change at 702 Second Street from and (R-G) General Residential to (C-C) Central Business District. (City Attorney to Address Council on the Comprehensive Plan)

Attorney White explained that drafting an ordinance would enable the zone change. After reviewing the Planning Commission minutes where the request was approved, Attorney White found that the commission layed inconsistent consideration of the issue onto council. Supreme Court ruling mandates certain things, one being they consider the impact of whether or not this request complies with Moundsville's Comprehensive Plan. If it does comply with the comprehensive plan, it can be recommended by the commission. If it does not comply with the comprehensive plan, there is another way to approve it but the commission must consider the impact of a certain number of listed issues of the law that was submitted to the commission by Attorney White for a previous zone change that is now in litigation.

Attorney White has recommended that council send this issue back to the Planning Commission for reconsideration. Councilperson Saunders made a motion to send this issue back to the Planning Commission, seconded by Councilperson Haynes.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Mayor Wood, Young, Simms, Saunders, Haynes and DeWitt. 6 yeas. Motion carried unanimously.

Receive and File a Resolution of the Moundsville Sanitary Board Recommending the Adoption of a Municipal Sewer Rate ordinance by the Moundsville City Council.

Sanitary Board Attorney James Kelsh explained to council the previous rate increase will go into effect March 17, 2010. The Sanitary Board has obtained full funding for Tier II combined sewer

overflow separation project. Bids for this project will be opened September 9, 2010, construction will begin fourth quarter of 2010 into the first quarter of 2011 and project completion is anticipated for late summer of 2011. The rates for this project, Tier II, will not go into effect until the project is completed.

Councilperson Simms made a motion to receive and file the Sanitary Board Resolution for the Tier II Combined Sewer Overflow Separation Project, seconded by Councilperson Saunders.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Simms, Saunders, Haynes, DeWitt and Mayor Wood. 5 yeas. Young voting nay. Motion carried.

Discussion and Approval of a Proposed Sanitary Tier II Rate Increase. (First Reading)

Attorney White read the following Sanitary Rate Increase ordinance by title only to be passed by council on first reading:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA, AMENDING THE EXISTING RATE SCHEDULED FOR THE SANITARY DEPARTMENT OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA. (FIRST READING)

Councilperson Simms made a motion to accept and approve the Sanitary Rate Increase, seconded by Councilperson Saunders.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Simms, Saunders, Haynes, DeWitt and Mayor Wood. 5 yeas. Young voting nay. Motion carried.

Discussion and Approval of the 2010-2011 City of Moundsville General Fund Budget.

Councilperson Simms made a motion to approve the 2010-2011 City of Moundsville General Fund Budget, seconded by Councilperson Saunders.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Saunders, Haynes, Mayor Wood, Young and Simms.. 5 yeas. DeWitt voting nay. Motion carried.

Discussion and Approval of a Resolution Authorizing the City to Enter Into a Contractual Agreement with the Governor's Community Partnership Office for a Grant Award. (Strand Theater Preservation Society - $10,000)

Councilperson Simms made a motion to authorize the City to enter into a contractual agreement with the Governor's Community Partnership Officer for a grant award in the amount of $10,000 for the Strand Theater restoration, seconded by Councilperson Young. Motion carried unanimously.

Discussion and Approval of a Resolution to Convert the Moundsville Police Pension.

Councilperson Saunders made a motion to adopt the resolution concerning the Moundsville Police Retirement System, seconded by Councilperson Simms.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Haynes, DeWitt, Mayor Wood, Young, Simms and Saunders. 6 yeas. Motion carried unanimously.

Discussion and Approval of a Resolution to Convert the Moundsville Fire Pension.

Councilperson Saunders made a motion to adopt the resolution concerning the Moundsville Fire Retirement System, seconded by Councilperson DeWitt.

Mayor Wood called for a voice vote. City Clerk announced the following tally. DeWitt, Mayor Wood, Young, Simms, Saunders and Haynes. 6 yeas. Motion carried unanimously.

Appointment to the Planning Commission.

Manager Hendershot reported that David White submitted a resignation letter concerning his membership on the Planning Commission. Manager Hendershot advised that he will be filling the vacancy with John Icard as of 04/04/2010.

Receive and File the 2010-2011 Moundsville Sanitary Board Budget.

Councilperson Simms made a motion to receive and file the 2010-2011 Moundsville Sanitary Board Budget, seconded by Councilperson Haynes. Motion carried unanimously.

Other Items to be Discussed by Council.

* Councilperson Simms asked if Manager Hendershot will be make a request for any digest money this year? Manager Hendershot said that he has spoken with representatives at the WV Legislature concerning digest funding. Councilperson Simms suggested asking the delegates to match the city's municipal fee for paving. Manager Hendershot will send letters.

* Councilperson DeWitt asked Manager Hendershot to suggest turn arrows on Rt. 2 exiting the bridge east to north, east to south and east onto 12th Street.

MANAGER ITEMS:

Imagination Library Launch.

Council members are invited to attend the Marshall County Imagination Library Launch event at the Grave Creek Mound, Friday March 19, 2010 from 1:00 to 4:00 p.m. Booths and activities are provided by community and state organizations.

Letter of Appreciation.

The City of Benwood Mayor Edward Kuca Jr sent a letter of appreciation for permitting Fire Chief Clarke to administer the National Incident Management System classes to Benwood City Council.

Councilperson Simms made a motion to receive and file the appreciation letter, seconded by Councilperson DeWitt. Motion carried unanimously.

Business After Hours.

The Marshall County Chamber of Commerce is sponsoring Business After Hours hosted by Altmeyer Funeral Home Thursday, March 25, 2010 from 5-7 p.m. at the Moundsville Country Club. Council members wishing to attend must call Marilyn Kaufman.

MAYOR ITEMS:

* Mayor Wood commended CPA Kathryn Goddard, City Manager Hendershot and all the Department Heads for assisting in the process of the yearly budget.

* Mayor Wood attended the celebration for 175th Birthday for Marshall County at the court house.

* Mayor Wood asked for an update on the abatement bid process at the Fostoria. Manager Hendershot reported the specs are being prepared and moving forward.

* Mayor Wood attended a cake from the Boy Scouts Cake Auction. Council members wishing to donate toward the purchase of a $50 cake may see the Mayor.

* Mayor Wood asked for an update on the mine subsidence at Poplar and Second Street. Manager Hendershot reported not having any further contact with anyone since the last council meeting but at that time it was reported that 70% of the drilling has been completed and concrete has been pumped into the ground for stabilization.

* Mayor Wood asked for an update on the Sanford Center. Manager Hendershot reported having developed their letterhead and being incorporated. The center is moving forward with rental of the gymnasium.

COMMITTEE REPORTS:

Discussion and Approval of Recommendations by the Finance Committee.

Councilperson Simms presented items for the Finance Committee in the absence of Vice Mayor Wallace.

* Discussion was held on the financial statement for February 2010.

* Discussion of Contribution to the Chamber of Commerce for Fireworks Display at the Home & Business Expo. The committee recommended drafting a letter delineating the assistance and involvement of the city. However, the city is unable to provide financial assistance at this time.

* Discussion of Health Insurance Renewal. Committee recommends to convert health plan coverage from POS to HMO plan due to savings.

Manager Hendershot noted that health insurance is not up for renewal until July 1, 2010. The amount for HMO has been budgeted in the 2010-2011 budget.

* Discussion of Bus Levy on November 2010 Election. Committee recommends to direct the City Attorney to draft an ordinance to place the bus levy on the ballot for the November General Election.

Councilperson Simms made a motion to direct the City Attorney to draft an ordinance to place the bus levy on the 2010 General Election, seconded by Councilperson Young.

Mayor Wood called for a voice vote. City Clerk announced the following tally. DeWitt, Haynes, Saunders, Simms, Young and Mayor Wood. 6 yeas. Motion carried unanimously.

Discussion and Approval of Recommendations by the Traffic Committee.

* Discussion of Request to Place a Loading Zone on Jefferson Avenue near Fifth Street across from BB&T Bank. Committee recommended to table the request until the committee receives more information.

* Discussion of the Paving Priority List. Committee recommended City Manager to meet with Engineer to explain streets being considered. Requesting Fifth Street from Tomlinson Avenue to Grant Avenue be engineered. Also, considering paving portions of Center Street from Elm Avenue to Pine Avenue and Sycamore Avenue to Highland Avenue.

* Discussion of Abandonment of Alley East of Garfield Street, North of Twelfth Street. Committee recommends the abandonment be granted per recommendation of the Street Commissioner and direct the City Attorney to draft the ordinance.

Councilperson Simms made a motion to direct the City Attorney to draft the ordinance to abandon the alley, seconded by Councilperson Haynes.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Haynes, Saunders, Simms, Young, Mayor Wood and Dewitt. 6 yeas. Motion carried unanimously.

* Request to Extend the Handicapped Parking for the New Hope Christian Church, 416 Juniper Avenue. Committee recommends to grant the extension.

Discussion and Approval of Recommendations by the Policy Committee.

* Discussion and Review of Changes to City Code Section 171.15, Reinstatement Fee - Drivers License. Committee recommends to direct the City Attorney to draft language changes and increase amount from $15 to $30.

Councilperson Saunders made a motion to direct the City Attorney to draft language changes to the existing ordinance and increase the amount from $15 to $30, seconded by Councilperson DeWitt.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Saunders, Simms, Young, Mayor Wood, DeWitt and Haynes. 6 yeas. Motion carried unanimously.

* Discussion of MS-4 Storm Water Permit Project. Committee recommends to direct Steptoe and Johnson to create an ordinance placing the storm water management board under the Sanitary Board's control.

Councilperson Simms made a motion to direct Steptoe & Johnson to create an ordinance placing the storm water management board under the Sanitary Board's control, seconded by Councilperson Saunders.

Mayor Wood called for a voice vote. City Clerk announced the following tally. Simms, Young, Mayor Wood, DeWitt, Haynes and Saunders. 6 yeas. Motion carried unanimously.

COUNCIL ITEMS:

* **Young -** Receiving complaints of pot holes all over town.

* Commends the city for working on the alleys.

* Thank all the employees for all their work.

* **Simms -** Asked why the Dura-Patcher leaves so much gravel on the street. Street Foreman

Stocklask explained the gravel gets wet and plugs up the dura-patcher, then shoots excessive amounts of gravel.

* **Haynes -** Reported trees hanging into street at Campground Road and Locust Avenue.

* Reported sidewalk needs repaired on First Street in front McCabe's old garage.

* Reported a business in the old whip factory at Park Street & Linden Avenue. People are there working on and painting vehicles at night.

* Requested gravel on Simpson Avenue and Cemetery Road.

* **Saunders** - Updated council on the Skateboard Project reporting the youth group is planning a tag day in March & July. The club also met with contractors regarding the skateboard park. Numerous letters were sent requesting grants and sponsors.

* Requested gravel in alley between Olive & Mulberry Avenue.

* **DeWitt** - Reported pot holes on McConnell Drive.

* Reported the city's web page needs updated.

* Commented on the street sweeper pick up some of the gravel on the streets.

Councilperson DeWitt made a motion to adjourn, seconded by Councilperson Simms. Motion carried unanimously.

Meeting adjourned at 8:17 p.m.

_____ _____

Sondra J. Hewitt, City Clerk David Wood, Mayor

The MOUNDSVILLE DAILY ECHO
SINCE 1891

(304) 845-2660
P.O. BOX 369
MOUNDSVILLE
WEST VIRGINIA
26041

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF MARSHALL, to wit:

I, Marian Walton, being first duly sworn upon my oath, do depose and say:

- that I am Co-Publisher of the MOUNDSVILLE DAILY ECHO, a Republican newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 103 years, is regularly published afternoons daily except Sundays, for at least fifty weeks during the calendar year, in the municipality of Moundsville, Marshall County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Moundsville and Marshall County;
- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts for passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

PARTY(ies)

City of Moundsville

NATURE (and agency if heard before one)

proposed sewer rates

CERTIF-BILL TO

James Kelsh
POB 3713
Charleston WV 25337

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
two	March 18,25,2010

BY WORDS	PUBLICATION CHARGES
2419@.2012	$486.70

(signed) Marian L Walton

NOTARIZATION

Taken, sworn to and subscribed before me this 8th day of April, 2010

NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINDA M. DUGGE
Moundsville Daily Echo
P. O. Box 369
Moundsville, West Virginia 26041
My Commission Expires Jan 9, 2016

Notary public

LEGAL ADVERTISEMENT

PUBLIC NOTICE OF PROPOSED ORDINANCE RELATING TO SEWER RATES, FEES AND CHARGES

Notice is hereby given that the City of Moundsville, a municipal corporation, will hold a hearing before the final vote on the following ordinance, the principal object of which is the increase of sewer rates for customers of the sewer system operated by the Sanitary Board of City of Moundsville. The City Council will consider this ordinance for final adoption at its meeting to be held at 800 6th Street, Moundsville, West Virginia on April 20, 2010 at seven o'clock (7:00) p.m. Interested parties may appear and be heard with respect to the passage of the following ordinance;

AN ORDINANCE OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA AMENDING THE EXISTING RATE SCHEDULES FOR THE SANITARY DEPARTMENT OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA

The Sanitary Board and the Council of the City of Moundsville have determined that the rate charged to customers for sanitary sewer and other services provided by said Department must increase upon substantial completion of construction of a combined sewer overflow ("CSO") separation project ("Project") and related facilities.

The Project is estimated to cost $4,638,423;

The Sanitary Board has obtained funding for the Project consisting of a $366,400 US Environmental Protection Agency grant, a $176,500 US Environmental Protection Agency - NCLETTC grant, a $68,000 West Virginia Legislative Digest grant, a $348,922 insurance settlement, and a $3,678,601 Clean Water State Revolving Fund loan;

The proposed post project rate results in a minimum bill of $7.77 and a bill of $20.97 for households using 4,500 gallons per month;

The post project rates are well below the median of rates charged by sewer utilities in West Virginia of $30.83 per month for 4,500 gallons;

The Project is expected to be completed by the end of 2011;

The Public Service Commission of West Virginia will require that the Board have adequate rates in place in order to issue a certificate of convenience and necessity for the Project;

The Board's accountant has prepared a financial analysis of the sewer system's revenue needs and developed proposed rates;

The Board's proposed rates fairly allocate costs and minimize rates while providing sufficient revenue for the sewer system;

CIL OF THE CITY OF MOUNDSVILLE, WEST VIRGINIA:

That the following tariff is adopted to become effective upon certification of completion of the Project by the Sanitary Board's engineer:

SANITARY DEPARTMENT OF THE CITY OF MOUNDSVILLE

TARIFF

APPLICABILITY

Applicable to entire territory served.

AVAILABILITY OF SERVICE

Available for general domestic, commercial, industrial and resale service.

RATES

Domestic Rates (based upon metered volume of water supplied)

Customer charge — $4.00

Commodity charge — $3.77 per 1,000 gallons

Commercial Industrial Rates (based upon metered volume of water supplied)

Customer charge — $4.00

Commodity charge — $5.30 per 1,000 gallons

Resale Rates to Other Utilities (based upon metered volume of water supplied)

Commodity charge — $2.74 per 1,000 gallons

MINIMUM BILL

No bill will be rendered for less than $7.77 per month for Domestic Service or for less than $9.30 per month for Commercial or Industrial Service.

GENERAL TERMS

PUMPING SERVICE

The above rates and charges are subject to a twenty-five percent (25%) surcharge where it is necessary for the City to provide pumping service in order that the existing gravity sewer system can receive wastes from all or part of a particular drainage area, exclusive of the main pumping service now provided at the treatment works.

DOMESTIC SECURITY DEPOSITS

A refundable security deposit of $50.00 shall be required prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate as provided annually by the Public Service Commission) after 12 consecutive months of on time payments, except for tenants, which the City shall hold until the tenant discontinues service.

COMMERCIAL AND INDUSTRIAL SECURITY DEPOSITS

A refundable security deposit not to exceed 1/6 of the average annual charge shall be required of commercial and industrial customers prior to being connected or reconnected. Said deposit will be refunded with interest (at a rate as provided annually by the Public Service Commission) after 12 consecutive months of on time pay-

SERVICE CONNECTION FEE, RESIDENTIAL

(1) To apply where an opening for residential connection must be made by the Moundsville Sanitary Department in its collector sewer line or manhole, and a service line laid from such opening to the customer pipe at property line.

(2) The connection fee shall be the greater of $750.00 or the actual cost for the connection.

(3) When the distance from the Moundsville Sanitary Department's connection opening to Customers pipe at the property line connection point, exceeds 50 feet, customer will be charged a fee according to number two (2) above for the first 50 feet plus $25.00 per foot for all service pipe over 50 feet.

(4) All residential sewer tap applications must be approved by the Moundsville Sanitary Department or a representative of the Department before installation.

SERVICE CONNECTION FEE, COMMERCIAL OR INDUSTRIAL

(1) To apply where an opening for commercial or industrial connection must be made by the Moundsville Sanitary Department in its collector sewer line stub out or any manhole. A service line shall be run by the property owner or contractor from the commercial or industrial building to the nearest sewer line stub out or manhole for the sewer connection.

(2) The connection fee shall be the greater of $500.00 or the actual cost of connection for a commercial or industrial tap.

(3) The Moundsville Sanitary Department reserves the right to inspect all installation of the sewer line stub out from the building to its connecting point as explained in item number 1. The fees for inspection will be further explained below.

(4) All commercial or industrial sewer taps applications must be approved by the Moundsville Sanitary Department or a representative of the Department before installation.

INSPECTION

The Sanitary Department shall inspect all construction work performed relating to extensions of mains and other construction of sanitary facilities, in order to insure that all work performed is in conformance with the Sanitary Department's design and installation requirements. The fee for such inspection services shall be $100.00 per day. Such fee shall be payable to the Moundsville Sanitary Department by the contractor or other individual primarily responsible for the construction work performed.

SEWER TAP INSPECTION FEE

The sewer tap inspection fee shall be $100.

DISCONNECT/RECONNECT/ ADMINISTRATIVE FEES

Whenever water service has been disconnected for non-payment of the sewer bills, the customer shall be charged a disconnect, reconnect, and/ or administrative fee in the same amount as the Sanitary Department is charged by the customer's water utility.

INCREMENTAL LEAK ADJUSTMENT (limited to two monthly billings)

$1.00 per 1,000 gallons. To be used when the bill reflects unusual consumption which can be attributed to eligible water leakage on the customer's side of the meter. This rate shall be applied to all such unusual consumption above the customer's historical average usage.

MULTIPLE OCCUPANCY

Apartment buildings and other multiple occupancy buildings shall be required to pay not less than the monthly Minimum Bill for each unit. Hotels and motels shall be exempt from this multiple occupancy charge.

House trailer or mobile home courts served through a single meter shall be required to pay the monthly Minimum Bill multiplied by the number of units in place at the time the meter is read each month.

DELAYED PAYMENT PENALTY

The abo schedule is net. On all accounts not paid in full within 20 da of the date of bill, ten percent (10% will be added to the net amount show This delayed payment penalty is n interest and is only to be collecte once for each bill where it is appropr ate.

RETURNED CHECK CHARGE

A service charge equal to the a tual bank fee assessed to the Mound ville Sanitary Board or a maximum $25.00 will be imposed upon any cu tomer whose check for payment charges is returned by their bank du to insufficient funds.

SURFACE OR GROUND WATE SURCHARGE

Surface or Ground Water Surcharg

An additional amount shall b charged where surface or ground wa ter is introduced into the sanitary sys tem where evidence of a violation ex ists.

Surcharge formula to be applied i cases where surface drainage is con nected to the utility's sewer system.

Applicability

Whenever the utility has discov ered that a customer's roof drain, down spout, storm sewer or similar facilitie conducting surface water have bee connected to the utility's sewer system, and such customer has failed t take appropriate action, within thirt (30) days of receipt of a demand by th utility in accordance with the Rules o the Public Service Commission, to eliminate such connection, a surcharge wil be imposed upon the customer calculated on the basis of the following formula:

$S = A \times R \times .0006233 \times C$

S = The surcharge in dollars.

A = The area under roof and/or th area of any other water collection surface connected to the sanitary sewer in square feet.

R = The measured monthly rainfall in inches.

.0006233 = A conversion factor t change inches of rain x square feet o surface to thousands of gallons o water.

.0008333 = A conversion factor t change inches of rain x square feet o surface water to $ per 100 cubic feet.

C = The utility's approved rate pe thousand gallons of metered wate usage.

The utility shall not impose the surcharge unless and until the custome has been notified by certified mail, return receipt requested, or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer system at the customer's location, and that the customer has not acted within thirty (30) days from receipt of such notice to divert the water from the sanitary sewer system.

Said surcharge shall be calculated and imposed for each month that said condition continues to exist. Failure to pay the surcharge and/or correct the situation shall give rise to the possible termination of water service in accordance with the Rules of the Public Service Commission of West Virginia.

Surcharge Formula to be applied to a customer producing unusual waste.

The charge for the treatment of unusual waste will be calculated on the basis of the following formula:

$Ci = VoVi + BoBI + SoSi$

Ci = charge to unusual users per year

Vo = average unit cost of transport and treatment chargeable to volume, in dollars per gallon

Vi = volume of waste water from unusual users, in gallons per year

Bo = average unit cost of treatment, chargeable to Biochemical, Oxygen Demand (BOD), in dollars per pound

Bi = weight of BOD from unusual users, in pounds per year

So = average unit costs of treatment (including sludge treatment) chargeable to total solids, in dollars per pound

Si = weight of total solids from unusual users, in pounds per year

When an unusual user is to be served, a preliminary study of its wastes, and the costs of transport and treatment thereof, will be made. Waste containing materials which, in the judgment of the utility should not be introduced into the sewer system need not be handled by it. The results of the preliminary study will be used to determine the feasibility of the proposed sewer service and the charge therefor, based upon the formula set out above.

Thereafter, unusual sewage will be monitored on a regular basis and at the conclusion of each fiscal year, based on the investigation aforesaid and audit of the utility records, new costs figures will be calculated for use in the above formula. The cost of establishing the monitoring facilities shall be paid by the unusual user. Based on these audited figures, additional billings covering the past fiscal year will be made for payment by each unusual user, or refund given by the utility, as the case may be. Such audited figures will then be used for the preliminary billing for the next fiscal year, at the end of which an adjustment will be made as aforesaid.

City of Moundsville

PUBLISH: March 18, 25, 2010.

LAW OFFICE OF
JAMES V. KELSH
300 Summers St., Ste. 1230
P.O. Box 3713
Charleston, WV 25337-3713
kelshlaw@yahoo.com
WV State Bar #6617

Telephone
(304) 343-1654

Facsimile
(304) 343-1657

May 24, 2010

RECEIVED
10 MAY 24 PM 4:48
W VA PUBLIC SERVICE
COMMISSION
SECRETARY'S OFFICE

Ms. Sandra Squire
Executive Secretary
Public Service Commission of
West Virginia
201 Brooks Street
Post Office Box 812
Charleston, West Virginia 25323

RE: CITY OF MOUNDSVILLE SEWER ORDINANCE

Dear Ms. Squire:

I write on behalf of the City of Moundsville, ("City").

On April 26, 2010, I filed with the Commission a copy of the sewer ordinance adopted by the City Council on April 20, 2010, along with a copy of the pre-adoption notice materials. Enclosed herein please find the affidavit of publication for the post-adoption legal advertisement, and the affidavit of public notice by posting. The post-adoption press release was included with the letter of April 26, 2010 as Attachment No. 5 thereto.

The 30 day protest period expired May 20, 2010 without the filing of any protests.

On May 13, 2010, the Staff Attorney assigned to this matter filed a letter identifying four recommended changes to Moundsville's sewer tariff. Moundsville concurs with those changes

Very truly yours,

James V. Kelsh
WV State Bar #6617

JVK/sls

cc: Cassius Toon, Esq.
Larry Bonar, Superintendent
Sondra Hewitt, Clerk
Allen Hendershot
(cityofmndsvle\squire ltr post adoptive release)

The MOUNDSVILLE DAILY ECHO
SINCE 1891
(304) 8
P.O. B
MOUND
WEST V
26

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF MARSHALL, to wit:

I, Marian Walton, being first du
my oath, do depose and say:

- that I am Co-Publisher of the MOUNDSVILLE DAILY ECHO, newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 103 years, is lished afternoons daily except Sundays, for at least fifty weeks du dar year, in the municipality of Moundsville, Marshall County, Wes
- that such newspaper is a newspaper of "general circulation" as 3, Chap. 59 of the Code of West Virginia 1931 as amended, withi and Marshall County;
- that such newspaper averages in length four or more pages, exc cover, per issue;
- that such newspaper is circulated to the general public at a def consideration;
- that such newspaper is a newspaper to which the general publi passing events or a political, religious, commercial and social nature rent happenings, announcements, miscellaneous reading matters, ad and other notices;
- and that the annexed notice described as follows:

PARTY(ies)

City of Moundsville

NATURE (and agency if heard before one)

sewer rates

CERTIF-BILL TO

James Kelsh
POB 3713
Charleston WV 25337

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

PLEASE PAY FROM THIS INVOICE

TIMES	DATES	BY WORDS	PUBLICATION CHARGES
two	April 26, May 3, 2010	595@.2012	119.21

(signed) Marian L. Walton

NOTARIZATION

Taken, sworn to and subscribed before me this 10th day of May, 2010

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINDA M. MASON
Moundsville Daily Echo
P. O. Box 369
Moundsville, West Virginia 26041

Notary public

LEGAL ADVERTISEMENT

PUBLIC NOTICE OF CHANGE IN SEWER RATES BY THE CITY OF MOUNDSVILLE

The City of Moundsville, acting on behalf of the Sanitary Board, has adopted by ordinance on April 20, 2010, a tariff containing increased rates, tolls and charges for furnishing sewer service to 4,605 customers at Moundsville and vicinity in the County of Marshall.

The proposed increased rates and charges will go into effect upon completion of construction of an upgrade project, unless otherwise ordered by the Public Service Commission. The increased rates and charges will produce approximately $300,818 annually in additional revenue, an increase of 21.2%. The average monthly bill for the various classes of customers will be changed as follows:

Residential (based upon 4,500 gallons per month)—($) INCREASE: $3.92; INCREASE (%): 23.0%

Commercial (based upon 10,000 gallons per month)—($) INCREASE: $12.20; INCREASE (%): 27.2%

Resale (based upon 500,000 gallons per month)—($) INCREASE: $135.00; INCREASE (%): 10.9%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents 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 municipality operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the offices of the utility at the Moundsville Sanitary Board, 819 Lafayette Avenue, Moundsville, West Virginia.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

PUBLISH: April 26, May 3, 2010.

AFFIDAVIT OF PUBLIC NOTICE
BY POSTING

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

I, Sondra Hewitt, being first duly sworn upon my oath, do depose and say that I am the Clerk for the City of Moundsville, and that I have been duly authorized by the City Council to execute this Affidavit of Public Notice by Posting.

The attached public notice, substantially in the format of Tariff Form No. 12 of the Public Service Commission of West Virginia's *Rules for the Construction and Filing of Tariffs*, 150 C.S.R. 2, and as required by 150 C.S.R. 2.22.1.c.4., was first posted in a conspicuous place on the premises where the City conducts its utility business with the public on April 21, 2010, and remained posted until May 20, 2010.

Signed: Sondra J. Hewitt

Taken, subscribed and sworn to before me in said county this 20th day of April, 2010.

My commission expires: September 4, 2016

Karen L. Ankrom
Notary Public

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
KAREN L. ANKROM
R.D. 2, Box 189 1/2
Proctor, West Virginia 26055
My Commission Expires Sept. 4, 2016

PUBLIC NOTICE OF CHANGE IN SEWER RATES BY THE CITY OF MOUNDSVILLE

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Resale (based upon 500,000 gallons per month)	$ 135.00	10.9 %

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A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

(mndsvlle\ordinances\2010 project\public notice chg in rates)

Authority of city to acquire and maintain waterworks, etc., W. Va. Code, Sec. 8-12-5, subsec. (32) (33).

4.10 SANITARY BOARD. (a) Establishment; Composition. There is hereby established a Sanitary Board for the custody, supervision, control, administration, operation and maintenance of the city sewage system, all as permitted and provided by Article 13 of Chapter 16 of the West Virginia Code.

The Sanitary Board shall be composed of the City Manager and two other persons appointed by the City Council.

The organization of the Sanitary Board and the qualifications, term of office and bond of the members shall be as provided in the West Virginia Code, Section 16-13-18.

(b) Appointment of Members. To provide staggered terms of office, as provided in the West Virginia Code, Section 16-13-18, the two members of the Sanitary Board who are to be appointed by the City Council shall be appointed as follows: At the first regular meeting of the Council in March, 1970, and every three years thereafter, one member shall be appointed; and at the first regular meeting of the Council in March, 1972, and every three years thereafter, one member shall be appointed. Members shall take office on March 24 of the year of their appointment.

(c) Officers; Bond. The City Manager shall be the Chairman of the Sanitary Board, and the Board shall elect a Vice-Chairman and also designate a Secretary and Treasurer (who may be separate persons or one and the same); and the City Council hereby reserves the right and privilege from time to time by ordinance or resolution to fix the compensation of the members of the Sanitary Board and the Secretary and Treasurer thereof, and also to require and fix the amount of bond which any or all of such officials may be required to furnish.

(d) Compensation. Unless otherwise provided by ordinance or resolution of the City Council, the members of the Sanitary Board each shall be paid the sum of $20 for each meeting of the Board they shall attend.

The compensation of members of the Sanitary Board shall be paid from the funds of the Sanitary Board, at the direction of such Board, and from no other source.

(e) Rules and Regulations. The Sanitary Board shall make and enforce such bylaws and regulations as may be deemed necessary for the safe, economical and efficient management of the city's sanitary sewerage system

and sewage treatment works, for the construction and use of house sewers and connections to the sewerage system, and for the regulation, collection, rebating, and refunding of rates and charges for the use thereof.

The Sanitary Board is authorized to prohibit dumping of wastes into the city sewage system which, in its discretion, are deemed harmful to the operation of the sewage treatment works of the city, or to require methods affecting pretreatment of such wastes to reduce the characteristics of the waste satisfactory to the Sanitary Board.

(f) Funds, Collections, Disbursements. All revenue from any source shall be deposited in a bank or banks designated by the Sanitary Board. Checks and drafts against the account shall be drawn upon the signatures of the Mayor of the City of Moundsville and the Treasurer of the Sanitary Board of the City of Moundsville, West Virginia, and no other signature shall be necessary. Any provision of any other ordinance in conflict with this section is hereby expressly repealed. (3/10/55, 12/14/59, 1/8/73, 3/12/73)

4.11 EMERGENCY SERVICES. (a) "Emergency Services" Defined. For the purposes of this section, the term "emergency services" shall mean the preparation for and the carrying out of all emergency functions, other than functions for which the military forces are primarily responsible, to prevent, minimize and repair injury and damage resulting from disasters caused by enemy attack, sabotage or other hostile action, or by fire, flood, earthquake or other natural or man-made causes. These functions include, without limitation, fire-fighting services, police services, medical and health services, rescue, engineering, air raid warning services, communications, radiological, chemical and other special weapons, defense, evacuation of persons from stricken areas, emergency welfare services, emergency transportation, existing or properly assigned functions of plant protection, temporary restoration of public utility services, and other functions related to civilian protection, together with all other activities necessary or incidental to the preparation for the carrying out of the foregoing functions.

Disaster includes the imminent threat of disaster as well as its occurrence and any power or authority exercisable on account of a disaster may be exercised during the period when there is an imminent threat thereof.

(b) Policy and Purpose of Section. In view of the existing and increasing possibility of the occurrence of disasters of unprecedented size and destructiveness resulting from enemy attack, sabotage, or other hostile action, or from fire, flood, earthquake or other natural or man-made causes, and in order to insure that preparations of this city will be adequate to deal with such disasters, and generally to provide for the common defense and to protect the public peace, health and safety, and to preserve the lives and property of the people of this city, it is hereby found and declared to be necessary:

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Moundsville (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewerage revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $4,200,000, for the purpose of financing the costs of certain additions, betterments and improvements and acquisition and construction of certain 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 19th day of January, 2011.

CITY OF MOUNDSVILLE

By: Allen Hendershot
Its: Chairman

636290.00012

CH5401078

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned CITY CLERK of the City of Moundsville of hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Council:

*** *** ***

The Council of the City of Moundsville met in regular session, pursuant to notice duly posted, on the 7th day of June, 2011, in Marshall County, West Virginia, at the hour of 7:00 p.m.

PRESENT:

Dennis Wallace	- Mayor
Sondra Hewitt	- City Clerk
Paul Haynes	- Councilmember
Eugene Saunders	- Councilmember
Ginger DeWitt	- Councilmember
David Wood	- Councilmember
K. Mark Simms	- Councilmember
Rick Young	- Councilmember

ABSENT:
None.

Dennis Wallace, Mayor, presided, and Sondra Hewitt, acted as City Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor stated that the proposed Supplemental Resolution in writing entitled:

> SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2011 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF MOUNDSVILLE; APPROVING AND RATIFYING THE LOAN

AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Mark Simms and seconded by Eugene Saunders, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by David Wood and seconded by Ginger DeWitt, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Eugene Saunders and seconded by Ginger DeWitt, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Moundsville and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 9th day of June, 2011.

City Clerk

05.19.11
636290.00012

5757158

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, CITY OF MOUNDSVILLE, APRIL 5, 2011

The Council of the City of Moundsville met in regular session in the Council Chambers on April 5, 2011 at 7:00 p.m.

Meeting was called to order by Mayor Dennis Wallace.

Invocation by City Manager Allen Hendershot.

City Clerk Hewitt called the roll and the following councilpersons were in attendance: DeWitt, Haynes, Remke, Saunders, Simms, Wood and Mayor Wallace. Also present; City Manager Hendershot, Fire Chief Clarke, Building Inspector Schneider, CPA Kathryn Goddard, Attorney Thomas White and City Clerk Hewitt. Absent: Police Chief Kudlak and Street Commissioner Richmond.

MINUTES:

Regular Council Meeting of March 15, 2011.

Councilperson Saunders made a motion to accept and approve the minutes of the regular council meeting of March 15, 2011, seconded by Councilperson Haynes. Motion carried unanimously.

GENERAL PUBLIC HEARING:

* Richard Rickrode, 120 Morton Avenue, complained about the sidewalks that need repaired in the city. Complained of the junk on residents porches and back yards. And reported rebar sticking out of the street between First & Second on Morton Avenue.

* Karen Rogerson, 407 Poplar Avenue, expressed interest in a neighborhood crime watch program. Manager Hendershot assured Mrs. Rogerson that officer will be in contact with her concerning the program.

* Carl Boso, 305 10th Street, reported owning and tearing down the property at 8 Maple Avenue then receiving a letter from the Moundsville Building Inspection Department concerning the dilapidated structure. Mr. Boso commented that he obtained a permit to tear the building down and doesn't understand why he received the letter. Also made comment to officers who live outside of city limits taking their cruisers home. Mr. Boso opposed the police department moving to the Knights of Pythias building because of the parking situation.

* Mayor Wallace thanked the Boy Scouts in Pack #78 for attending the council meeting.

PUBLIC HEARING:

Discussion at Public Hearing Concerning the Sanitary Bond Ordinance.

Mayor Wallace closed the public hearing on the Sanitary Bond Ordinance.

OLD BUSINESS:

Discussion and Approval of an Ordinance Concerning Bond Ordinance for the Issuance of its Sewer Revenue Bonds, Series 2011A. (Third and Final Reading)

Councilperson Simms made a motion to accept and approve the Sanitary Bond Ordinance, seconded by Councilperson Wood.

Mayor Wallace called for a voice vote. City Clerk announced the following tally. Wood, Mayor Wallace, DeWitt, Haynes, Remke, Saunders and Simms. 7 yeas. Motion carried unanimously.

Discussion and Approval of an Ordinance Concerning Water Rates for the City of Moundsville. (Second Reading)

Councilperson Simms made a motion to approve the ordinance concerning water rates in the City of Moundsville, seconded by Councilperson Remke.

Mayor Wallace called for a voice vote. City Clerk announced the following tally. Simms, Saunders, Remke, Haynes, Mayor Wallace and Wood voting yea. DeWitt voting nay. 6 yeas, 1 nay. Motion carried.

Other Items to be Discussed by Council.

* Councilperson DeWitt reported the tree in front of Wilson Law Office is starting to bloom, which is still covering the School Zone flashing light. She asked that the tree be removed completely.

* Councilperson DeWitt asked if DOH has contacted the City Manager concerning the 12th Street bridge turn signals. Manager Hendershot reported they have not.

* Councilperson Saunders reported a truck with OH plates is parked in the rear of 1800 Penn Street with garbage in the bed of the truck. He reported the boat that was parked there is gone, but all the garbage was placed in the truck.

* Councilperson Saunders reported the hole on Third Street needs repaired. Manager Hendershot reported that was a sink hole in which the Street Department dug up the hole to see why it was

sinking, they filled the hole and replaced the gravel. Job can not be completed until asphalt becomes available.

* Councilperson Haynes reported the guard rail needs replaced at the entrance to the Green Lawn cemetery on Jefferson Extension.

* Mayor Wallace asked why the Police Department and Street Department are not represented by a department head or foreman.

* Councilperson Remke asked if council has decided what they are going to do with the Knights of Pythias building?

Discussion was held on the premise of the Police Department moving to the Knights of Pythias building. Attorney White commented that council passed a resolution to accept the deed and ownership of the property. Council did not officially act on purchasing the property for a Police Department. Councilperson Wood asked that this subject be placed on the next agenda for council to vote upon.

* Councilperson Remke reported garbage on the porch and behind the house at 102 Jefferson Avenue. Discussion was held concerning the ownership of 102 Jefferson Avenue and the individual who is trying to purchase the property.

NEW BUSINESS:

Discussion and Approval of an Ordinance Pertaining to Sanitation Rate Increase. (First Reading)

Councilperson Simms made a motion to accept and approve the ordinance pertaining to Sanitation Rate Increase, seconded by Councilperson Remke.

Mayor Wallace called for a voice vote. City Clerk announced the following tally. Simms, Wood, Mayor Wallace, Haynes and Remke voting yea. Saunders and DeWitt voting nay. 5 yeas, 2 nay. Motion carried.

Appointment to the Moundsville Sanitary Board. (Council's Appointment)

Councilperson Saunders made a motion to re-appoint Joseph Richmond to the Sanitary Board, seconded by Councilperson Saunders. Motion carried unanimously.

Other Items to be Discussed by Council.

* Councilperson Saunders requested speed bumps on McConnell Drive, residents reported a lot

of speeding. Manager Hendershot noted that speed bumps are a liability to the city but will place this item on the traffic agenda.

* Councilperson Saunders reported the curb needs repaired at the end of Olive Avenue. Also alley needs gravel between Mulberry Avenue & Olive Avenue and Second Street & Center Street.

* Councilperson Saunders reported house is abandoned at 207 Morton Avenue. Fire Chief Clarke reported house has been addressed, owner was served a warrant.

* Councilperson Remke reported house at 107 Sycamore Avenue has windows knocked out; debris left on property at 10th & Garfield Street; trailer boarded up at Diamond Street & Garfield Street.

* Councilperson Remke reported the Moundsville banner on Jefferson Avenue pole across from BB&T is loose from hook.

* Councilperson Remke displayed the new flower pots that will be hung from poles on Jefferson Avenue.

* Councilperson Remke requested signs on Jefferson Avenue with listed times when the street sweeper will be running. Manager Hendershot will place that item on the agenda.

MANAGER ITEMS:

Bob's Lunch Opening.

Manager Hendershot announced that council member are invited to a "soft opening" at Bob's Lunch on April 6, 2011 from 4-8 p.m.

Voluntary Remediation Project.

Manager Hendershot reported that he signed and entered into the Voluntary Remediation Program contract with GAB and things are moving forward.

Comprehensive Plan.

The Planning Commission received training from the WV Extension Service. The commission recommends utilizing the consultant based option for Comprehensive Plan update. Delegate Varner has made contact with WVU Professor who will assist along with Mr. Dougherty from the Extension Service.

Chief of Police Advertisement.

The vacancy for Moundsville Chief of Police has been advertised with applications, resumes due at the end of April.

IRS Audit.

The city received an IRS Audit last week. The exit report indicated a few minor adjustments that will need to be addressed such as take home of non emergency vehicles, cell phones, clothing allowance and a minor reporting requirement.

Employee Health Insurance.

The employee health insurance renewal came in at -1.78% rather than the original projected increase +5%. This will be a decrease in the employee's health insurance.

2011-2012 General Fund Budget.

The city received notification from the state that the budget has been approved. The levy will be layed on April 19, 2011 council meeting.

Transportation Enhancement Program.

Manager Hendershot was notified at a Belomar meeting that the state has moved the Jefferson Avenue bridge replacement project back to 2015. Local DOH representatives suggested contacting legislatures.

Councilperson Simms suggested Manager Hendershot draft a letter with council's concerns of the Jefferson Extension bridge.

Appointment to the Moundsville Police Civil Service Commission.

Manager Hendershot announced that he re-appointed Mr. Dale Coffield to the Moundsville Police Civil Service Commission.

COMMITTEE REPORTS:

Discussion and Approval of Recommendations by the Finance Committee.

Councilperson Saunders scheduled a finance meeting following the policy meeting.

Discussion and Approval of Recommendations by the Traffic Committee.

Councilperson Simms scheduled a traffic meeting following the finance meeting.

Discussion and Approval of Recommendations by the Policy Committee.

Councilperson Wood scheduled a policy meeting on April 12, 2011 at 5:00 p.m.

COUNCIL ITEMS:

* **Haynes** - Asked when Cherokee Drive will be fixed. Manager Hendershot reported the road was patched today.

* Reported holes need filled in Campground on Orchid Avenue; garbage needs cleaned up at the bottom of Cherokee Drive; And reported a dumpster needs reflection tape at Center Street & Poplar Avenue.

* **Saunders** - Thanked the Street Department for cleaning the sewers on Third Street and for cleaning the garbage in the area behind the Rt. 2 carwash.

* **DeWitt** - Asked why City Council was not invited to the ribbon cutting for the Home Expo at the MEDC facility? Manager Hendershot reported he did not know.

* Spoke with an individual concerning video of council meetings and the cost of $200 per meeting.

* Thanked the Street Department for painting the lines in the city parking lot and patching the streets.

* **Remke** - Nothing at this time.

* **Simms** - Nothing at this time.

* **Wood** - Asked when council will be discussing the paving list? Manager Hendershot will discuss that at the finance meeting.

Councilperson Wood made a motion to hold an executive session for litigation matter, seconded by Councilperson Saunders. Motion carried unanimously.

Meeting recessed at 8:48 p.m.

Meeting reconvened at 8:55 p.m.

Executive session began at 8:55 p.m.

Executive session recessed at 9:10 p.m.

Regular session reconvened at 9:10 p.m.

Councilperson Saunders made a motion to authorize mediation in the Boso civil litigation suit, seconded by Councilperson Remke. Motion carried unanimously.

Councilperson Saunders made a motion to adjourn, seconded by Councilperson Remke. Motion carried unanimously.

Meeting adjourned at 9:12 p.m.

Sondra J Hewitt, City Clerk

Dennis Wallace, Mayor

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, CITY OF MOUNDSVILLE, MARCH 1, 2011

The Council of the City of Moundsville met in regular session in the Council Chambers on March 1, 2011 at 7:00 p.m.

Meeting was called to order by Mayor Dennis Wallace.

Invocation by Councilperson Mark Simms.

City Clerk Hewitt called the roll and the following councilpersons were in attendance: DeWitt, Haynes, Remke, Saunders, Simms, Wood and Mayor Wallace. Also present: City Manager Hendershot, Police Chief Kudlak, Fire Chief Clarke, Street Commissioner Richmond, Building Inspector Schneider, CPA Kathryn Goddard, Attorney Thomas White and City Clerk Hewitt.

MINUTES:

Regular Council Meeting of February 15, 2011.

Councilperson Saunders made a motion to accept and approve the minutes of the regular council meeting of February 15, 2011, seconded by Councilperson DeWitt.

Councilperson Remke asked for an explanation on page 3, line 5. The paragraph should have included the address of 242 Jefferson Avenue.

Mayor Wallace called for a vote on the motion. Motion carried unanimously.

Special Council Meeting of February 22, 2011.

Councilperson Haynes made a motion to accept and approve the minutes of the special council meeting of February 22, 2011, seconded by Councilperson DeWitt. Motion carried unanimously.

GENERAL PUBLIC HEARING:

* Rosalyn Rhodes, 1006 Seventh Street, wished to thank council members for making it possible for the Marshall County Chamber of Commerce to hold their concerts at the Riverfront. They are in the process of a resolving some minor issues with the Parks & Recreation Board. Mrs. Rhodes also invited council members to the first concert to be held on June 10, 2011 at 7:00 p.m., for a special recognition.

OLD BUSINESS:

Discussion and Approval of a Rate Increase Ordinance Pertaining to Sewer Revenue Bonds, Series 2011 A. (Second Reading)

Attorney White read the following sanitary rate ordinance by title only to be passed by council on second reading:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MOUNDSVILLE PROVIDING FOR THE ISSUANCE OF ITS SEWER REVENUE BONDS, SERIES 2011 A. THE PROCEEDS OF THE BONDS WILL BE USED (I) TO PAY THE COSTS OF ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE SYSTEM OF THE ISSUER AND (ii) TO PAY CERTAIN COSTS OF ISSUANCE OF THE BONDS AND RELATED COSTS. THE BONDS ARE PAYABLE SOLELY FROM REVENUES TO BE DERIVED FROM THE OWNERSHIP AND OPERATION OF THE SYSTEM OF THE CITY. (SECOND READING)

Councilperson Saunders made a motion to accept and approve the rate ordinance, seconded by Councilperson Wood for discussion.

Councilperson Wood commented that customers will not see an increase until all projects are finished. Mayor Wallace called for a voice vote. City Clerk announced the following tally. Wood, Simms, Saunders, Remke, Haynes, DeWitt and Mayor Wallace. 7 yeas. Motion carried unanimously.

Other Items to be Discussed by Council.

* Councilperson DeWitt asked if program from Utility Service Partners was available for customers? (This program will be for residents to purchase insurance to cover any water/sewer break or line repair from their property to the street). Manager Hendershot advised that Utility Service Partners are preparing for the Spring Campaign in March or April.

* Councilperson DeWitt made comment that her water bill for last month was high and a citizen reported their bill was tripled. Manager Hendershot reported the water rates have not changed.

* Councilperson DeWitt asked if anyone knew of activity going on at the former Giant Eagle building. She reported seeing a large dumpster outside the building. Council, City Manager and the Building Inspectors are not aware of anything going on.

* Councilperson Simms requested the ordinance concerning the City of Moundsville Inspecting rental properties be placed back on the Policy Committee agenda.

* Councilperson Remke asked if 401 Jefferson Avenue has been secured or if officers found any illegal access? Chief Kudlak with check with officers to see if they checked the premises.

* Beautification letter for Parks & Recreation.

* Councilperson Remke asked if Manager Hendershot drafted the letter in support of a hotel in Moundsville. Council authorized Councilperson Remke to make changes to his letter and bring back to council.

* Councilperson Remke asked if Manager Hendershot obtained prices for security in the City Building. Chief Kudlak checked with neighboring cities on security, but not on prices. Manager Hendershot reminded Councilperson Remke the type of security he is suggesting is very expensive.

* Councilperson Remke asked if Manager Hendershot was able to speak with the owner of 102 Jefferson Avenue? Manager Hendershot spoke with Mr. French, who was going to contact his attorney then let Manager Hendershot know if he was legally the owner. Manager Hendershot tried calling Mr. French again with no response.

* Councilperson Remke asked that 1409 Seventh Street be inspected before it is rented out. Neighbors are upset that house is going to be a rental. Manager Hendershot reported this house could be added to the vacant house registration list.

* Councilperson Remke asked for the status of the Carpet Barn at 2nd Street & Washington Avenue. Manager Hendershot reported the Building Inspectors are doing a follow up on that property.

* Councilperson Remke asked for the status of 907 Seventh Street. Chief Kudlak reported officers are attempting to serve warrants on the owner.

* Councilperson Remke looked at water rates from Benwood & McMechen and asked if the City of Moundsville could sell water to them. Manager Hendershot pointed out that the new Water Treatment Plant was built to produce a certain amount water and would require adjustments to the plant to produce additional quantities to supply Benwood and McMechen.

* Councilperson Remke reported some buildings on Jefferson Avenue are being used for storage instead of retail. Manager Hendershot reported that Building Inspector Mercer has sent letters to building owners advising them that buildings are to be used as retail business, not storage.

* Councilperson Remke asked Manager Hendershot when somebody was coming to Moundsville from Smart Zone. Manager Hendershot said thought they would be here this month.

NEW BUSINESS:

Other Items to be Discussed by Council.

* Councilperson Saunders announced that Tom Sutton has resigned his position as Recreation Director after 36 years of service. Mr. Sutton's last day was February 28, 2011. Mark Baker will be serving as interim director.

* Councilperson Remke asked how much the city received from the insurance company for the accident on Third Street & Jefferson Avenue that damaged a bench and a tree? Manager Hendershot reported the bench and tree will be replaced using the insurance funds.

* Councilperson Remke asked if the building inspectors were certified for residential and commercial? Manager Hendershot said that both inspectors are in the process of being certified for residential and commercial. Mr. Remke commended Building Inspectors Mercer and Schneider for a great job.

* Councilperson Remke asked what the library uses the money the city allocates to them. Manager Hendershot explained the city and county contribute funds to the library for expenses, salaries, equipment, books etc.

* Councilperson Wood commented that some of the library's funding comes from the Coal Severance Fund.

* Councilperson Simms made comment to the handout relating to the new asphalt machine purchased by the Steubenville Street Department. Street Commissioner Richmond said the equipment is similar to the Dura Patcher.

MANAGER ITEMS:

DOH Project Update.

Belomar announced bridge replacement and addition of fifth lane to Rt. 2 north Lafayette Avenue to be added to the program. Design to begin 2011 and construction slated for 2014.

Fostoria Project.

Manager Hendershot, GAB and DEP will meet in the Council Chambers on March 3, 2011 at 10:00 p.m., to sign the Voluntary Remediation Program (VRP).

Sanitary Board Project.

Bid opening will be held on Tuesday, March 8, 2011 at 10:00 a.m. at the Sanitary Plant.

Knights of Pythias Building.

Manager Hendershot and representatives of the K of P will meeting at the Office of Attorney Tom White, March 2, 2011 at 9:00 a.m., to develop a deed and enable final purchase.

Housing Rehabilitation Grant.

The WV Development Office has given verbal approval to utilize the closeout funds from the Housing Rehabilitation Grant in the amount of $25,000 to create handicap access and restrooms at the Knights of Pythias building.

Proposed Water Rate Increase.

The Moundsville Water Board and Attorney James Kelsh will be attending the Finance Committee meeting on Tuesday, March 8, 2011 at 5:00 p.m.

2011-2012 Proposed General Fund Budget.

Council members were provided an edited version of the 2011-2012 budget to be discussed at the next Finance Committee meeting. Council must make final approval and submit the State of West Virginia by the end of March 2011.

Stormwater Utility Board.

The Stormwater Utility Board will meet on Monday, March 21, 2011, to review engineering remedies for flooding in the east end of Moundsville.

Moundsville Housing Authority.

The Moundsville Housing Authority was given a score of 30 out of 30 by the Public Housing Assessment System.

Resignation Letter.

Manager Hendershot announced that Chief Jim Kudlak has submitted his letter of resignation for April 30, 2011.

Other Items to be Discussed by City Manager.

* Manager Hendershot received a letter from a city resident who opposes all of the increases proposed by the City of Moundsville.

Councilperson Simms made a motion to receive and file the letter, seconded by Councilperson Haynes. Motion carried unanimously.

Councilperson Wood made a motion to instruct the City Manager to sent a response letter to the resident, seconded by Councilperson Simms. Motion carried unanimously.

Certifications by Attorney White.

Attorney White submitted certified legal ads published in the Moundsville Daily Echo to be received and filed by council:

1. Zone Change Ordinance for 1306-1308 Seventh Street
2. Zone Change Ordinance for 10th Street & Thompson Avenue

Councilperson Wood made a motion to receive and file the zone change ordinance, seconded by Councilperson Simms. Motion carried unanimously.

MAYOR ITEMS:

* Mayor Wallace congratulated Chief Jim Kudlak and Recreation Director Tom Sutton on their retirement.

COMMITTEE ITEMS:

Discussion and Approval of Recommendations by the Finance Committee.

Councilperson Saunders scheduled a finance meeting on Tuesday, March 8, 2011 at 5:00 p.m.

Discussion and Approval of Recommendations by the Traffic Committee.

Councilperson Simms scheduled a traffic meeting following the finance meeting.

Discussion and Approval of Recommendations by the Policy Committee.

Councilperson Wood scheduled a policy meeting following the traffic meeting.

COUNCIL ITEMS:

* **Wood -** Would like to see a plan for the Knights of Pythias building concerning the parking situation if the Police Department should happen to relocate there.

* Congratulated Gene Saunders on being appointed as Chairperson of the Parks & Recreation Board.

* Congratulations to Police Chief Kudlak on his retirement.

* Welcome back to Fire Chief Clarke after shoulder surgery.

* Welcome back Councilperson Saunders after knee surgery.

* Asked when dispatchers will be hired since the interview process was conducted. Manager Hendershot noted that he was waiting on recommendations from the Police Chief.

* **Saunders -** Asked if Manager Hendershot researched the possibility of city pension plan for part time employees. Manager Hendershot will bring information to the Policy meeting.

* Announced the Skate Park Committee has received some donations and hope to put the project out for bid in the spring.

* **Haynes** - Asked Fire Chief Clarke if anything has been done at 2 & 2½ Hickory Avenue concerning the chimney problem. Chief Clarke advised that he is addressing the matter.

* **Remke** - Reported some citizens are requesting the Community Crime Watch Program.

* Asked if the Street Department would be able to participate in erecting and secure a 30-35 ft Christmas Tree in the BB&T lot this year. Mayor Wallace said this request could be discussed at the Finance or Policy due to legal issues.

* Asked if the Street Department would be able to place plant hanger brackets on light poles to hold flower arrangements purchased by the Beautification Committee? Council will discuss this matter at the Finance meeting.

* Invited Mayor Wallace and Vice Mayor Saunders to attend the Tourism Meeting on March 16, 2011, at 6:00 at Grand Vue Park.

* Announced the Bark, Sniff & Howl Convention will be scheduled for 2012.

* **DeWitt** - Asked when council will be discussing the paving list. Manager Hendershot advised after the budget has been approved.

* Requested holes on McConnell Drive be filled when the Street Department starts patching.

* Congratulation to Police Chief Kudlak and Recreation Director Sutton on their retirement.

* Received a letter from Goodwill providing information on their recycling program for computers and computer equipment.

* **Simms** - Nothing at this time.

Councilperson Simms made a motion to adjourn, seconded by Councilperson Saunders. Motion carried unanimously.

Meeting adjourned at 8:30 p.m.

Sondra J. Hewitt, City Clerk

Dennis Wallace, Mayor

STATE OF WEST VIRGINIA, COUNTY OF MARSHALL, CITY OF MOUNDSVILLE, FEBRUARY 15, 2011

The Council of the City of Moundsville met in regular session in the Council Chambers on February 15, 2011 at 7:00 p.m.

Meeting was called to order by Mayor Dennis Wallace.

Invocation by City Manager Allen Hendershot.

City Clerk Hewitt called the roll and the following councilpersons were in attendance: DeWitt, Haynes, Remke, Saunders, Simms, Wood and Mayor Wallace. Also present: City Manager Hendershot, Police Chief Kudlak, Asst. Fire Chief Walker, Building Inspector Schneider, CPA Kathryn Goddard, Attorney Thomas White and City Clerk Hewitt. Absent: Street Commissioner Richmond.

MINUTES:

Regular Council Meeting of February 1, 2011.

Councilperson DeWitt made a motion to accept and approve the minutes of the regular council meeting of February 1, 2011, seconded by Councilperson Wood. Motion carried unanimously.

GENERAL PUBLIC HEARING:

Presentation to Shelva Smith, Retired Police Officer, for Years of Service.

Mayor Wallace presented former Police Sgt. Shelva Smith with a plaque for 20 years of service and Police Chief Kudlak presented Shelva with his duty weapon.

* Richard Rickrode, 120 Morton Avenue, wanted to thank the city for fixing part of the street where flooding was being a problem he appreciates the help. Mr. Rickrode also commented he didn't think the Knights of Pythias building would be a good place to move the police department and hopes that council will do something about the residents that have junk piled on their porches and in their yards.

OLD BUSINESS:

Discussion and Approval to Acquire the Knights of Pythian Building.

Councilperson Wood moved to approve acquiring the Knights of Pythian building, seconded by Councilperson Saunders for discussion.

Councilperson Remke referred to the study from McKinley & Associates concerning repair of the outside fire escape, liability for any accidents incurred by the Knights of Pythian members, repairs to the stair lift and termite damage. Mr. Remke asked if the Knights of Pythians building

meets the city's building codes?

Councilperson Wood feels that the items mentioned by Councilperson Remke can be fixed. The City Building is overly crowded, looking at the Knights of Pythias building is only an option.

Mayor Wallace advised the motion was made to acquire the building, what to do with the building has not been established.

Police Chief Kudlak explained that the Police Department has outgrown the city building. As far as the report from the Inspector of Jezerinac, Geers & Associates, he was impressed with the building. Concerning the termites, the inspector found inactive termite mounds.

Mayor Wallace called for a voice vote. City Clerk announced the following tally. DeWitt, Haynes, Saunders, Simms, Wood and Mayor Wallace. Remke voting nay. 6 yeas, 1 nay. Motion carried.

Other Business to be Discussed by Council.

* Councilperson DeWitt reported that TJ's Used Cars did not purchase 103 Jefferson Avenue, he purchased 100 Jefferson Avene. The owner of 103 Jefferson does not wish to sell that property.

* Councilperson Remke previously asked council for a letter of support for a hotel in Moundsville. Mayor Wallace recommended asking the City Manager to draft a letter for council members to sign.

* Councilperson Remke asked if the city was going to repair the street in front of Mr. Rickrode's house? City Manager Hendershot advised that paving can not be done until Klug's is open.

* Councilperson Remke previously asked for security measures in the City Building for employees and council. Manager Hendershot said he gave Chief Kudlak a memo to look into the request, but with budget constraints the request would be expenses.

* Councilperson Remke asked for an update on the $25,000 ADA Housing Grant. Manager Hendershot reported the grant money is not to be used for a handicapped ramp at the Knights of Pythian building. They are leaning more toward the curb cuts. Council has approved the "change of scope", it is now a matter of making the final determination of how the dollars will be spent.

* Councilperson Remke asked if the Police Department checked the basement door at 401 Jefferson Avenue. Chief Kudlak will pass on the information.

* Councilperson Remke asked for an update of the house at 102 Jefferson Avenue. Manager Hendershot made contact with the owner, who didn't feel that he was still the owner, was going to contact his attorney then contact Manager Hendershot.

* Councilperson Remke asked if there had been anymore activity at 242 Jefferson Avenue involving the Building Inspector. Manager Hendershot asked the Building Inspector to follow up and check on the concerns about the chimney but has received no report.

* Councilperson Simms inquired about the Rental House Inspection Ordinance and asked that council bring this ordinance back to Policy Committee for discussion.

* Councilperson Saunders asked Mayor Wallace if the members of the Moundsville Revitalization Committee were selected by council or just appointed at random. Mayor Wallace said the members were selected by Chairperson Remke. Councilperson Saunders was under the impression that committee members should submit a letter of intent to council. Manager Hendershot explained that boards and commissions submit letters, but sub committee are formed by the Mayor.

Mayor Wallace is very pleased with the members appointed by Councilperson Remke.

NEW BUSINESS:

Discussion and Approval of a Resolution for the Water Board Community Partnership Grant.

Manager Hendershot explained the purpose of the application is to secure funds for the purchase of a valve insertion machine. The fund for the Water Board are needed to reduce the cost associated with boil orders, unaccounted water and lastly the machine improves trench and employee safety. The City of Moundsville will provide matching funds in the amount of $5200 toward the project.

Councilperson Simms made a motion to authorize the City Manager to submit the application, seconded by Councilperson Saunders. Motion carried unanimously.

Discussion and Approval of a Rate Increase Ordinance Pertaining to Sewer Revenue Bonds, Series 2011A. (First Reading)

Attorney White read the following rate increase ordinance by title only to be passed by council on first reading:

AN ORDINANCE OF THE COUNCIL OF THE CITY OF MOUNDSVILLE, PROVIDING FOR THE ISSUANCE OF ITS SEWER REVENUE BONDS, SERIES 2011 A. THE PROCEEDS OF THE BONDS WILL BE USED (I) TO PAY THE COSTS OF ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE SYSTEM OF THE ISSUER AND (ii) TO PAY CERTAIN COSTS OF ISSUANCE OF THE BONDS AND RELATED COSTS. THE BONDS ARE PAYABLE SOLELY FROM REVENUES TO BE DERIVED FROM THE OWNERSHIP AND OPERATION OF THE SYSTEM OF THE CITY. (FIRST READING)

Councilperson Wood made a motion to accept and approve the rate increase ordinance, seconded by Councilperson Remke.

Mayor Wallace called for a voice vote. City Clerk announced the following tally. Haynes, Remke, Saunders, Simms, Wood, Mayor Wallace and DeWitt. 7 yeas. Motion carried unanimously.

Appointment to the Moundsville Zoning Appeals Board. (Council's Appointment)

There are three vacancies on the Zoning Appeals Board and three applications received for the board.

Councilperson Simms made a motion to appoint Carl Boso, Jr., Robert Bear Mobley and Rick Young to the Moundsville Zoning Appeals Board, seconded by Councilperson DeWitt. Motion carried unanimously.

Discussion and Approval to Award the Bids for Window/Door Replacement & HVAC Upgrade.

Bids received on January 28, 2011 for the Window Replacement Project:

Replacement Window Company	$20,456.00
Molly Joe Inc	$26,900.00
Cattrell	$24,500.00

Councilperson DeWitt moved to award the low bid to Replacement Windows in the amount of $20,456.00, seconded by Councilperson Saunders. Motion carried unanimously.

Bids received on January 28, 2011 for HVAC Upgrade Project:

HE Neumann	$25,992.00
Kucera Heating	$33,900.00
Johnson Boiler	$29,950.00
Cattrell	$48,000.00

Councilperson DeWitt moved to award the low bid to HE Neumann in the amount of $25,992.00, seconded by Councilperson Saunders. Motion carried unanimously.

Discussion and Approval of a Resolution Authorizing the City of Moundsville to Enter Into a Contractual Agreement with Commercial Insurance for Renewal of Liability Coverage for 2011-2012.

Councilperson Wood made a motion to authorize the City of Moundsville to enter into a contractual agreement with Commercial Insurance for renewal of liability coverage for 2011-2012, seconded by Councilperson DeWitt.

Mayor Wallace called for a voice vote. City Clerk announced the following tally. Remke, Saunders, Simms, Wood, Mayor Wallace, DeWitt and Haynes. 7 yeas. Motion carried unanimously.

Discussion of Request from Congressman McKinley.

Manager Hendershot reported that council received a letter from Congressman McKinley asking for items that council felt was their top three priorities that they would like him to pursue at the federal level. There was some discussion that council would bring their recommendations to a committee meeting. Council decided to bring the recommendations to the Policy Committee.

Councilperson Remke noted that he was going to Washington DC and would be happy to give the recommendations to Congressman McKinley in person.

Other Items to be Discussed by Council.

* Councilperson DeWitt reported the "No Turn on Red" sign was removed from the intersection at Third Street & Jefferson Avenue, but the crosswalk signs still remain. Manager Hendershot noted that right on red does not take away a drivers responsibility to enter the intersection safely and a pedestrian in the crosswalk has the right of way.

Manager Hendershot said further discussion can be held at the Traffic Committee meeting.

* Councilperson Remke asked who are the members on the Building Enforcement Agency. Councilperson Simms replied the Building Inspector, Jeff Yeater, Fire Chief Clarke, a member of the Health Department and Mayor.

Referring to City Code 1103.02(a), Councilperson Remke reported the house located behind the Salvation Army meets a lot of this criteria as do several other residences in Moundsville.

* Councilperson Remke asked if the Carpet Barn building window has been repaired? Manager Hendershot directed a work order.

* Councilperson Remke announced that the newly formed Moundsville Revitalization Committee met to greet each other.

MANAGER ITEMS:

Update of Fostoria Project.

Manager Hendershot made council aware that the Marshall County Commission has authorized a $20,000 grant for continued demolition of the Fostoria Project. Removal of the stacks will start on February 10, 2011, hoping to be complete by February 18, 2011.

MAYOR ITEMS:

* Mayor Wallace announced the Moundsville Water Board Attorney for the rate increase will be present at the March 8, 2011 finance meeting for those who have questions on the ordinance.

COMMITTEE REPORTS:

Discussion and Approval of Recommendations by the Finance Committee.

Finance Committee did not have a quorum present. Items were presented to council for a vote under new business.

Discussion and Approval of Recommendations by the Traffic Committee.

Traffic Committee did not have a quorum present.

Councilperson Simms asked for a request for handicapped parking in front of the Polka Dot Café be placed on the next agenda.

Discussion and Approval of Recommendations by the Policy Committee.

Policy Committee did not have a quorum present.

COUNCIL ITEMS:

* **Simms** - Moved to have a Special Council Meeting on Tuesday, February 22, 2011 for the City Manager to present the 2011-2012 General Fund Budget and Budget Message, seconded by Councilperson Haynes. Motion carried unanimously.

* **Wood -** Asked for an update on the Blake Addition water run off problem. Manager Hendershot reported the Stormwater Management Board is taking on the project. The Marshall County Commission shared the expense for a study on that area. This is one of the Stormwater Board's early spring projects.

* Asked updated photos of council members.

* **Remke** - Thanked Mayor Wallace for his vote of confidence of him as the chair of the Moundsville Revitalization Board.

* **DeWitt -** Asked if the street department removed sidewalks. Manager Hendershot reported they did, but building inspectors must fill out a permit.

* **Saunders -** Nothing at this time.

* **Haynes** - Reported the street light on Jefferson Avenue by Auto Choice needs to globe replaced. Manager Hendershot reported that light needs electrical repairs.

Mayor Wallace made a motion to recess for 5 minutes following an executive session for personnel matters, seconded by Councilperson Saunders. Motion carried unanimously.

Meeting recessed at 8:14 p.m.

Meeting reconvened at 8:20 p.m.

Executive Session began at 8:20 p.m.

Executive Session recessed at 8:40 p.m.

Regular Session reconvened at 8:40 p.m.

Councilperson Saunders made a motion to adjourn, seconded by Councilperson Remke. Motion carried unanimously.

Meeting adjourned at 8:41 p.m.

Sondra J. Hewitt, City Clerk

Dennis Wallace, Mayor

The MOUNDSVILLE DAILY ECHO
SINCE 1891

(304) 845-2660
P.O. BOX 369
MOUNDSVILLE
WEST VIRGINIA
26041

AFFIDAVIT OF PUBLICATION

STATE OF WEST VIRGINIA,
COUNTY OF MARSHALL, to wit:

I, Marian Walton, being first duly sworn upon my oath, do depose and say:

- that I am Co-Publisher of the MOUNDSVILLE DAILY ECHO, a Republican newspaper;
- that I have been duly authorized to execute this affidavit;
- that such newspaper has been published for over 103 years, is regularly published afternoons daily except Sundays, for at least fifty weeks during the calendar year, in the municipality of Moundsville, Marshall County, West Virginia.
- that such newspaper is a newspaper of "general circulation" as defined in Art. 3, Chap. 59 of the Code of West Virginia 1931 as amended, within Moundsville and Marshall County;
- that such newspaper averages in length four or more pages, exclusive of any cover, per issue;
- that such newspaper is circulated to the general public at a definite price or consideration;
- that such newspaper is a newspaper to which the general public resorts far passing events or a political, religious, commercial and social nature and for current happenings, announcements, miscellaneous reading matters, advertisements and other notices;
- and that the annexed notice described as follows:

PARTY(ies)

City of Moundsville Bond Ordinance

NATURE (and agency if heard before one)

Bond Ordinance

CERTIF-BILL TO

Steptoe & Johnson
Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588

WAS PUBLISHED IN SAID NEWSPAPER AS FOLLOWS:

TIMES	DATES
two	March 22, 29, 2011

BY WORDS	PUBLICATION CHARGES
492@20.12	$98.99

(signed) Marian Walton

NOTARIZATION

Sworn to and subscribed before me this 7th day of April, 2011.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LINDA M. MASSIE
Moundsville Daily Echo
P. O. Box 369
Moundsville, West Virginia 26041
My Commission Expires Jan. 9, 2016

Linda M. Massie, Notary public

LEGAL ADVERTISEMENT

NOTICE OF PUBLIC HEARING ON THE CITY OF MOUNDSVILLE BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Moundsville (the "City") to be held on Tuesday, April 5, 2011, at 7:00 p.m. at the City Hall, Moundsville, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City 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 CERTAIN EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF MOUNDSVILLE AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF MOUNDSVILLE OF NOT MORE THAN $4,700,000 IN ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2011 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.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable from the revenues derived from the System. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above entitled Ordinance was adopted by the Council of the City of Moundsville on March 1, 2011. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

/s/ Allen Hendershot
City Manager

01 BLISH: March 22, 29, 2011

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 6/9/2011

ISSUE: City of Moundsville
Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program)

ADDRESS: PO Box E, Moundsville, WV 26041 COUNTY: Marshall

PURPOSE OF ISSUE:
New Money: X
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 6/9/2011

CLOSING DATE:

ISSUE AMOUNT: $3,678,601

RATE: 2%; Administrative Fee 1%

1ST DEBT SERVICE DUE: 6/1/2013

1ST PRINCIPAL DUE 6/1/2013

1ST DEBT SERVICE AMOUNT $55,904.01*

PAYING AGENT: Municipal Bond Commission

* First payment only, see DSS

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: BB&T
Contact: Loretta Niemiee
Phone: 304.232.1474

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: David Wood
Position: Mayor
Phone: 304.845.3394

OTHER:
Agency: W.V. Department of Environmental Protection
Contact: Rosalie Brodersen
Position: Program Manager
Phone: (304) 926.0499 (ext. 1608)

DEPOSITS TO MBC AT CLOSE
By: ____ Wire
____ Che

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
____ Reserve Account: $ ____
____ Other: $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire
____ Check
____ IGT

____ To Escrow Trustee $ ____
____ To Issuer $ ____
____ To Cons. Invest. Fun $ ____
____ To Other: ____ $ ____

NOTES: The Series 2011 A Bonds Reserve Account will be funded over 10 years

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

Branch Banking and Trust Company, Wheeling, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Moundsville (the "Issuer") enacted by the Issuer on April 5, 2011, and a Supplemental Resolution adopted by the Issuer on June 7, 2011 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated June 9, 2011, in the aggregate principal amount of $3,678,601 (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 9th day of June, 2011.

BRANCH BANKING AND TRUST COMPANY

By: _____
Its: Authorized Officer

05.18.11
636290.00012

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Moundsville Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), dated June 9, 2011, in the aggregate principal amount of $3,678,601 (the "Series 2011 A Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2011 A Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2011 A Bonds.

WITNESS my signature on this 9th day of June, 2011.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.18.11
636290.00012

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

The Huntington National Bank, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Moundsville (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program), of the Issuer, dated June 9, 2011, in the principal amount of $3,678,601, numbered AR-1, were 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 the Registrar.

WITNESS my signature on this 9th day of June, 2011.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.18.11
636290.00012

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 9th day of June, 2011, by and between the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $3,678,601 principal amount of Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program) in fully registered form (the "Series 2011 A Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted April 5, 2011, and a Supplemental Resolution of the Issuer duly adopted June 7, 2011 (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 Series 2011 A 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 Series 2011 A Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver the Series 2011 A 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, if any, on the Series 2011 A Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER:
City of Moundsville
P.O. Box E
Moundsville, West Virginia 26041
Attention: Mayor

REGISTRAR:
The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301

8. The Registrar is hereby requested and authorized to authenticate and deliver the Series 2011 A 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.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF MOUNDSVILLE

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

05.18.11
636290.00012

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See Attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date June 9, 2011

City of Moundsville
Account Number 6089001809

City of Moundsville
Sewer Revenue Bonds, Series 2011 A
C/o Katy Mallory
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT
****
FEE CALCULATION FOR June, 2011
****

TOTAL AMOUNT	$ 500.00
TOTAL DUE	**$ 500.00**

MAIL CHECK TO:
THE HUNTINGTON NATIONAL BANK
ATTN: BARRY GRIFFITH – WE3013
PO BOX 633
CHARLESTON, WV 25322-0633

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304) 348-5035

[redacted] OFFICE

TRANSACTION ID	INVOICE NUMBER	$	PAYEE REFERENCE	PURCHASE ORDER	AMOUN
10061286750 GOVERNOR-4/14/04		668,000.00			668,000.0

WARRANT #: 1-2927465
DATE: 04/14/04

[redacted] NCETTC

If you have questions concerning the above, please call 304-558-1595.

REMOVE DOCUMENT ALONG THIS PERFORATION

CTL#14376876

[redacted]

State of West Virginia

Important remittance information on top panel
Remitter: GOVERNORS OFFICE
Questions? Contact: MARY LIPFORD at 304-558-1595

STATE WARRANT #: 1-2927465
APRIL 14, 2004

PAYEE CITY OF MOUNDSVILLE

1-2927465

**********$68,000.00**

WEST VIRGINIA TREASURY John D Perdue STATE TREASURER

Glen B Gaines III AUDITOR

⑈1292746 5⑈ ⑆051902322⑆ 5270537822⑈

$68,000 DIGEST GRANT

$176,500

U.S. ENVIRONMENTAL PROTECTION AGENCY

Assistance Amendment

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	12/04/2008
XP -	97342001	- 2	
TYPE OF ACTION: No Cost Amendment			MAILING DATE: 12/04/2008
PAYMENT METHOD: Reimbursement			ACH#: 30047

RECIPIENT TYPE:
Municipal

Send Payment Request to:
WV Bureau for Public Health

RECIPIENT:
Moundsville Sanitary Board
819 Lafayette Ave
Moundsville, WV 26041
EIN: 55-6006749

PAYEE:
Moundsville Sanitary Board
819 Lafayette Ave
Moundsville, WV 26041

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
P. Scott Hicks 819 Lafayette Ave Moundsville, WV 26041 E-Mail: hicks@belomar.org Phone: 304-242-1800	BruceA Smith 1650 Arch Street, 3WP50 Philadelphia, PA 19103-2029 E-Mail: Smith.Brucea@epa.gov Phone: 215-814-5770	Hana Jones Grants & Audit Management Branch, 3PM70 E-Mail: Jones.Hana@epa.gov Phone: 215-814-5417

PROJECT TITLE AND EXPLANATION OF CHANGES
National Institute of Justice Utilities Project
This amendment extends the budget and project periods to September 30, 2010, updates the award conditions, and changes the project scope for the design and construction of new water and sewer lines to serve community facilities to be located at the former West Virginia State Penitentiary in the City of Moundsville. Improvements will also be made to the primary anaerobic digester at the existing Moundsville wastewater treatment plant.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
10/01/2006 - 09/30/2010	10/01/2006 - 09/30/2010	$320,909.00	$320,909.00

NOTICE OF AWARD

Based on your application dated 05/15/2006, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $. EPA agrees to cost-share 55.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $176,500. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Digital signature applied by EPA Award Official	Francis R. Snock, Chief, Grants and Audit Management Branch	12/04/2008

AFFIRMATION OF AWARD

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Allen Hendershot	Allen Hendershot, City Manager	12/11/08

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$ 176,500	$	$ 176,500
EPA In-Kind Amount	$ 0	$	$ 0
Unexpended Prior Year Balance	$ 0	$	$ 0
Other Federal Funds	$ 0	$	$ 0
Recipient Contribution	$ 144,409	$	$ 144,409
State Contribution	$ 0	$	$ 0
Local Contribution	$ 0	$	$ 0
Other Contribution	$ 0	$	$ 0
Allowable Project Cost	$ 320,909	$ 0	$ 320,909

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.202 - Congressionally Mandated Projects	Appropriations Act of 2002 (PL 107-73)	40 CFR PART 31

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation

Approved Budget	
Program Element Classification (Construction)	Approved Allowable Budget Period Cost
1. Administration Expense	$10,000
2. Preliminary Expense	$0
3. Land Structure, Right Of Way	$0
4. Architectural Engineering Basic Fees	$40,000
5. Other Architectural Engineering Fees	$10,000
6. Project Inspection Fees	$18,500
7. Land Development	$0
8. Relocation Expenses	$0
9. Relocation Payments to Individuals & Bus.	$0
10. Demolition and Removal	$0
11. Construction and Project Improvement	$206,122
12. Equipment	$0
13. Miscellaneous	$0
14. Total (Lines 1 thru 13)	$284,622
15. Estimate Income	$0
16. Net Project Amount (Line 14 minus 15)	$284,622
17. Less: Ineligible Exclusions	$0
18. Add: Contingencies	$36,287
19. Total ($hare: Recip 45.00% Fed 55.00%)	$320,909
20. TOTAL APPROVED ASSISTANCE AMOUNT	$176,500

U.S. ENVIRONMENTAL PROTECTION AGENCY

Assistance Amendment

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	01/28/2008
XP -	97339501	- 1	
TYPE OF ACTION: No Cost Amendment			MAILING DATE: 01/28/2008
PAYMENT METHOD: Reimbursement			ACH#: 30047

RECIPIENT TYPE:
Municipal

Send Payment Request to:
WV Dept of Environmental Protection

RECIPIENT:
Moundsville Sanitary Board
819 Lafayette Ave
Moundsville, WV 26041
EIN: 55-6006749

PAYEE:
Moundsville Sanitary Board
819 Lafayette Ave
Moundsville, WV 26041

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
P. Scott Hicks 819 Lafayette Ave Moundsville, WV 26041 E-Mail: Phone: 304-242-1800	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 E-Mail: Smith.Brucea@epamail.epa.gov Phone: 215-814-5770	Hana Jones Grants and Audit Management Branch, 3PM70 E-Mail: Jones.Hana@epamail.epa.gov Phone: 215-814-5417

PROJECT TITLE AND EXPLANATION OF CHANGES
JEFFERSON AVENUE STORM/SANITARY SEWER IMPROVEMENT PROJECT
This amendment extends the budget and project to December 31, 2009 for the design and construction of the replacement of a 12" storm sewer on Jefferson Avenue between 2nd Street and 5th Street consisting of the installation of 1,315 Linear Feet (LF) of 12" storm sewer line, 450 LF of 6" sanitary sewer laterals, 465 LF of 6" storm sewer laterals, and 5 manholes in the City of Moundsville, WV and updates the award conditions.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
12/08/2005 - 12/31/2009	12/08/2005 - 12/31/2009	$666,182.00	$666,182.00

NOTICE OF AWARD

Based on your application dated 12/08/2005, including all modifications and amendments, the United States acting by and through the US Environmental Protection Agency (EPA), hereby awards $. EPA agrees to cost-share 55.00% of all approved budget period costs incurred, up to and not exceeding total federal funding of $366,400. Such award may be terminated by EPA without further cause if the recipient fails to provide timely affirmation of the award by signing under the Affirmation of Award section and returning all pages of this agreement to the Grants Management Office listed below within 21 days after receipt, or any extension of time, as may be granted by EPA. This agreement is subject to applicable EPA statutory provisions. The applicable regulatory provisions are 40 CFR Chapter 1, Subchapter B, and all terms and conditions of this agreement and any attachments.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Digital signature applied by EPA Award Official	Francis R. Snock, Chief, Grants and Audit Management Branch	01/28/2008

AFFIRMATION OF AWARD

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Allen Hendershot	Allen Hendershot City Manager	02-04-08

EPA Funding Information

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$ 366,400	$	$ 366,400
EPA In-Kind Amount	$ 0	$	$ 0
Unexpended Prior Year Balance	$ 0	$	$ 0
Other Federal Funds	$ 0	$	$ 0
Recipient Contribution	$ 299,782	$	$ 299,782
State Contribution	$ 0	$	$ 0
Local Contribution	$ 0	$	$ 0
Other Contribution	$ 0	$	$ 0
Allowable Project Cost	$ 666,182	$ 0	$ 666,182

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.202 - Congressionally Mandated Projects	Consolidated Appropriations Act of 2004 (PL 108-199)	40 CFR PART 31

Fiscal

Site Name	Req No	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation

Approved Budget	
Program Element Classification (Construction)	Approved Allowable Budget Period Cost
1. Administration Expense	$30,000
2. Preliminary Expense	$0
3. Land Structure, Right Of Way	$0
4. Architectural Engineering Basic Fees	$123,323
5. Other Architectural Engineering Fees	$0
6. Project Inspection Fees	$95,606
7. Land Development	$0
8. Relocation Expenses	$0
9. Relocation Payments to Individuals & Bus.	$0
10. Demolition and Removal	$0
11. Construction and Project Improvement	$378,000
12. Equipment	$0
13. Miscellaneous	$15,000
14. Total (Lines 1 thru 13)	$639,929
15. Estimate Income	$0
16. Net Project Amount (Line 14 minus 15)	$639,929
17. Less: Ineligible Exclusions	$0
18. Add: Contingencies	$26,253
19. Total (Share: Recip 45.00% Fed 55.00%)	$666,182
20. TOTAL APPROVED ASSISTANCE AMOUNT	$366,400

EXHIBIT I

$348,922 INSURANCE SETTLEMENT

Glatfelter Claims Management, Inc.

163 Lender Heights Road • P.O. Box 5126 • York, Pennsylvania 17405-9792
(717) 741-0911 • (800) 238-1957 • Fax (717) 747-7051 • CA License # 2D89880
Administering claims on behalf of American Alternative Insurance Corporation.

RURAL SPECIAL DISTRICTS
Insurance Services
A Division of Glatfelter Insurance Group

June 20, 2008

Larry Bonar
City Of Moundsville Sanitary Board
800 6th Street
Moundsville, WV 26041

RE:	Insured:	City Of Moundsville Sanitary Board
	Policy Number:	SDISSK9100743-03
	Claim Number:	WVSK207060052
	Date of Loss:	05/28/2007
	Description:	Digester lid damage

Dear Mr. Bonar:

Glatfelter Claims Management, Inc. is handling this matter on behalf of American Alternative Insurance Corporation. Enclosed you will find a check in the amount of $148,921.72. Our settlement represents the cost to repair the damaged digester lid, less the prior $200,000 payment and the $1,000 deductible.

Our evaluation is itemized on the enclosed Claim Worksheet, which is a copy of the document provided to you on May 24, 2008. As you have advised you are in agreement with our findings, providing this payment concludes the claim for repair of the damaged digester lid.

If you identify any additional costs related to repair of the digester lid, please notify me immediately and we will review that information.

We are happy to have been of service. If you have any questions or need additional information, please contact me at the toll free number listed above.

Sincerely,

Dennis C. Ryder
Property Manager
Extension 7616

c: Paull Associates

Enclosure

RURAL SPECIAL DISTRICTS
Insurance Services
A Division of Glatfelter Insurance Group

Glatfelter Claims Management, Inc.
P O Box 5126
York, PA 17405
(800) 233-1957

CITY OF MOUNDSVILLE SANITARY BOARD
800 6TH STREET
MOUNDSVILLE, WV 26041

PAYMENT IS BEING ISSUED FOR: ADVANCE PAYMENT TOWARD COST TO REPAIR DAMAGE TO DIGESTER.

CHECK NUMBER: 0001011072
CLAIM NUMBER: WVSK207060052-00002
PAYMENT AMOUNT: $****200,000.00

Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and subject to criminal prosecution and civil penalties.

RYDERD
SPECIAL DISTRICTS

Please detach voucher and deposit check promptly.

THIS CHECK IS PRINTED WITH A BLUE & GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK - HOLD AT ANGLE TO VIEW

Glatfelter Claims Management, Inc.
P.O. Box 5126
York, PA 17405-5126
PAYEE TAXPAYER ID:
POLICY NUMBER: WVSK207060052-00
CLAIMANT: CITY OF MOUNDSVILLE SANITARY B
DATE OF LOSS: 5/28/2007
Two hundred thousand and 00/100 dollars
$****200,000.00
CITY OF MOUNDSVILLE SANITARY BOARD
800 6TH STREET
MOUNDSVILLE WV 26041

30-285
314

CHECK NO. 0001011072
CHECK DATE 12/7/2007
42 days after issue

AUTHORIZED SIGNATURE
AUTHORIZED SIGNATURE

⑈0001011072⑈ ⑆031302955⑆ 9850221 40⑈

RURAL SPECIAL DISTRICTS
Insurance Services

Glatfelter Claims Management, Inc.
P O Box 5126
York, PA 17405
(800) 233-1957

CITY OF MOUNDSVILLE SANITARY BOARD
800 6TH STREET
MOUNDSVILLE, WV 26041

PAYMENT IS BEING ISSUED FOR: REPAIR OF DIGESTER LID, LESS $1000 DEDUCTIBLE

CHECK NUMBER: 0001014582
CLAIM NUMBER: WVSK207060052-00004
PAYMENT AMOUNT: $****148,921.72

Any person who knowingly presents a false or fraudulent claim for the payment of a loss is guilty of a crime and subject to criminal prosecution and civil penalities.

SURGESJ
SPECIAL DISTRICTS

Please detach voucher and deposit check promptly.

THIS CHECK IS VOID WITHOUT A BLUE & GREEN BACKGROUND AND AN ARTIFICIAL WATERMARK ON THE BACK. HOLD BY ANGLE TO VIEW

Glatfelter Claims Management, Inc.
P.O. Box 5126
York, PA 17405
(800) 233-1957

CHECK NO. 0001014582
DATE OF ISSUE 10/20/2008

CLAIM NUMBER | POLICY NUMBER | TAX ID TAXPAYER ID | POLICY DATES
WVSK207060052-00004 | 00000000 | 00000000 | 10/01/2007 TO 10/01/2008

PAID ALL ASSOCIATES INC | POLICYHOLDER: CITY OF MOUNDSVILLE SANITARY BOARD | CLAIMANT: CITY OF MOUNDSVILLE SANITARY BOARD | DATE OF LOSS: 10/18/2007

PAY One hundred forty eight thousand nine hundred twenty one and 72/100 Dollars $****148,921.72

TO THE ORDER OF CITY OF MOUNDSVILLE SANITARY BOARD
800 6TH STREET
MOUNDSVILLE WV 26041

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

⑈0001014582⑈ ⑆031302955⑆ 9850224 0⑈

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information
(304) 353-8196 Phone
(304) 353-8181 Fax
John.Stump@steptoe-johnson.com

June 13, 2011

City of Moundsville
Sewer Revenue Bonds, Series 2011 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 envelope.

Thank you for your attention to this letter. If you have any questions regarding any of the issues set forth herein, or if I can be of any service, please do not hesitate to call.

My best regards.

Very truly yours,

John C. Stump

JCS/bsl
Enclosure

636290.00012

5772253

Form **8038-G**
(Rev. May 2010)
Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority — If Amended Return, check here ▶ ☐

1 Issuer's name: City of Moundsville	2 Issuer's employer identification number (EIN): 55 6000216
3 Number and street (or P.O. box if mail is not delivered to street address): PO Box E — Room/suite:	4 Report number (For IRS Use Only): 3
5 City, town, or post office, state, and ZIP code: Moundsville, West Virginia 26041	6 Date of issue: 06/09/2011
7 Name of issue: Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program)	8 CUSIP number:
9 Name and title of officer of the issuer or other person whom the IRS may call for more information: Dennis Wallace, Mayor	10 Telephone number of officer or other person: (304) 845.3394

Part II Type of Issue (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	3,678,601
16	Housing	16	
17	Utilities	17	
18	Other. Describe ▶	18	
19	If obligations are TANs or RANs, check only box 19a ▶ ☐		
	If obligations are BANs, check only box 19b ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	3/1/2033	$ 3,678,601	$ 3,678,601	12.5159 years	1.6955 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	
23	Issue price of entire issue (enter amount from line 21, column (b))			23	3,678,601
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	40,500		
25	Proceeds used for credit enhancement	25			
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
27	Proceeds used to currently refund prior issues	27			
28	Proceeds used to advance refund prior issues	28			
29	Total (add lines 24 through 28)			29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	3,638,101

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 ▶ _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY) ▶ _____

34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a	
b	Enter the final maturity date of the GIC ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Signature and Consent

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. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.

▶ Dennis L Wallace — Signature of issuer's authorized representative — Date 6/9/11

▶ Dennis Wallace, Mayor — Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's SSN or PTIN P01236822
Firm's name (or yours if self-employed), address, and ZIP code ▶	Steptoe & Johnson PLLC PO Box 1588, Charleston, WV 25326	EIN 55 : 0286140 Phone no. (304) 353.8000	

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

COMPLETE THIS SECTION ON DELIVERY

A. Signature
X ☐ Agent ☐ Addressee

B. Received by (Printed Name) C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

RECEIVED JUN 16 2011 OGDEN, UT

3. Service Type
☒ Certified Mail ☐ Express Mail
☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

2. Article Number (Transfer from service label) 7008 0150 0003 0442 0592

PS Form 3811, February 2004 Domestic Return Receipt 102595-02-M-1540

7008 0150 0003 0442 0592

U.S. Postal Service™
CERTIFIED MAIL™ RECEIPT
(Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com®

OFFICIAL USE

Postage	$ 1.48
Certified Fee	2.85
Return Receipt Fee (Endorsement Required)	2.30
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	$ 6.63

6/13/11
Postmark Here

Brandy

Sent To
Street, Apt. or PO Box
City, State,
Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

636290
00012

PS Form 3800, August 2006 See Reverse for Instructions

FORM 8038 STATISTICS

City of Moundsville
SRF
$3,678,601
20 Years
2% Interest Rate
1% Administrative Fee

Dated Date	06/09/2011
Delivery Date	06/09/2011

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	06/01/2013	37,511.00	2.000%	100.000	37,511.00	37,511.00
	09/01/2013	37,698.00	2.000%	100.000	37,698.00	37,698.00
	12/01/2013	37,887.00	2.000%	100.000	37,887.00	37,887.00
	03/01/2014	38,076.00	2.000%	100.000	38,076.00	38,076.00
	06/01/2014	38,267.00	2.000%	100.000	38,267.00	38,267.00
	09/01/2014	38,458.00	2.000%	100.000	38,458.00	38,458.00
	12/01/2014	38,650.00	2.000%	100.000	38,650.00	38,650.00
	03/01/2015	38,844.00	2.000%	100.000	38,844.00	38,844.00
	06/01/2015	39,038.00	2.000%	100.000	39,038.00	39,038.00
	09/01/2015	39,233.00	2.000%	100.000	39,233.00	39,233.00
	12/01/2015	39,429.00	2.000%	100.000	39,429.00	39,429.00
	03/01/2016	39,626.00	2.000%	100.000	39,626.00	39,626.00
	06/01/2016	39,824.00	2.000%	100.000	39,824.00	39,824.00
	09/01/2016	40,024.00	2.000%	100.000	40,024.00	40,024.00
	12/01/2016	40,224.00	2.000%	100.000	40,224.00	40,224.00
	03/01/2017	40,425.00	2.000%	100.000	40,425.00	40,425.00
	06/01/2017	40,627.00	2.000%	100.000	40,627.00	40,627.00
	09/01/2017	40,830.00	2.000%	100.000	40,830.00	40,830.00
	12/01/2017	41,034.00	2.000%	100.000	41,034.00	41,034.00
	03/01/2018	41,239.00	2.000%	100.000	41,239.00	41,239.00
	06/01/2018	41,446.00	2.000%	100.000	41,446.00	41,446.00
	09/01/2018	41,653.00	2.000%	100.000	41,653.00	41,653.00
	12/01/2018	41,861.00	2.000%	100.000	41,861.00	41,861.00
	03/01/2019	42,070.00	2.000%	100.000	42,070.00	42,070.00
	06/01/2019	42,281.00	2.000%	100.000	42,281.00	42,281.00
	09/01/2019	42,492.00	2.000%	100.000	42,492.00	42,492.00
	12/01/2019	42,705.00	2.000%	100.000	42,705.00	42,705.00
	03/01/2020	42,918.00	2.000%	100.000	42,918.00	42,918.00
	06/01/2020	43,133.00	2.000%	100.000	43,133.00	43,133.00
	09/01/2020	43,348.00	2.000%	100.000	43,348.00	43,348.00
	12/01/2020	43,565.00	2.000%	100.000	43,565.00	43,565.00
	03/01/2021	43,783.00	2.000%	100.000	43,783.00	43,783.00
	06/01/2021	44,002.00	2.000%	100.000	44,002.00	44,002.00
	09/01/2021	44,222.00	2.000%	100.000	44,222.00	44,222.00
	12/01/2021	44,443.00	2.000%	100.000	44,443.00	44,443.00
	03/01/2022	44,665.00	2.000%	100.000	44,665.00	44,665.00
	06/01/2022	44,888.00	2.000%	100.000	44,888.00	44,888.00
	09/01/2022	45,113.00	2.000%	100.000	45,113.00	45,113.00
	12/01/2022	45,339.00	2.000%	100.000	45,339.00	45,339.00
	03/01/2023	45,565.00	2.000%	100.000	45,565.00	45,565.00
	06/01/2023	45,793.00	2.000%	100.000	45,793.00	45,793.00
	09/01/2023	46,022.00	2.000%	100.000	46,022.00	46,022.00
	12/01/2023	46,252.00	2.000%	100.000	46,252.00	46,252.00

FORM 8038 STATISTICS

City of Moundsville
SRF
$3,678,601
20 Years
2% Interest Rate
1% Administrative Fee

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Bond Component:						
	03/01/2024	46,483.00	2.000%	100.000	46,483.00	46,483.00
	06/01/2024	46,716.00	2.000%	100.000	46,716.00	46,716.00
	09/01/2024	46,949.00	2.000%	100.000	46,949.00	46,949.00
	12/01/2024	47,184.00	2.000%	100.000	47,184.00	47,184.00
	03/01/2025	47,420.00	2.000%	100.000	47,420.00	47,420.00
	06/01/2025	47,657.00	2.000%	100.000	47,657.00	47,657.00
	09/01/2025	47,895.00	2.000%	100.000	47,895.00	47,895.00
	12/01/2025	48,135.00	2.000%	100.000	48,135.00	48,135.00
	03/01/2026	48,376.00	2.000%	100.000	48,376.00	48,376.00
	06/01/2026	48,617.00	2.000%	100.000	48,617.00	48,617.00
	09/01/2026	48,861.00	2.000%	100.000	48,861.00	48,861.00
	12/01/2026	49,105.00	2.000%	100.000	49,105.00	49,105.00
	03/01/2027	49,350.00	2.000%	100.000	49,350.00	49,350.00
	06/01/2027	49,597.00	2.000%	100.000	49,597.00	49,597.00
	09/01/2027	49,845.00	2.000%	100.000	49,845.00	49,845.00
	12/01/2027	50,094.00	2.000%	100.000	50,094.00	50,094.00
	03/01/2028	50,345.00	2.000%	100.000	50,345.00	50,345.00
	06/01/2028	50,596.00	2.000%	100.000	50,596.00	50,596.00
	09/01/2028	50,849.00	2.000%	100.000	50,849.00	50,849.00
	12/01/2028	51,104.00	2.000%	100.000	51,104.00	51,104.00
	03/01/2029	51,359.00	2.000%	100.000	51,359.00	51,359.00
	06/01/2029	51,616.00	2.000%	100.000	51,616.00	51,616.00
	09/01/2029	51,874.00	2.000%	100.000	51,874.00	51,874.00
	12/01/2029	52,133.00	2.000%	100.000	52,133.00	52,133.00
	03/01/2030	52,394.00	2.000%	100.000	52,394.00	52,394.00
	06/01/2030	52,656.00	2.000%	100.000	52,656.00	52,656.00
	09/01/2030	52,919.00	2.000%	100.000	52,919.00	52,919.00
	12/01/2030	53,184.00	2.000%	100.000	53,184.00	53,184.00
	03/01/2031	53,450.00	2.000%	100.000	53,450.00	53,450.00
	06/01/2031	53,717.00	2.000%	100.000	53,717.00	53,717.00
	09/01/2031	53,986.00	2.000%	100.000	53,986.00	53,986.00
	12/01/2031	54,256.00	2.000%	100.000	54,256.00	54,256.00
	03/01/2032	54,527.00	2.000%	100.000	54,527.00	54,527.00
	06/01/2032	54,800.00	2.000%	100.000	54,800.00	54,800.00
	09/01/2032	55,074.00	2.000%	100.000	55,074.00	55,074.00
	12/01/2032	55,349.00	2.000%	100.000	55,349.00	55,349.00
	03/01/2033	55,626.00	2.000%	100.000	55,626.00	55,626.00
		3,678,601.00			**3,678,601.00**	**3,678,601.00**

FORM 8038 STATISTICS

City of Moundsville
SRF
$3,678,601
20 Years
2% Interest Rate
1% Administrative Fee

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	03/01/2033	2.000%	55,626.00	55,626.00		
Entire Issue			3,678,601.00	3,678,601.00	12.5159	1.6955%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	0.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY

DATE (MM/DD/YY) 05/18/11

Serial # A3147

PRODUCER
WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURER A NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B
INSURER C
INSURER D
INSURER E

INSURED
City of Moundsville Sanitary Board
PO Box 480
Moundsville, WV 26041

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS		
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	900000790	07/01/2010	07/01/2011	EACH OCCURRENCE FIRE DAMAGE (Any one fire) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG	$ $ $ $ $ $	1,000,000 100,000 0 INCLUDED N/A N/A
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS	900000790	07/01/2010	07/01/2011	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)	$ $ $ $	1,000,000
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT OTHER THAN AUTO ONLY: EA ACC AGG	$ $ $	
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE AGGREGATE	$ $ $ $ $	
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP		07/01/2010	07/01/2011	W/C STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	$ $ $	
B	OTHER						

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

Certificate holder is listed as An Additional Insured.

CERTIFICATE HOLDER ADDITIONAL INSURED; INSURER LETTER: ____

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE Jerry W. Gladwell

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west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
dep.wv.gov

January 11, 2011

Allen Hendershot, Chairman
City of Moundsville
819 Lafayette Avenue
Moundsville, WV 26041

RE: City of Moundsville
Wastewater System Improvements
EPA No. XP-973395-01-0
SRF No. C-544025-02

Dear Mr. Henderson:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current State and Federal Labor Wage Determinations. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Robert Coontz, P.E. at (304) 457-4588, ext.3209.

Sincerely,

Mike Johnson

Mike Johnson, P. E.
Program Manager
Clean Water SRF Program

MJ/rc

cc: Tim Utt, P.E., Burgess & Niple, Inc.
Bruce Smith, EPA

OWR Permit Details

(1)OWR Permit	
PERMITTEE	MOUNDSVILLE CITY OF
DEP OFFICE	OWR
PERMIT ID	WV0023264
ISSUE/REISSUE DATE	06/17/10
EXPIRATION DATE	06/16/15
FACILITY NAME	MOUNDSVILLE CITY OF
DESCRIPTION	
No. of CUSTOMERS	5158
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	2.340000
AVERAGE FLOW(MGD)	
MAJOR FACILITY	Y
EXTENSION DATE	

(2) County / Quad	
County: Marshall	Quad: MOUNDSVILLE
County: Marshall	Quad: BUSINESSBURG

(25) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
C004	Combined Sewer Overflow
C003	Combined Sewer Overflow
C002	Combined Sewer Overflow
C007	Combined Sewer Overflow
C005	Combined Sewer Overflow
C006	Combined Sewer Overflow
ENTIRE	Entire Default
IU10	Industrial Users(Pretreatment)
IU11	Industrial Users(Pretreatment)
IU12	Industrial Users(Pretreatment)
IU13	Industrial Users(Pretreatment)
IU14	Industrial Users(Pretreatment)
IU09	Industrial Users(Pretreatment)
IU08	Industrial Users(Pretreatment)
IU07	Industrial Users(Pretreatment)
IU06	Industrial Users(Pretreatment)

IU05	Industrial Users(Pretreatment)
IU04	Industrial Users(Pretreatment)
IU03	Industrial Users(Pretreatment)
IU01	Industrial Users(Pretreatment)
IU02	Industrial Users(Pretreatment)
001	Outlet
008	Outlet
009	Outlet
S01	Sludge

(25) Permit Geography

INSPECTABLE UNIT CODE:	001	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	008	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	009	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	C002	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'42.0000"	
LONGITUDE:	80° 43'20.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	C003	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 55'1.0000"	
LONGITUDE:	80° 43'37.0000"	

COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	C004	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'39.0000"	
LONGITUDE:	80° 44'8.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	C005	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'37.0000"	
LONGITUDE:	80° 44'20.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	C006	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'35.0000"	
LONGITUDE:	80° 45'13.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	C007	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 55'37.0000"	
LONGITUDE:	80° 44'21.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	ENTIRE	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU01	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU02	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		

LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU03	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU04	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU05	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU06	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU07	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU08	Show Map
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:		

	Marshall	
INSPECTABLE UNIT CODE:	IU09	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU10	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU11	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU12	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU13	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	IU14	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		
LATITUDE:	39° 54'22.0000"	
LONGITUDE:	80° 45'28.0000"	
COUNTY:	Marshall	
INSPECTABLE UNIT CODE:	S01	**Show Map**
MAGISTERIAL DIST:		
NEAREST POST OFFICE:		

LATITUDE:	39° 54'22.0000"
LONGITUDE:	80° 45'28.0000"
COUNTY:	Marshall
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Ohio River Direct Drains
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Upper Ohio River 2
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Little Grave Creek
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Ohio River Direct Drains
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Ohio River Direct Drains
USWRC WATERSHED:	Upper Ohio River 2
SCS WATERSHED:	Ohio River Direct Drains

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

Chase Tower, Eighth Floor
P.O. Box 1588
Charleston, WV 25326-1588
(304) 353-8000 (304) 353-8180 Fax
www.steptoe-johnson.com

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **June 9, 2011**

Re: **City of Moundsville**
Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program)

---

1. DISBURSEMENTS TO THE CITY OF MOUNDSVILLE

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2011 A Bonds Proceeds
Amount:	$689,690
Form:	Wire Transfer
Payee:	City of Moundsville, 114 Cypress Avenue, Moundsville, WV 26041
Bank:	Branch Banking & Trust, 1145 Main Street, Wheeling, WV 26003
Routing #:	051503394
Account #:	5174715248
Contact:	Loretta Niemiec 304.232.1474
Account:	Series 2011 A Bonds Construction Trust Fund "Jefferson Avenue EPA Account"

2. DISBURSEMENTS TO PROGRESSIVE BANK

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2011 A Bonds Proceeds
Amount:	$382,860
Form:	Wire Transfer
Payee:	City of Moundsville, 114 Cypress Avenue, Moundsville, WV 26041
Bank:	Progressive Bank, 809 LaFayette Ave., Moundsville, WV 26041
Routing #:	043403224
Account #:	104354
Contact:	Michele Thatcher 304.845.0922
Purpose:	Payoff Line of Credit Account #104354

TOTAL DRAW $1,072,550

636290.00012

CH5400471

West Virginia • Ohio • Kentucky • Pennsylvania

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west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street S.E.
Charleston, WV 25304
Phone: (304) 926-0495
Fax: (304) 926-0496

Earl Ray Tomblin, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.gov

June 6, 2011

Mr. Allen Hendershot, City Manager
City of Moundsville
800 Sixth Street
Moundsville, West Virginia 26041

Re: City of Moundsville
C-544025-02

Dear Mr. Hendershot:

The first loan reimbursement request in the amount of $1,072,550 has been approved by this office. The pre closing will be held on June 8, 2011 at 1:00 p.m. at the Water Development Authority's office at 180 Association Drive, Charleston, WV 25311 (Northgate Business Park off Greenbrier Street). Funds in the amount of $689,690 will be wired to your projects Construction Account at the Branch Banking & Trust, in Moundsville West Virginia and $382,860 will be wired to the Progressive Bank, in Moundsville West Virginia.

Enclosed is the approved RF-91 payment form that was processed by our office.

If you have any questions please contact John Rogers at (304) 926-0499 ext. 1602 or John.R.Rogers@wv.gov.

Sincerely,

Rosalie Brodersen
Management Section Manager
Clean Water SRF Program

RB/jr

Enclosure

cc: Samme Gee, Jackson & Kelley
John Stump, Steptoe & Johnson, PLLC
Belomar P&DC

Rev. 10/01/04

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Moundsville

ADDRESS: ~~810 LaFayette Street~~ 800 6th St.
Moundsville, WV ~~26401~~ 26041

DUNS 074967969
FEIN: ~~55-0532603~~ 556000216

2. SRF PROJECT C-544025-02

3. INVOICE NUMBER: 1

4. PERIOD COVERED BY THIS REQUEST:
FROM (MO/DAY/YR) 4/5/06 TO (MO/DAY/YR) 6/9/11

5. PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL COLUMNS B & C	E) AGENCY USE ONLY
1) CONSTRUCTION	1,932,035.00		157,132.00	157,132.00	157,132
Change Orders (future)	390,618.00		0.00	0.00	
2) TECHNICAL					
Basic	132,577.00		132,577.00	132,577.00	132,577
Bidding	14,381.00		7,650.00	7,650.00	7,650
Construction	266,638.00		37,263.00	37,263.00	37,263
Other	37,980.00		37,980.00	37,980.00	37,980
3) Stegman	15,108.00		15,108.00	15,108.00	15,108
4) LEGAL	35,000.00		0.00	0.00	
5) ACCOUNTING	17,500.00		0.00	0.00	
6) ADMINISTRATIVE	54,000.00		0.00	0.00	
7) MISCELLANEOUS	1,377.00		0.00	0.00	
8) SITES & LANDS	0.00		0.00	0.00	
9) LINE OF CREDIT	382,860.00		382,860.00	382,860.00	382,860
10) CONTINGENCY	96,547.00		0.00	0.00	
11) RESERVE FUND	0.00		0.00	0.00	
12) Truck	261,480.00		261,480.00	261,480.00	261,480
13) CLOSING COST	40,500.00		40,500.00	40,500.00	40,500
14) SUBTOTAL	3,678,601.00		1,072,550.00	1,072,550.00	1,072,550
15) LESS PREVIOUSLY PAID					—
16) INVOICE AMOUNT					1,072,550

15) Allen Hendershot
RECIPIENT AUTHORIZED SIGNATURE
DATE: 05-25-11

TYPED OR PRINTED NAME AND TITLE

16) Kathy Malloy
PERSON PREPARING FORM SIGNATURE
Date: 5/25/2011

TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION

John Rogers 6/6/11
PROJECT REVIEWER DATE

R Bordenian 6/6/11
AUTHORIZED OFFICER DATE

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350 - 1 (083-5) 350 - 2	$ 1,072,550

RF - 91

The items listed hereon conform to specification, were received and are approved for payment>

date: 6-6-11 Signed: J Rozen

Commit #	SA PO#	PO#	SWC NAME:
C358575		OE #	(1102502) SCO#
Class #:	Lease #	FEIN#/SSN# 556000216	OFF APP DATE:
		FIMS VENDOR #: 45644	JLC 6-7-11

	FUND	FY	ORG	ACT	OBJ CODE	PROJ #	AMOUNT
128	3329		9455	099	128		
MATCH 083	3329		9455	099	083		
REPAY 083	3329	11	9455	099	083	11807	1,072,550

INSTRUCTIONS:

PAYMENT DATA

ATTACH ALL COPIES OF PROJECT INVOICES WHICH DOCUMENT THIS SPECIFIC PAYMENT REQUEST.

ITEM	ENTRY
1.	PROVIDE THE LEGAL NAME OF THE RECIPIENT ORGANIZATION, MAILING ADDRESS, FEIN NUMBER, AND DUNS NUMBER.
2.	FILL IN PROJECT NUMBER ASSIGNED BY THE SRF PROGRAM.
3.	INVOICE NUMBERS SHOULD BE IN SEQUENTIAL ORDER BEGINNING WITH REQUEST #1.
4.	THIS SHOULD REFLECT THE TIME FRAME COSTS COVERED BY PAYMENT REQUISITION.
5.	THE PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETED, INCLUDING STORED MATERIALS.

CLASSIFICATION

COLUMNS	ENTRY
A	SHOW THE SRF APPROVED BUDGET BY LINE ITEM.
B	SHOW THE CUMULATIVE TOTAL COST PREVIOUSLY APPROVED FOR REIMBURSEMENT. (THIS WILL BE COLUMN E OF THE PRIOR INVOICE)
C	SHOW AMOUNT REQUESTED FOR THIS REIMBURSEMENT REQUEST (COST INCURRED SINCE LAST INVOICE)
D	THE SUM OF COLUMNS B & C.
E	**STATE AGENCY USE ONLY - DO NOT COMPLETE**
LINES 12 + 13	**DO NOT COMPLETE**

SIGNATURE BLOCK

ITEM	ENTRY
14.	THE AUTHORIZED REPRESENTATIVE MUST SIGN AND DATE THREE ORIGINAL FORMS OF EACH PAYMENT REQUEST. THE INVOICE DATE CAN BE NO SOONER THAN THE LAST DAY OF THE PERIOD COVERED. (BLOCK 4)
15.	THE PERSON WHO PREPARES THE PAYMENT REQUEST MUST SIGN AND DATE THREE ORIGINAL FORMS.

SUBMIT PAYMENT REQUEST FORM IN TRIPLICATE
AND ONE SET OF INVOICES TO
DEP, DIVISION OF WATER & WASTE MANAGEMENT
STATE REVOLVING FUND PROGRAM
601 57TH STREET, S.E.
CHARLESTON, WV 25304-2345
ATTN: ROSALIE BRODERSEN

SWEEP RESOLUTION

WHEREAS, the City of Moundsville (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes monthly debt service payments on the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer find and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic transfer with the State Treasurer **sweeping** the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on the Bonds, as set forth in Exhibit A, shall be made to the MBC by electronic transfer by the State Treasurer form the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) Mayor and City Clerk are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 7th day of June, 2011.

Dennis L Wallace

Mayor

WEST VIRGINIA
Water Development Authority
Celebrating 36 Years of Service ***1974 - 2010***

June 9, 2011

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

In reliance upon the certificate of Abraham & Company PLLC, independent certified public accountants, and an opinion of Steptoe & Johnson PLLC, as bond counsel, that the coverage and parity tests have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority (the "WDA"), the registered owner of the Series 1987 A Bonds and the Series 1987 B Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2011 A (West Virginia SRF Program) (the "Series 2011 A Bonds"), in the aggregate principal amount of $3,678,601 by the City of Moundsville (the "Issuer"), under the terms of the ordinance authorizing the Series 2011 A 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 1987 A (West Virginia Water Development Authority), dated November 18, 1987, issued in the original aggregate principal amount of $1,846,978 (the "Series 1987 A Bonds"), and senior to the Sewer Revenue Bonds Series 1987 B (West Virginia Water Development Authority), dated November 18, 1987 issued in the original aggregate principal amount of $453,022 (the "Series 1987 B Bonds").

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Authorized Representative

05.18.11
636290.00012

180 Association Drive, Charleston, WV 25311-1217
Phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

CITY OF MOUNDSVILLE

Sewer Revenue Bonds, Series 2011 A
(West Virginia SRF Program)

RECEIPT AND RELEASE

The undersigned, authorized representative of Progressive Bank (the "Bank"), hereby certifies as follows:

On the 9th day of June, 2011, the Bank received the sum of $382,860 from the City of Moundsville and such amount, is sufficient to pay the entire outstanding principal of and all accrued interest on the City of Moundsville Sanitary Board Promissory Note #104354, dated May 29, 2009, issued in the original principal amount of $500,000 (the "Note"), to the date hereof and discharge the liens, pledges and encumbrances securing such Note.

WITNESS my signature on this 9th day of June, 2011.

PROGRESSIVE BANK

By: _____
Its: Authorized Representative

06.09.11
636290.00012

5770150

CITY OF MOUNDSVILLE

SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B
and
SEWERAGE SYSTEM
INTERIM CONSTRUCTION FINANCING

BOND AND NOTES ORDINANCE

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11/20/87
MOUSB2-B

CITY OF MOUNDSVILLE

ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF MOUNDSVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B, AND NOT MORE THAN $8,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

THE COUNCIL OF THE CITY OF MOUNDSVILLE HEREBY ORDAINS:

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 adopted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law.

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

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

B. The Issuer presently owns and operates a public sewage treatment, collection and transportation 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 such existing sewerage facilities of the Issuer consisting of a 2.35 MGD "Captor" Biological Sewage Treatment Plant, rehabilitation of portions of the existing Glen Dale and Moundsville sewerage systems and all necessary appurtenances (the "Project") which constitute properties for the treatment and collection of liquid or solid wastes, sewage or industrial wastes (the existing sewerage system, the Project and any further additions thereto or extensions thereof is herein called the "System") at an estimated cost of $10,765,487, 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 estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds (as hereinafter defined) and all Sinking Fund, Reserve Account and other payments provided for herein.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds in the total aggregate principal amount of not more than $3,200,000 in two series, being the Series 1987 A Bonds in the aggregate principal amount of not more than $2,500,000, and the Series 1987 B Bonds in the aggregate principal amount of not more than $700,000 (collectively, the "Bonds"), and (at the option of the Issuer) to issue contemporaneously therewith, or as soon as practicable thereafter, its sewerage system grant anticipation notes, or a note or notes evidencing a line of credit, or both (collectively, the "Notes") in the aggregate principal amount of not more than $8,000,000 to temporarily finance costs of construction and acquisition of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Notes during the term thereof and upon the Bonds prior to and during construction or acquisition and for 6 months after completion of construction of the Project; amounts which may be deposited in the Reserve Accounts; engineering, and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees of the Authority (as hereinafter

defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Bonds and Notes and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs of obtaining insurance thereon; provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bonds or Notes 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 40 years.

F. It is in the best interests of the Issuer that its Original Bonds (as hereinafter defined) be sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a loan agreement and a supplemental loan agreement (collectively, the "Loan Agreement") both dated October 15, 1987, entered into between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, and attached hereto as "Exhibit A," and made a part hereof.

G. There are not outstanding any obligations of the Issuer which will rank prior to or on a parity with the Bonds as to lien and source of and security for payment. The Series 1987 B Bonds shall be junior and subordinate to the Series 1987 A Bonds as set forth herein. The Notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture or the Supplemental Resolution authorizing the Notes.

H. The Issuer has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds and the Notes, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

I. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less

than $5,000,000 aggregate principal amount of tax-exempt bonds during the calendar year in which the Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Bonds and the Notes by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders and such Noteholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds and Notes, respectively, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series and between any one Note and any other Note, by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

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

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

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

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

"Bond Counsel" means Steptoe & Johnson, Clarksburg, West Virginia, or any other law firm having a national reputation in the field of municipal law whose opinions are generally accepted by the purchasers of municipal bonds which may hereinafter be appointed by the Issuer.

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

"Bond Legislation," "Ordinance," "Bond and Notes Ordinance" or "Local Act" means this Bond and Notes Ordinance and

all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

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

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

"Bonds" means the Original Bonds, and any bonds on a parity therewith authorized to be issued hereunder.

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

"Closing Date" means the date upon which there is an exchange of the Bonds for the proceeds representing the purchase of the Bonds by the Authority.

"Code" means the Internal Revenue Code of 1986, as amended, and regulations promulgated pursuant thereto.

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

"Consulting Engineers" means Vaughn Consultants, Inc., St. Clairsville, Ohio, or any engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System.

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

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

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

"Eligible Costs" means Costs of the Project which are reimbursable in full on a dollar-for-dollar basis from EPA Grant Receipts, the total of which are equal in amount to the EPA Grant.

"EPA" means the United States Environmental Protection Agency and any successor to the functions of the EPA.

"EPA Grant" means the grant from the EPA pursuant to the commitment therefor.

"Excess Investment Earnings" means an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Series A Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings] had been equal to the Yield on the Series A Bond, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

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

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

"Governing Body" means the council of the Issuer, as may hereafter be constituted.

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

"Grant Agreement" means a written commitment for the payment of the EPA Grant or any of the Other Grants, specifying the amount of such Grant, the terms and conditions upon which such Grant

is made and the date or dates or event or events upon which Grant is to be paid to the Issuer; provided that, "EPA Grant Agreement" means only the Grant Agreement relating to the EPA Grant and "Other Grant Agreements" means only those Grant Agreements relating to the Other Grants.

"Grant Receipts" means all moneys received by the Issuer on account of any Grant after the date of issuance of the Notes; provided that "EPA Grant Receipts" means only Grant Receipts on account of the EPA Grant, and "Other Grant Receipts" means only Grant Receipts on account of any or all of the Other Grants.

"Grants" means, collectively, the EPA Grant and the Other Grants, as hereinafter defined.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Series A Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series A Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Series A Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior bonds and which are deemed to become proceeds of the Series A Bonds ratably as original proceeds of the Series A Bonds, and interest earnings and profits resulting from investment of such

original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds (as referenced in clauses (i) through (iii) above) of the Series A Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Reserve Accounts and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Series A Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Series A Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

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

"Indenture" or "Trust Indenture" means the Trust Indenture which may be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"Independent Certified Public Accountants" shall mean any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to

prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

"Investment Property" means any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract or investment-type property, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes.

"Issuer" means the City of Moundsville, in Marshall County, West Virginia, and, unless the context clearly indicates otherwise, includes the Governing Body of the Issuer.

"Loan Agreement" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement, both dated October 15, 1987, heretofore entered into between the Authority and the Issuer providing for the purchase of the Original Bonds from the Issuer by the Authority, the forms of which shall be approved, and the execution and delivery by the Issuer ratified and confirmed by, this Ordinance or a resolution adopted by the Issuer prior to the adoption of this Ordinance.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Reserve Accounts.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the Gross Proceeds of the Series A Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

"Notes" or "GAN" means collectively, the not more than $8,000,000 in aggregate principal amount of Sewerage System Grant Anticipation Notes, originally authorized hereby, or the not more than $8,000,000 in aggregate principal amount of a note or notes evidencing a line of credit originally authorized hereby, and unless the context clearly indicates otherwise, the terms "Notes" or "GAN" includes any refunding Notes or GAN of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by Section 4.02 of the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by Section 4.01 of the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture or the Supplemental Resolution and its successors and assigns.

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

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases mean, collectively, the not more than $2,500,000 in aggregate principal amount of Series 1987 A Bonds and the not more than $700,000 in aggregate principal amount of Series 1987 B Bonds, issued for the purpose of paying a portion of the Costs of the Project and for such other purposes permitted and authorized by this Bond Legislation.

"Original Notes Purchaser" means, in the event grant anticipation notes are issued, Young Moore & Company (Division of Tucker Anthony), of Charleston, West Virginia, or such other original purchaser of the Notes as shall be named in a resolution supplemental hereto, and, in the event a note or notes evidencing a line of credit are issued, such bank or banks as shall be named in a resolution supplemental hereto.

"Other Grants" means any grant other than the EPA Grant hereafter received by the Issuer to aid in financing any Costs.

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

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

"Paying Agent" means the bank or banks or other entity designated as such for the Bonds and/or the Notes in the Indenture or in the Supplemental Resolution or such entity or authority as may be designated by the Issuer.

"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.

"Program" means the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

"Project" means the acquisition, construction and equipping of certain additions, betterments and improvements for such existing sewage facilities of the Issuer consisting of a 2.35 MGD "Captor" Biological Sewage Treatment Plant, rehabilitation of portions of the existing Glen Dale and Moundsville sewerage systems and all necessary appurtenances.

"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 Series A Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers)

at which price a substantial amount of the Series A Bonds of each maturity is sold or, if the Series A Bonds are privately placed, the price paid by the first buyer of the Series A Bonds or the acquisition cost of the first buyer. "Purchase Price," for purposes of computing Yield of Nonpurpose Investments, means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Series A 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 any of the following:

(a) Government Obligations;

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

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

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

(e) Time accounts (including accounts evidenced by time certificates of deposit, time deposits or other similar banking arrangements) which, to the extent not insured by the FDIC or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government

Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

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

(h) The Investment Agreement which, in the event Notes are issued, may be entered into by and between the Trustee and the bank designated as "Investment Bank" in the Supplemental Resolution;

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

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

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

"Registrar" means as appropriate, either the Bond Registrar or the Notes Registrar or both.

"Regulations" means all applicable regulations promulgated under the Code, or any predecessor thereto.

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

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

"Series 1987 A Bonds" or "Series A Bonds" means the not more than $2,500,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 A, of the Issuer.

"Series 1987 A Bonds Reserve Account" means the Series 1987 A Bonds Reserve Account established in the Series 1987 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1987 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1987 A Bonds in any year.

"Series 1987 A Bonds Sinking Fund" means the Series 1987 A Sinking Fund established by Section 5.02 hereof.

"Series 1987 B Bonds" or "Series B Bonds" means the not more than $700,000 in aggregate principal amount of Sewer Revenue Bonds, Series 1987 B, of the Issuer.

"Series 1987 B Bonds Reserve Account" means the Series 1987 B Bonds Reserve Account established in the Series 1987 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1987 B Bonds Reserve Requirement" means, as of the date of calculation, the maximum amount of principal which will become due on the Series 1987 B Bonds in any year.

"Series 1987 B Bonds Sinking Fund" means the Series 1987 B Bonds Sinking Fund established by Section 5.02 hereof.

"State" means the State of West Virginia.

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

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

"System" means the public service properties for the collection, treatment, purification or disposal of liquid or solid wastes, sewage or industrial wastes, owned by the Issuer, and any improvements or extensions thereto hereafter constructed or acquired from any sources whatsoever, and includes the Project.

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Series A Bonds produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

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

ARTICLE II

AUTHORIZATION OF CONSTRUCTION AND ACQUISITION OF THE PROJECT

Section 2.01. Authorization of Construction and Acquisition of the Project. There is hereby authorized the construction and acquisition of the Project, at an estimated cost of $10,765,487, 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 Notes and the Bonds hereby authorized shall be applied as provided in the Indenture, if any, and Article VI hereof, respectively.

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 1987 A Bonds, funding a reserve account for each series of Original Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any of such purposes, there shall be issued negotiable Original Bonds of the Issuer, in an aggregate principal amount of not more than $3,200,000. Said Bonds shall be issued in two series, to be designated respectively, "Sewer Revenue Bonds, Series 1987 A," in the aggregate principal amount of not more than $2,500,000, and "Sewer Revenue Bonds, Series 1987 B," in the aggregate principal amount of not more than $700,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. Such Bonds shall be issued contemporaneously with or prior to issuance of the Notes, if any. The proceeds of the Bonds remaining after funding of the Reserve Accounts (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in the Bond Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Bonds shall bear interest at such rate or rates, not exceeding the then legal maximum, payable semiannually 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. The 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 Bonds shall be paid by check or draft of the Paying Agent mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of each series, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds of each series shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding

and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The 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 any of the Bonds shall cease to be such officer of the Issuer before the Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the forms set forth in Section 3.09 shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and

incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

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

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

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

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond

Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The 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 respective Reserve Accounts. No holder or holders of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Series 1987 B Bonds to be Junior and Subordinate to Series 1987 A Bonds. The payment of the debt service of all the Series 1987 A Bonds shall be secured forthwith equally and ratably with each other, by a first lien on the Net Revenues derived from the System. The payment of the debt service of all the Series 1987 B Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenues in favor of the Holders of the Series 1987 A Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the Sinking Funds, the Reserve Accounts therein and the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as the same become due.

Section 3.09. Form of Original Bonds. The text of the Bonds shall be in substantially the following forms, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[Form of Series 1987 A Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MOUNDSVILLE
SEWER REVENUE BOND, SERIES 1987 A

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marshall 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 _____ ($_____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning _____ 1, 19____. 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer and the City of Glen Dale, West Virginia (the "Project") (ii) to fund a reserve account for the Bonds; and (iii) to pay certain costs of issuance hereof and related costs. 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on _____, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of $_____, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the 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, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1987 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1987 B 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 1987 A Bonds Reserve Account and unexpended proceeds of this Bond and the Series 1987 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest on the Bonds, the Series 1987 B Bonds, and

all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1987 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 any year, and in the respective reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

This Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 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 MOUNDSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be affixed hereon and attested by its City Clerk, and has caused this Bond to be dated _____, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

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:

_____

[Form of Series 1987 B Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MOUNDSVILLE
SEWER REVENUE BOND, SERIES 1987 B

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marshall 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 _____ ($_____), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated _____, 198__.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer and the City of Glen Dale, West Virginia (the "Project"); (ii) to fund a reserve account for the Bonds; and (iii) to pay certain costs of issuance hereof and related costs. 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively,

by the Issuer on _____, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1987 A Bonds herein described and all moneys in the Reserve Account (the "Series 1987 B Bonds Reserve Account") created under the Bond Legislation for the Bonds of this Series (the "Bonds"), 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1987 B Bonds Reserve Account and the reserve account established for the Series 1987 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A 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 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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF MOUNDSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be affixed hereon and attested by its City Clerk, and has caused this Bond to be dated _____, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

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 3.10. Sale of Original Bonds; Ratification of Execution of Loan Agreement with Authority. The Original 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, ratified and approved.

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain Costs of the Project pending receipt of the Grant Receipts, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $8,000,000. The Notes may be in the form of grant anticipation notes or as evidence of a line of credit from a commercial bank or other lender, at the discretion of the Issuer, and as shall be set forth in a resolution supplemental hereto. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture or supplemental resolution, as applicable.

Section 4.02. Terms of and Security for Notes; Trust Indenture. The Notes, if issued, shall be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a supplemental resolution), or supplemental resolution, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from the Grant Receipts, Surplus Revenues, letter of credit proceeds, if any, and other sources described in the Indenture or supplemental resolution. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power, if any, of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for the Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $2,000,000 in the aggregate. In the event of a draw under

any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter of letter of credit shall be authorized and shall have such terms as shall be set forth in a resolution supplemental hereto.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by, the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and from each other:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) Series 1987 A Bonds Sinking Fund;

(a) Within the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account.

(2) Series 1987 B Bonds Sinking Fund;

(a) Within the Series 1987 B Bonds Sinking Fund, the Series 1987 B Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided.

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

(2) Thereafter, from the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing 7 months prior to the first date of payment of interest on the Series 1987 A Bonds for which interest has not been capitalized, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Series 1987 A Bonds Sinking Fund, a sum

equal to 1/6th of the amount of interest which will become due on said Series 1987 A 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 Series 1987 A Bonds Sinking Fund and the next semiannual interest payment date is less than 7 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next semiannual interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1987 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 A Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1987 A Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1987 A Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1987 A Bonds, if not fully funded upon issuance of the Series 1987 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1987 A Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1987 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1987 A Bonds Reserve Requirement.

(5) From the moneys remaining in the Revenue Fund, the Issuer shall next, on the first day of each month, commencing with the month succeeding the first full calendar month after commencement of operation of the System, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the Series 1987 A Bonds Reserve Account. All funds in the Renewal and

Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1987 A Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account has not, as of the date of determination of a deficiency, funded such account to the maximum extent required by Subsection 5.03(A)(4)] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(6) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Series 1987 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Series 1987 B Bonds on the next ensuing principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1987 B Bonds Sinking Fund and the next annual principal payment date is less than 13 months then such monthly payments shall be increased proportionately to provide, one month prior to the next annual principal payment date, the required amount of principal coming due on such date.

(7) The Issuer shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1987 B Bonds, if not fully funded upon issuance of the Series 1987 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1987 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1987 B Bonds Reserve Requirement; provided, that no further payments shall be made into the Series 1987 B 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 1987 B Bonds Reserve Requirement.

Moneys in the Series 1987 A Bonds Sinking Fund and the Series 1987 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the respective series of Bonds as the same shall

become due. Moneys in the Series 1987 A Bonds Reserve Account and the Series 1987 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the respective series of Bonds, as the same shall come due, when other moneys in the attendant Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the several Sinking Funds and Reserve Accounts 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 payments, if any, due on the respective Series of Bonds, and then to the next ensuing principal payments due thereon.

Any withdrawals from the Series 1987 A Bonds Reserve Account which result in a reduction in the balance of the Series 1987 A Bonds Reserve Account to below the Series 1987 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund for payment of debt service on the Bonds have been made in full.

Any withdrawals from the Series 1987 B Bonds Reserve Account which result in a reduction in the balance of the Series 1987 B Bonds Reserve Account to below the Series 1987 B Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments to the Series 1987 A Bonds Sinking Fund, the Series 1987 A Bonds Reserve Account, the Renewal and Replacement Fund and the Series 1987 B Bonds Sinking Fund have been made in full.

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 1987 A Bonds Sinking Fund, or the Series 1987 B Bonds Sinking Fund or into the Reserve Accounts therein when the aggregate amount of funds in said respective Sinking Funds and Reserve Accounts are at least equal to the aggregate principal amount of the respective Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof.

The Commission is hereby designated as the fiscal agent for the administration of the Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein.

The payments into the Sinking Funds shall be made on the first day of each month, except that when the first day of any month shall be a 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 Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

Moneys in the Reserve Accounts shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

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

B. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System, including, but not limited to, payment to the Trustee for deposit in the Notes Debt Service Fund, as defined in the Indenture.

C. 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 the Depository Bank's charges and the Paying Agent fees then due.

D. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

E. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

F. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited.

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

H. All Tap Fees shall be deposited by the Issuer, as received, in the Bond Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System, provided that, in the event Notes are issued, Tap Fees may, with the written consent of the Authority be deposited otherwise.

ARTICLE VI

BOND PROCEEDS; FUNDS AND ACCOUNTS

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

A. From the proceeds of the Series 1987 A Bonds there shall first be paid any and all borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project, including interest accrued thereon to the date of such payment.

B. From the proceeds of the Series 1987 A Bonds, there shall next be deposited with the Commission in the Series 1987 A Bonds Sinking Fund, the amount, if any, specified in the Supplemental Resolution as capitalized interest; provided, that such amount may not exceed the amount necessary to pay interest on the Series 1987 A 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.

C. Next, from the proceeds of the Series 1987 A Bonds, there shall be deposited with the Commission in the Series 1987 A Bonds Reserve Account and from the proceeds of the Series 1987 B Bonds, there shall be deposited with the Commission in the Series 1987 B Reserve Account the respective sums, if any, set forth in the Supplemental Resolution for funding of the Reserve Accounts.

D. The remaining moneys derived from the sale of the Bonds shall be deposited with the Depository Bank in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in the Bond Legislation and Indenture (if any). Moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so expended, are hereby pledged as additional security for the Series 1987 A Bonds, and thereafter for the Series 1987 B Bonds. In the event that Notes are issued, the disposition of funds in the Bonds Construction Trust Fund may be modified from that set forth herein, with the written consent of the Authority.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly.

Disbursements from the Bond Construction Trust Fund, except for the costs of issuance of the Original Bonds which shall be made upon request of the Issuer, shall be made only after submission to the Depository Bank of a certificate, signed by an Authorized Officer 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.

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall from time to time file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

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

After completion of the Project, as certified by the Consulting Engineers, the Depository Bank shall transfer any moneys remaining in the Bond Construction Trust Fund to the Series 1987 A Bonds Reserve Account, and when fully funded to the Series 1987 B Bonds Reserve Account, and when both Reserve Accounts are fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund. The Issuer shall thereafter, apply such moneys in full, first to the next ensuing interest payments, if any, due on

the respective Series of Bonds and thereafter to the next ensuing principal payments due thereon.

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 Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds or the interest thereon is Outstanding and unpaid.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture; provided, that Section 7.04 and Section 7.09 shall not be applied to the Notes.

Section 7.02. Bonds and Notes not to be Indebtedness of the Issuer. Neither the Bonds nor the Notes shall 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 funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Bonds or Notes, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or Notes or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Series 1987 A 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 payment of the debt service of the Series 1987 B Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the Holders of the Series 1987 A Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds and to make the payments into the Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in the

Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of 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 ordinance of the Issuer enacted August 15, 1985.

Section 7.05. Sale of the System. 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 and Notes, if any, Outstanding, or to effectively defease this Ordinance in accordance with Section 10.01 hereof and, if entered into and not previously defeased, the Indenture in accordance with Section 8.01 thereof. 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. With respect to the Notes, such proceeds in an amount sufficient to pay the Notes in full shall be applied to the payment of the Notes, either at maturity or, if allowable under the Supplemental Resolution or Indenture, prior thereto.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such

sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall with the written consent of the Authority, be remitted by the Issuer to the Commission for deposit in the Sinking Fund and shall be applied only to the purchase of Bonds of the last maturities then Outstanding at prices not greater than the par value thereof plus 3% of such par value. Such payment of such proceeds into the Sinking Fund or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of this Bond Legislation. No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of over 50% in amount of the Bonds then Outstanding and the Consulting Engineers. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07B, the Issuer shall not issue any obligations whatsoever with a lien on or otherwise payable from any source of payment pledged originally to the Notes issued under the Indenture or supplemental resolution prior to or on a parity with the lien on behalf of such Notes until such Notes have been defeased in accordance with the provisions of the Indenture and the Bond Legislation; and, so long as any of the Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Bonds on a parity with the Series 1987 B Bonds only may be issued as provided for in Section 7.07 hereof. All obligations issued by the Issuer after the issuance of the Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for

payment from such revenues and in all other respects, to the Series 1987 A Bonds and the Series 1987 B Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Reserve Accounts and the Renewal and Replacement Fund 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 this Bond Legislation, or upon the System or any part thereof.

Section 7.07. Parity Bonds. A. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Bond Legislation, except under the conditions and in the manner herein provided.

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 1987 B Bonds. No Parity Bonds shall be issued which shall be payable out of the revenues of the System on a parity with the Series 1987 A Bonds, unless the Series 1987 B Bonds are no longer outstanding.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of Bonds issued pursuant hereto, or both such purposes.

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

The "estimated average increased annual Net Revenues to be received in each of the 3 succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased Net Revenues estimated to be derived from (a) the improvements to be financed by such Parity Bonds and (b) any increase in rates adopted by the Issuer and approved by the Public Service Commission of West Virginia, the period for appeal of which has expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such Parity Bonds.

The Net Revenues actually derived from the System during the 12-consecutive-month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Consulting Engineers and the said Independent Certified Public Accountants, as stated in a certificate jointly made and signed by the Consulting Engineers and said Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System adopted by the Issuer, the period for appeal of which has expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate construction or acquisition of such additions, betterments or improvements, if any, to the System that are to be financed by such Parity Bonds.

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

addition to the payments required for Bonds theretofore issued pursuant to this Bond Legislation.

All Parity Bonds shall mature on the day of the years of maturities, and the semiannual interest thereon shall be payable on the days of each year, specified in a Supplemental Resolution.

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior liens of the Series 1987 A Bonds and the Series 1987 B Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 1987 A Bonds or the Series 1987 B Bonds.

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

B. Notwithstanding the foregoing, or any provision of Section 7.06 to the contrary, additional Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority submitted as of the date of the Loan Agreement without regard to the restrictions set forth in this Section 7.07, if there is first obtained by the Issuer the written consent of the Authority to the issuance of bonds on a parity with the Bonds.

Section 7.08. Books and Records. 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 or of a Note or Notes issued pursuant to this Bond Legislation or the Trustee shall have the right at all reasonable times to inspect the System and all parts thereof and all records, accounts and data of the Issuer relating thereto.

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be

maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Governing Body. The Governing Body shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Governing Body shall be reported to such agent of the Issuer as the Governing Body shall direct.

The Issuer shall file with the Consulting Engineers, the Trustee and the Authority, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of Bonds or Notes, as the case may be, 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 Indenture with respect to said Bonds or Notes, as the case may be, and the status of all said funds and accounts.

(C) The amount of any Bonds, Notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Bonds or Notes, as the case may be, and shall file said report with the Trustee and the Authority, or any other original purchaser of the Bonds.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant,

with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds; provided that, in the event that an amounts equal to or in excess of the Reserve Requirements are on deposit respectively in the Reserve Accounts and reserve accounts for obligations prior to or on a parity with the Bonds are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds.

Section 7.10. Operating Budget and Audit. 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 expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, 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 the Consulting Engineers 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 Trustee and the Authority and to any Holder of any Bonds or Notes, as the case may be, 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 the Trustee and to any Holder of any Bonds or Notes, as the case may be, or anyone acting for and in behalf of such Holder of any Bonds or Notes, as the case may be.

In addition, the Issuer shall annually cause the records of the System to be audited by an independent certified public accountant, the report of which audit shall be submitted to the Authority and which audit report shall include a statement that the Issuer is in compliance with the terms and provisions of this Bond Legislation and the Loan Agreement.

Section 7.11. No Competing Franchise. To the extent legally allowable, the Issuer will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation, body, agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.12. Enforcement of Collections. The Issuer will diligently enforce and collect all fees, rentals or other charges for the services and facilities of the System, and take all steps, actions and proceedings for the enforcement and collection of such fees, rentals or other charges which shall become delinquent to the full extent permitted or authorized by the Act, the rules of the Issuer, the rules and regulations of the Public Service Commission of West Virginia and other laws of the State of West Virginia.

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.13. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department,

agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.14. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as any of the Bonds or the Notes remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

(2) PUBLIC LIABILITY INSURANCE, with limits of not less than $1,000,000 per occurrence to protect the Issuer from claims for bodily injury and/or death and not less than $100,000 per occurrence from claims for damage to property of others which may arise from the operation of the System, and insurance with the same limits to protect the Issuer from claims arising out of operation or ownership of motor vehicles of or for the System.

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, to the extent available at reasonable cost to the Issuer.

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

B. 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. 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 7.15. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Department of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.16. Completion of Project. The Issuer will complete the Project and operate and maintain the System in good condition.

Section 7.17. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

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

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 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 "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.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Except as provided in the Indenture, if any, any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Trustee, if any, the Depository Bank, or such other bank or national banking association, as the case may be, shall sell and reduce to cash a sufficient amount of such investments whenever the cash balance in any fund or account is insufficient to make the payments required from such fund or account, regardless of the loss on such liquidation. The Trustee, if any, the Depository Bank, or such other bank or national banking association, as the case may be, may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 8.02. Arbitrage. The Issuer covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the Issuer's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code and Regulations, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the 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.

Section 8.03. Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(C) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Bonds are not private activity bonds as defined in Section 141 of the Code; that 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 that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Bonds are issued will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(C) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(C) 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 subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(C) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(C) 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 shall take the following actions:

A. CREATION OF FUNDS. There are hereby created, to be held by the Depository Bank as separate funds distinct from all other funds and accounts held by the Depository Bank under this Bond Legislation, the Earnings Fund and the Rebate Fund. All interest earnings and profits on amounts in all funds and accounts established under this Bond Legislation, other than (i) interest earnings and profits on any funds referenced in Subsection C(5) of this Section if such earnings in any Bond Year are less than $100,000, (ii) interest earnings and profits on amounts in funds and accounts which do not constitute Gross Proceeds, and (iii) interest earnings and profits on the Rebate Fund shall, upon receipt by the Depository Bank, be deposited in the Earnings Fund. In addition, all interest earnings and profits on Gross Proceeds in funds held by the Issuer shall, upon receipt, be paid to the Depository Bank for deposit in the Earnings Fund. Annually, on the last day of each Bond Year or on the preceding business day in the event that such

last day is not a business day, the Depository Bank shall transfer from the Earnings Fund to the Rebate Fund for purposes of ultimate payment to the United States an amount equal to Excess Investment Earnings, all as more particularly described in this Section. Following the transfer referenced in the preceding sentence, the Depository Bank shall transfer all amounts remaining in the Earnings Fund to be used for the payment of Debt Service on the next interest payment date and for such purpose, Debt Service due from the Issuer on such date shall be credited by an amount equal to the amount so transferred.

B. DUTIES OF ISSUER IN GENERAL. The Issuer shall calculate Excess Investment Earnings in accordance with Subsection C and shall assure payment of an amount equal to Excess Investment Earnings to the United States in accordance with Subsections D and E.

C. CALCULATION OF EXCESS INVESTMENT EARNINGS. Within 30 days following the last day of the first Bond Year, the Issuer shall calculate, and shall provide written notice to the Original Purchaser and Depository Bank of, the Excess Investment Earnings referenced in clause (A) of the definition of Excess Investment Earnings. Thereafter, within 30 days following the last day of each Bond Year and within 30 days following the date of the retirement of the Bond, the Issuer shall calculate, and shall provide written notice to the Purchaser and Depository Bank of, the amount of Excess Investment Earnings. Said calculations shall be made or caused to be made by the Issuer in accordance with the following:

(1) Except as provided in (2), in determining the amount described in clause A(i) of the definition of Excess Investment Earnings, the aggregate amount earned on Nonpurpose Investments shall include (i) all income realized under federal income tax accounting principles (whether or not the person earning such income is subject to federal income tax) with respect to such Nonpurpose Investments and with respect to the reinvestment of investment receipts from such Nonpurpose Investments (without regard to the transaction costs incurred in acquiring, carrying, selling or redeeming such Nonpurpose Investments), including, but not limited to, gain or loss realized on the disposition of such Nonpurpose Investments (without regard to when such gains are taken into account under Section 453 of the Code relating to taxable year of inclusion of gross income), and income under Section 1272 of the Code (relating to original issue discount) and (ii) any unrealized gain or loss as of the date of retirement of the Bonds in the event that any Nonpurpose Investment is retained after such date.

(2) In determining the amount described in clause (A) of the definition of Excess Investment Earnings, Investment Property shall be treated as acquired for its fair market value at the time it becomes a Nonpurpose Investment, so that gain or loss on the disposition of such Investment Property shall be computed with reference to such fair market value as its adjusted basis.

(3) In determining the amount described in clause (A)(ii) of the definition of Excess Investment Earnings, the Yield on the Bonds shall be determined based on the actual Yield of the Bonds during the period between the Closing Date of the Bonds and the date the computation is made (with adjustments for original issue discount or premium).

(4) In determining the amount described in clause (B) of the definition of Excess Investment Earnings, all income attributable to the excess described in clause (A) of said definition must be taken into account, whether or not that income exceeds the Yield of the Bond, and no amount may be treated as "negative arbitrage."

(5) In determining the amount of Excess Investment Earnings, there shall be excluded any amount earned on any fund or account which is used primarily to achieve a proper matching of revenues and Debt Service within each Bond Year and which is depleted at least once a year except for a reasonable carryover amount not in excess of the greater of 1 year's earnings on such fund or account or 1/12th of annual Debt Service as well as amounts earned on said earnings if the gross earnings on such fund or account for the Bond Year is less than $100,000.

D. PAYMENT TO THE UNITED STATES. The Issuer shall direct the Depository Bank to pay from the Rebate Fund an amount equal to Excess Investment Earnings to the United States in installments with the first payment to be made not later than 30 days after the end of the 5th Bond Year and with subsequent payments to be made not later than 5 years after the preceding payment was due. The Issuer shall assure that each such installment is in an amount equal to at least 90% of the Excess Investment Earnings with respect to the Gross Proceeds as of the close of the computation period. Not later than 60 days after the retirement of the Bonds, the Issuer shall direct the Depository Bank to pay from the Rebate Fund to the United States 100% of the theretofore unpaid Excess Investment Earnings in the Rebate Fund. In the event that

there are any amounts remaining in the Rebate Fund following the payment 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 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 by this Subsection D, 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.

E. FURTHER OBLIGATIONS OF ISSUER. The Issuer shall assure that Excess Investment Earnings are not paid or disbursed except as required in this Section. To that end the Issuer shall assure that investment transactions are on an arm's length basis and that Nonpurpose Investments are acquired at their fair market value. In the event that Nonpurpose Investments consist of certificates of deposit or investment contracts, investment in such Nonpurpose Investments shall be made in accordance with the procedures described in applicable Regulations as from time to time in effect. The Depository Bank shall keep the moneys in the Earnings Fund and Rebate Fund invested and reinvested to the fullest extent practicable in Government Obligations with maturities consonant with the required use thereof and investment profits and earnings shall be credited to the account of such fund on which earned.

F. MAINTENANCE OF RECORDS. The Issuer shall keep, and retain for a period of 6 years following the retirement of the Bonds, records of the determinations made pursuant to this Section 8.03.

G. INDEPENDENT CONSULTANTS. In order to provide for the administration of this Section 8.03, the Issuer and the Depository Bank (at the expense of the Issuer) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the Issuer or the Depository Bank may deem appropriate.

H. FURTHER AGREEMENT. Notwithstanding the foregoing, the Issuer further covenants to comply with all Regulations from time to time in effect and applicable to the Bonds, as may be necessary in order to fully comply with Section 148(f) of the Code.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any supplemental resolution, the Indenture or in the Notes, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

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

B. 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 observance of any of the covenants, agreements or conditions on its part 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 shall have been given written notice of such default by the Commission, the Depository Bank, Registrar or any other Paying Agent or a Holder of a Bond; or

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Note

or Bond, as the case may be, 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 Notes or Bonds, as the case may be, (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 Notes or Bonds, as the case may be, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Notes or Bonds, or the rights of such Registered Owners, provided however, that no remedy herein stated may be exercised by a Noteholder in a manner which adversely affects any remedy available to the Bondholders, and provided further, that all rights and remedies of the Holders of the Series 1987 B Bonds shall be subject to those of the Holders of the Series 1987 A 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, 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 on behalf of the Issuer with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the Bonds and interest thereon and under any covenants of this Bond Legislation for

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Series 1987 A Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1987 A Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agents 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 1987 A Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Series 1987 A Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments of and interest due and to become due on said Series 1987 A Bonds on and prior to the next redemption date or the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of and interest on said Series 1987 A Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of and interest 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.

Section 10.02. Defeasance of Series 1987 B Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Series 1987 B Bonds, the principal due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Series 1987 B Bonds only, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1987 B Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

Series 1987 B 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 Agents 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 1987 B 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 1987 B 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 1987 B 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 1987 B 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.

Section 10.03. Defeasance of Notes. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Notes, the principal of and interest due or to become due thereon, at the times and in the manner set forth in the Indenture, then with respect to the Notes only, this Bond Legislation, the Indenture, if any, and the pledges of Grant Receipts and other moneys and securities pledged thereby, and all covenants, agreements and other obligations of the Issuer to the Holders of the Notes shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. No material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the respective rights of Registered Owners of the Notes or Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Notes or Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or any Note or Notes 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 or Notes respectively, 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 or Noteholder 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 exemption from federal income taxation of interest on the Bonds and the Notes.

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 Notes, 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, the Indenture, if any, the Bonds or the Notes, if any.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict

with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the 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 Bond Legislation determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Moundsville Daily Echo, a qualified newspaper published in the City of Moundsville, together with a notice stating that this Bond Legislation has been adopted and that the Issuer contemplates the issuance of the Bond, and that any person interested may appear before the City Council upon a date certain, not less than ten days subsequent to the date of the first publication of this Bond Legislation and notice, and present protests, and that a certified copy of the Ordinance is on file with the Governing Body for review

by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading	-	October 13, 1987
Passed on Second Reading	-	October 22, 1987
Passed on Final Reading Following Public Hearing	-	November 10, 1987

Mayor

City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF MOUNDSVILLE on this 10th day of November, 1987.

Dated this 18th day of November, 1987.

[SEAL]

City Clerk

11/17/87
MOUSB2-A

"EXHIBIT A"

[Included as Document Nos. 3 and 4 of Bond Transcript]

CITY OF MOUNDSVILLE

Sewer Revenue Bonds,
Series 1987 A and Series 1987 B

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITIES, INTEREST RATES, PRINCIPAL PAYMENT SCHEDULES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 1987 A AND SERIES 1987 B OF THE CITY OF MOUNDSVILLE; AUTHORIZING, APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO 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 Moundsville (the "Issuer"), has duly and officially enacted a bond ordinance, effective November 10, 1987 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF MOUNDSVILLE AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,500,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 A, NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 1987 B, AND NOT MORE THAN $8,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES OR BOTH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS AND NOTES; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; APPROVING AND RATIFYING A LOAN AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND

PROVISIONS OF SUCH BONDS AND NOTES AND ADOPTING OTHER PROVISIONS RELATING THERETO.

WHEREAS, the Bond Ordinance provides for the issuance of Sewer Revenue Bonds of the Issuer (the "Bonds"), in an aggregate principal amount of not to exceed $3,200,000, to be issued in two series, the Series 1987 A Bonds to be in an aggregate principal amount of not more than $2,500,000 (the "Series 1987 A Bonds") and the Series 1987 B Bonds to be in an aggregate principal amount of not more than $700,000 (the "Series 1987 B Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Series 1987 A Bonds dated October 15, 1987, and a supplemental loan agreement relating to the Series 1987 B Bonds, also dated October 15, 1987 (sometimes collectively referred to herein as the "Loan Agreement"), by and between the Issuer and West Virginia Water Development Authority (the "Authority"), all in accordance with West Virginia Code, 1931, as amended, Chapter 16, Article 13 (the "Act"); and in the Bond Ordinance it is provided that the exact principal amounts, maturity dates, interest rates, interest and principal payment dates, sale prices 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 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 and that the Loan Agreement be entered into and ratified by the Issuer, that the exact principal amounts, the prices, the maturity dates, the redemption provisions, the interest rates and the interest and principal payment dates 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 MOUNDSVILLE:

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:

(A) The Sewer Revenue Bonds, Series 1987 A, of the Issuer, originally represented by a single Bond, numbered

AR-1, in the principal amount of $1,846,978. The Series 1987 A Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2026, shall bear interest at the rate of 8.38% per annum, payable semiannually on April 1 and October 1 of each year, first interest payable April 1, 1988, shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1987 A Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Loan Agreement and incorporated therein by reference.

(B) The Sewer Revenue Bonds, Series 1987 B, of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $453,022. The Series 1987 B Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2026, shall be interest free, shall be subject to redemption upon the written consent of the Authority, and otherwise in compliance with the Loan Agreement, as long as the Authority shall be the registered owner of the Series 1987 B Bonds, and shall be payable in installments of principal on October 1 of each of the years and in the amounts as set forth in "Schedule X," attached thereto and to the Supplemental Loan Agreement and incorporated therein by reference.

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

Section 3. The Issuer does hereby approve, accept and ratify the Loan Agreement, copies of which are incorporated herein by reference, and the execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby ratified and approved. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon.

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar for the Bonds 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 One Valley Bank, National Association, in substantially the form attached hereto, and the

execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the Issuer are hereby authorized, approved and directed.

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

Section 6. The Issuer does hereby appoint United National Bank - North, Moundsville, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1987 A Bond Proceeds in the amount of $180,000 shall be deposited in the Series 1987 A Sinking Fund, as capitalized interest.

Section 8. Series 1987 A Bond proceeds in the amount of $162,408 and Series 1987 B Bond proceeds in the amount of $11,922 shall first be credited to the Bond Construction Trust Fund and then deposited in the Series 1987 A Bonds Reserve Account and the Series 1987 B Bonds Reserve Account, respectively.

Section 9. The Mayor and Recorder 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 18, 1987, to the Authority pursuant to the Loan Agreement.

Section 10. The financing of the Project 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 11. The Issuer hereby determines that it is in the best interest of the Issuer to invest all moneys in the funds and accounts established by the Bond Ordinance in the West Virginia "Consolidated Fund," and therefore the Issuer hereby directs the Depository Bank and the Paying Agent to take such actions as may be necessary to cause such moneys to be invested in the Consolidated Fund, until further directed by the Issuer.

Section 12. 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 (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within

the meaning of the Code. They will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 13. The Issuer has general taxing powers to finance operations of or facilities of the nature of the System, and the Issuer and all subordinate entities reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations during the calendar year 1987, being the calendar year in which the Bonds are to be issued.

Section 14. The Series 1987 A Bonds are hereby designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 15. The Issuer hereby determines to pay, on the date of delivery of the Bonds and receipt of proceeds thereof, all borrowings of the Issuer heretofore incurred for the purpose of temporarily financing a portion of the Costs of the Project, including, but not limited to, all borrowings from West Virginia Water Development Authority.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 10th day of November, 1987.

CITY OF MOUNDSVILLE

Mayor

11/11/87
MOUSB1-D

(SPECIMEN SERIES 1987 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MOUNDSVILLE
SEWER REVENUE BOND, SERIES 1987 A

No. AR-1 $1,846,978

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marshall 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 ONE MILLION EIGHT HUNDRED FORTY-SIX THOUSAND, NINE HUNDRED SEVENTY-EIGHT DOLLARS ($1,846,978), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the original date of delivery of this Bond to the Authority and payment therefor, and until payment of such installment, and such interest shall be payable on April 1 and October 1 in each year, beginning April 1, 1988. 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 upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement between the Issuer and the Authority, dated October 15, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer and the City of Glen Dale, West Virginia (the "Project") (ii) to fund a reserve account for the Bonds; and (iii) to pay certain costs of issuance hereof and related costs. 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively, by the Issuer on November 10, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1987 B, of the Issuer (the "Series 1987 B Bonds"), issued in the aggregate principal amount of $453,022, which Series 1987 B Bonds are junior and subordinate with respect to liens and sources of and security for payment to the 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, moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1987 A Bonds Reserve Account"), and unexpended proceeds of the Bonds and the Series 1987 B 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 1987 A Bonds Reserve Account and unexpended proceeds of this Bond and the Series 1987 B Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of

principal of and interest on the Bonds, the Series 1987 B Bonds, and all other obligations secured by or payable from such revenues prior to or on a parity with the Bonds or the Series 1987 B Bonds, provided however, that so long as there exists in the Series 1987 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 any year, and in the respective reserve accounts established for the Series 1987 B Bonds and any other obligations outstanding prior to or on a parity with the Bonds or the Series 1987 B Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

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

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

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

This Bond is a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986, as amended.

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 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 MOUNDSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be affixed hereon and attested by its City Clerk, and has caused this Bond to be dated November 18, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

CITY OF MOUNDSVILLE

ANALYS OF 7.00% BORROWING COST FOR LOCAL SUER

---------- 1986 SERIES A BONDS ----------

PERIOD ENDING 10/1	COUPON	PRIN.	INTEREST	DEBT SERVICE
1988	8.38		134,569.79	134,569.79
1989	8.38	7,630	154,776.76	162,406.76
1990	8.38	8,270	154,137.36	162,407.36
1991	8.38	8,963	153,444.34	162,407.34
1992	8.38	9,714	152,693.24	162,407.24
1993	8.38	10,528	151,879.21	162,407.21
1994	8.38	11,410	150,996.96	162,406.96
1995	8.38	12,367	150,040.80	162,407.80
1996	8.38	13,402	149,004.45	162,406.45
1997	8.38	14,526	147,881.36	162,407.36
1998	8.38	15,742	146,664.08	162,406.08
1999	8.38	17,062	145,344.90	162,406.90
2000	8.38	18,492	143,915.10	162,407.10
2001	8.38	20,041	142,365.48	162,406.48
2002	8.38	21,720	140,686.04	162,406.04
2003	8.38	23,541	138,865.90	162,406.90
2004	8.38	25,513	136,893.17	162,406.17
2005	8.38	27,652	134,755.18	162,407.18
2006	8.38	29,969	132,437.94	162,406.94
2007	8.38	32,480	129,926.54	162,406.54
2008	8.38	35,202	127,204.71	162,406.71
2009	8.38	38,152	124,254.79	162,406.79
2010	8.38	41,350	121,057.65	162,407.65
2011	8.38	44,814	117,592.52	162,406.52
2012	8.38	48,570	113,837.11	162,407.11
2013	8.38	52,640	109,766.94	162,406.94
2014	8.38	57,052	105,355.71	162,407.71
2015	8.38	61,832	100,574.75	162,406.75
2016	8.38	67,013	95,393.23	162,406.23
2017	8.38	72,630	89,777.54	162,407.54
2018	8.38	78,716	83,691.14	162,407.14
2019	8.38	85,312	77,094.74	162,406.74
2020	8.38	92,462	69,945.60	162,407.60
2021	8.38	100,210	62,197.28	162,407.28
2022	8.38	108,607	53,799.68	162,406.68
2023	8.38	117,708	44,698.42	162,406.42
2024	8.38	127,573	34,834.49	162,407.49
2025	8.38	138,263	24,143.87	162,406.87
2026	8.38	149,850	12,557.43	162,407.43
		1,846,978	4,459,056.20	6,306,034.20

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:

_____

11/20/87
MOUSB1-T

(SPECIMEN SERIES 1987 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF MOUNDSVILLE
SEWER REVENUE BOND, SERIES 1987 B

No. BR-1 $453,022

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF MOUNDSVILLE, a municipal corporation and political subdivision of the State of West Virginia in Marshall 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 FOUR HUNDRED FIFTY-THREE THOUSAND, TWENTY-TWO DOLLARS ($453,022), in annual installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, without interest.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority, and upon the terms and conditions prescribed by, and otherwise in compliance with, the Supplemental Loan Agreement between the Issuer and the Authority, dated October 15, 1987.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements for the existing sewage treatment, collection and transportation facilities of the Issuer and the City of Glen Dale, West Virginia (the "Project"); (ii) to fund a reserve account for the Bonds; and (iii) to pay certain costs of issuance hereof and related costs. 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 of the West Virginia Code of 1931, as amended (the "Act"), and an Ordinance and Supplemental Resolution, duly enacted and adopted, respectively,

by the Issuer on November 10, 1987 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIENS, PLEDGES AND SOURCES OF AND SECURITY FOR PAYMENT TO THE OUTSTANDING SEWER REVENUE BONDS, SERIES 1987 A, OF THE ISSUER (THE "SERIES 1987 A BONDS"), ISSUED CONCURRENTLY HEREWITH AND DESCRIBED IN THE BOND LEGISLATION.

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System after there has first been paid from said Net Revenues all payments then due and owing on account of the Series 1987 A Bonds herein described and all moneys in the Reserve Account (the "Series 1987 B Bonds Reserve Account") created under the Bond Legislation for the Bonds of this Series (the "Bonds"), 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, except from said special fund provided from the Net Revenues, the moneys in the Series 1987 B Bonds Reserve Account and unexpended Bond proceeds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any year of principal of and interest, if any, on the Bonds, the Series 1987 A Bonds and all other obligations secured by or payable from such revenues prior to or on a parity with the Series 1987 A Bonds or the Bonds, provided however, that so long as there exists in the Series 1987 B Bonds Reserve Account and the reserve account established for the Series 1987 A Bonds, respectively, amounts at least equal to the maximum amount of principal and interest which will become due on the Bonds and the Series 1987 A Bonds in any year, and any reserve account for any such prior or parity obligations is funded at least

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar") by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owners of the Bonds, which lien is subordinate to the lien in favor of the registered owners of the Series 1987 A 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 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 revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of this Bond.

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

IN WITNESS WHEREOF, the CITY OF MOUNDSVILLE has caused this Bond to be signed by its Mayor and its corporate seal to be affixed hereon and attested by its City Clerk, and has caused this Bond to be dated November 18, 1987.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1987 B 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: _____

ONE VALLEY BANK, NATIONAL ASSOCIATION,
as Registrar

By _____
Its Authorized Officer

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

CITY OF MOUNDSVILLE
ANAL' 'S OF 7.00% BORROWING COST FOR LOC' 'SSUER
---------- 1986 SERIES A BONDS ----------

	ZERO COUPON BONDS
	.00
1988	.00
1989	11,921.69
1990	11,921.63
1991	11,921.63
1992	11,921.63
1993	11,921.63
1994	11,921.63
1995	11,921.63
1996	11,921.63
1997	11,921.63
1998	11,921.63
1999	11,921.63
2000	11,921.63
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2013	11,921.63
2014	11,921.63
2015	11,921.63
2016	11,921.63
2017	11,921.63
2018	11,921.63
2019	11,921.63
2020	11,921.63
2021	11,921.63
2022	11,921.63
2023	11,921.63
2024	11,921.63
2025	11,921.63
2026	11,921.63
	453,022.00

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:

_____

11/16/87
MOUSB1-U