CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and Series 1994 B (West Virginia SRF Program)

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CITY OF NEW CUMBERLAND

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

BOND ORDINANCE

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CITY OF NEW CUMBERLAND

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF NEW CUMBERLAND:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 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 New Cumberland (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State.

B. The Issuer presently owns and operates a public combined waterworks and 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 to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than $4,600,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds (as hereinafter defined) and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Series 1994 B Bonds Ordinance (as hereinafter defined).

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), in the total aggregate principal amount of not more than $700,000 (the "Series 1994 A Bonds"), initially to be represented by a single bond, to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1994 A Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1994 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the West Virginia Water Development Authority (the "Authority"), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1994 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1994 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 1994 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement to be entered into by and between the Issuer and the Authority, in form satisfactory to the Issuer and the Authority, as shall be approved by supplemental resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1994 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program) (the "Series 1994 B Bonds"), issued concurrently with the Series 1994 A Bonds, pursuant to an ordinance enacted by the Issuer simultaneously herewith on October 3, 1994 (the "Series 1994 B Bonds Ordinance"). The Issuer has met the parity test requirements of the Series 1994 B Bonds and the Series 1994 B Bonds Ordinance. Other than the Series 1994 B Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1994 A Bonds, 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 will either have expired prior to the date of issuance of the Series 1994 A Bonds or such final order will not be subject to appeal.

I. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1994 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1994 A Bonds and the Series 1994 B Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of Series 1994 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 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 Chapter 8, Article 20 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 1994 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"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 1994 A Bonds, the Series 1994 B Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1994 A Bonds for the proceeds representing the purchase price of the Series 1994 A Bonds from the Authority.

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

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

"Consulting Engineers" means KLH Engineers, Inc., Pittsburgh, Pennsylvania, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof.

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

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

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

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

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

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

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any 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.

"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 any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement to be entered into between the Authority and the Issuer, providing for the purchase of the Series 1994 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1994 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 1994 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 1994 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1994 A Bonds and is not acquired in order to carry out the governmental purpose of the Series 1994 A Bonds.

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

of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 1994 A Bonds or the Series 1994 B Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

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

"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 the water development revenue bonds of the Authority.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity

vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed.

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said

repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 1994 A Bonds and the Series 1994 B Bonds.

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

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

"Series 1994 A Bonds" means the not more than $700,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer, authorized by this Ordinance.

"Series 1994 A Bonds Construction Trust Fund" means the Series 1994 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1994 A Bonds Reserve Account" means the Series 1994 A Bonds Reserve Account established in the Series 1994 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1994 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 1994 A Bonds in the then current or any succeeding year.

"Series 1994 A Bonds Sinking Fund" means the Series 1994 A Bonds Sinking Fund established by Section 5.02 hereof.

"Series 1994 B Bonds" means the not more than $600,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer.

"Series 1994 B Bonds Ordinance" means the ordinance of the Issuer enacted simultaneously herewith on October 3, 1994, authorizing the Series 1994 B Bonds.

"Series 1994 B Bonds Reserve Account" means the Series 1994 B Bonds Reserve Account established in the Series 1994 B Bonds Sinking Fund pursuant to Section 5.02 of the Series 1994 B Bonds Ordinance.

"Series 1994 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 B Bonds in the then current or any succeeding year.

"Series 1994 B Bonds Sinking Fund" means the Series 1994 B Bonds Sinking Fund established by Section 5.02 of the Series 1994 B Bonds Ordinance.

"Sinking Funds" means, collectively, the respective sinking fund established for the Series 1994 A Bonds and the Series 1994 B Bonds.

"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 1994 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1994 A Bonds, and not so included may be included in another Supplemental Resolution.

"System" means the complete public combined waterworks and 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 constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $4,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1994 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the Authority.

The cost of the Project is estimated not to exceed $4,600,000, of which approximately $700,000 will be obtained from proceeds of the Series 1994 A Bonds, approximately $600,000 will be obtained from proceeds of the Series 1994 B Bonds, approximately $2,500,000 from a grant by the United States Environmental Protection Agency, and approximately $750,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

The Project consists of two phases. The first phase of the Project, which has been completed, consists of the construction of a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station. This phase of the Project has been paid with a portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia). The second phase of the Project, which has yet to be constructed, consists of the construction of a secondary sewage treatment plant, together with all appurtenant facilities. This phase of the Project will be paid with the remaining portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and the proceeds of the Series 1994 A Bonds and the Series 1994 B Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1994 A Bonds, funding a reserve account for the Series 1994 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1994 A Bonds of the Issuer. The Series 1994 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1994 A (West Virginia Water Development Authority)," in the principal amount of not more than $700,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1994 A Bonds remaining after funding of the Series 1994 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1994 A Bonds, if any, shall be deposited in or credited to the Series 1994 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1994 A 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 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 1994 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a debt service schedule attached, representing the aggregate principal amount of the Series 1994 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1994 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 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 Series 1994 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1994 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 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.

So long as any of the Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, 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 next 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 Series 1994 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1994 A Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account. No holder or holders of any of the Series 1994 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of all Series 1994 A Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on parity with the lien on the Gross Revenues in favor of the Holders of the Series 1994 B Bonds.

Such Gross 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 provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1994 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1994 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 1994 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 1994 A Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1994 A Bonds.

Section 3.10. Form of Series 1994 A Bonds. The text of the Series 1994 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF SERIES 1994 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1994 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia in Hancock 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 ($_____), 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 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, 199____. 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 by and between the Issuer and the Authority, dated _____, 199____.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) [to pay interest on the Bonds of this Series (the "Bonds") during construction of the Project and for not more than 6 months thereafter; (iii) to fund a reserve account for the Bonds; and (iv)] to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and 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 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), DATED _____, 1994, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1994 B BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Gross Revenues in favor of the Holders of the Series 1994 B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1994 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 Gross Revenues, the moneys in the Series 1994 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest on the Bonds, and all other obligations secured by a lien

on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1994 B Bonds; provided however, that so long as there exists in the Series 1994 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1994 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 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 the payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

All provisions of the Bond Legislation, 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 NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 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: _____, 199____.

ONE VALLEY BANK, NATIONAL
ASSOCIATION,
as Registrar

_____
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 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1994 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 form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Upon completion of acquisition and construction of the Project, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Series 1994 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1994 B Bonds Ordinance) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1994 A Bonds Sinking Fund;

(2) Within the Series 1994 A Bonds Sinking Fund, the Series 1994 A Bonds Reserve Account;

(3) Series 1994 B Bonds Sinking Fund (established by the Series 1994 B Bonds Ordinance); and

(4) Within the Series 1994 B Bonds Sinking Fund, the Series 1994 B Bonds Reserve Account (established by the Series 1994 B Bonds Ordinance).

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 in the Series 1994 B Bonds Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Series 1994 B Bonds Ordinance. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, (i) on the first day of each month, commencing 7 months prior to the first date of payment of interest on the

Series 1994 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 1994 A Bonds Sinking Fund, an amount equal to 1/6th of the amount of interest which will become due on the Series 1994 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 1994 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, (ii) simultaneously with the transfer set forth in subsection 5.03A(1)(i), on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1994 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 A Bonds Sinking Fund, an amount equal to 1/12th of the amount of principal which will mature and become due on the Series 1994 A Bonds on the next ensuing annual principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1994 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, and (iii) simultaneously with the transfers set forth in subsections 5.03A(1)(i) and (ii), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by the Series 1994 B Bonds Ordinance to be deposited in the Series 1994 B Bonds Sinking Fund for payment of the principal of and interest, if any, on the Series 1994 B Bonds.

(2) The Issuer shall next, (i) on the first day of each month, commencing 13 months prior to the first date of payment of principal of the Series 1994 A Bonds, if not fully funded upon issuance of the Series 1994 A Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 A Bonds Reserve Account, an amount equal to 1/120 of the Series 1994 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1994 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 1994 A Bonds Reserve Requirement, and (ii) simultaneously with the transfer set forth in subsection 5.03A(2)(i), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Series 1994 B Bonds Ordinance to be deposited in the Series 1994 B Bonds Reserve Account.

(3) Thereafter, the Issuer shall, each month, pay from the Revenue Fund current Operating Expenses of the System.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, commencing with the first month in which any of the above payments shall be payable from the Revenue Fund, 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 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, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1994 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 1994 A Bonds as the same shall become due. Moneys in the Series 1994 A Bonds Reserve Account shall be used only for the purpose of paying principal of and interest on the Series 1994 A Bonds as the same shall come due, when other moneys in the Series 1994 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1994 A Bonds Sinking Fund and the Series 1994 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 1994 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due on the Series 1994 A Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1994 A Bonds Reserve Account which result in a reduction in the balance of the Series 1994 A Bonds Reserve Account to below the Series 1994 A Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Series 1994 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish

retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1994 A Bonds Sinking Fund, or the Series 1994 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1994 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made on a parity and pro rata, with respect to the Series 1994 A Bonds and the Series 1994 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1994 A Bonds Sinking Fund and the Series 1994 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.

Moneys in the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1994 A Bonds Sinking Fund, including the Series 1994 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1994 A Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1994 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.

C. 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 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.

D. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses then due.

E. 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.

F. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and Section 5.03 of the Series 1994 B Bonds Ordinance, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1994 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1994 A Bonds or from other funds available to the Issuer, there shall first be deposited with the Commission in the Series 1994 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 1994 A Bonds for the period commencing on the date of issuance of the Series 1994 A Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1994 A Bonds or from other funds available to the Issuer, there shall be deposited with the Commission in the Series 1994 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 1994 A Bonds Reserve Account.

C. Next, from the proceeds of the Series 1994 A Bonds, there shall first be credited to the Series 1994 A Bonds Construction Trust Fund and then paid, any and all other borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project and any borrowings by the Issuer from the Authority, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. The remaining moneys derived from the sale of the Series 1994 A Bonds shall be deposited with the Depository Bank in the Series 1994 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 1994 A Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 1994 A Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 1994 A Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1994 A Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. Payments for Costs of the Project shall be made monthly. Except as provided in Section 6.01 hereof, disbursements from the Series 1994 A Bonds Construction Trust Fund (except for the costs of issuance of the Series 1994 A 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 Series 1994 A Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 1994 A Bonds 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 Series 1994 A Bonds 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 Series 1994 A Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

After completion of the Project, as certified by the Consulting Engineers, and all Costs have been paid, the Depository Bank shall transfer any moneys remaining in the Series 1994 A Bonds Construction Trust Fund to the Series 1994 A Bonds Reserve Account, and when fully funded, shall return such remaining moneys to the Issuer for deposit in the Revenue Fund; provided that, in no event shall more than 10% of the proceeds of the Series 1994 A Bonds be deposited in the Series 1994 A Bonds Reserve Account and any balance in excess of said amounts shall be returned 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 due on the Series 1994 A 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 Series 1994 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 1994 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 1994 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1994 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 1994 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 1994 A Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on a parity with the lien on said Gross Revenues in favor of the Holders of the Series 1994 B Bonds. The Gross 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 all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of water and sewer rates and charges for the services and facilities of the System shall be as set forth respectively in the water rate ordinance of the Issuer enacted April 4, 1994, and the Final Order of the Public Service Commission of West Virginia, entered August 31, 1994, in Case No. 94-0319-S-MA, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds

from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1994 A Bonds, immediately be remitted to the Commission for deposit in the Series 1994 A Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1994 A Bonds. Any balance remaining after the payment of all the Series 1994 A 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 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 Series 1994 A Bonds 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 or otherwise. Such payment of such proceeds into the Series 1994 A Bonds 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. 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 1994 A Bonds. All obligations issued by the Issuer after the issuance of the Series 1994 A Bonds and payable from the revenues of the System, except additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1994 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 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

The Issuer shall give the Authority 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, or any other obligations related to the Project or the System.

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of 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 1994 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 1994 A 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 enacted by the Issuer, 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.

Within 30 days of the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, 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.

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 1994 A 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 1994 A 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.

Notwithstanding the foregoing, or any provision of Section 7.06 hereof to the contrary, additional Parity 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 the Parity Bonds.

Section 7.08. Books; Records and Facilities. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority, or its 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 such documents and information as it may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

The Issuer shall permit the Authority, or its agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

The accounting system for the System shall follow current generally accepted accounting principles and safeguards to the extent allowed and as prescribed by the Public Service Commission of West Virginia. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the 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 Authority, or any other original purchaser of the Series 1994 A Bonds, and shall mail in each year to any Holder or Holders of the Series 1994 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public 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 the Series 1994 A Bonds and shall submit said report to the Authority, or any other original purchaser of the Series 1994 A Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

The Issuer shall permit the Authority, or its agents and representatives, to enter and inspect the Project site and Project facilities at all reasonable times. Prior to, during and after completion of construction of the Project, the Issuer shall also provide the Authority, or its 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 with respect to the System pursuant to the Act.

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law,

and copies of such rates and charges so established will be continuously on file with the 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 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 1994 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 A Bonds, including the Series 1994 B Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1994 A Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1994 A Bonds, including the Series 1994 B Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest on the Series 1994 A Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 A Bonds, including the Series 1994 B Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority 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 to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased

expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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 and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for two years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit C, and forward a copy of such report to the Authority 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, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority 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 agrees that qualified operating personnel properly certified by the State will be employed to operate the System during the entire term of the Loan Agreement.

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, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The 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 any of the Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent

available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to protect the interests of the Issuer, the 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 and 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 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 for 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 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. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

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

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System in good condition and in compliance with all federal and state requirements and standards.

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

Section 7.18. Compliance with Loan Agreement and Law. The Issuer agrees to comply with all the terms and conditions of the Loan Agreement and all applicable

laws, rules and regulations issued by the Authority, or other State, federal or local bodies in regard to the acquisition and construction of the Project and the operation, maintenance and use of the System.

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1994 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 1994 A Bonds during the term thereof is, under the terms of the Series 1994 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1994 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 1994 A Bonds during the term thereof is, under the terms of the Series 1994 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 1994 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 1994 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1994 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1994 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1994 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 1994 A Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1994 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 1994 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1994 B Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such moneys were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account, except as otherwise provided with respect to the Rebate Fund. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission, the Depository Bank, or such other bank or national banking association, 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, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage. 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 1994 A Bonds which would cause the Series 1994 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1994 A Bonds) so that the interest on the

Series 1994 A Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1994 A Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1994 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1994 A Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Series 1994 A Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 A Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1994 A Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

(4) If default occurs with respect to the Series 1994 B Bonds or the Series 1994 B Bonds Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1994 A Bonds shall be on a parity with the Holders of the Series 1994 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 hereinabove conferred upon him or her or it, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby, and a successor receiver may be appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the respective Holders of all Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1994 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 1994 A Bonds from gross income for federal income tax purposes.

Series 1994 A Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1994 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 1994 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 1994 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 1994 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.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1994 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1994 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 Bonds shall be made without the consent in writing of the Registered Owners of 66-2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest 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 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 exclusion of interest on the Series 1994 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 Series 1994 B Bonds Ordinance, the Supplemental Resolutions thereto, or the Bonds.

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

Section 11.05. Conflicting Provisions Repealed. 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 Series 1994 B Bonds Ordinance, the more restricive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Hancock County Courier, a newspaper published and of general circulation in the City of New Cumberland, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Council upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	September 12, 1994
Passed on Second Reading:	-	September 19, 1994
Passed on Final Reading Following Public Hearing:	-	October 3, 1994

Timothy P. Crego
Mayor

Jacqueline L. Rabson
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF NEW CUMBERLAND on the 3rd day of October, 1994.

Dated: October 27, 1994.

[SEAL]

Jacqueline L. Rabson

City Clerk

10/06/94
NCC.A4
658300/94001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 3.]

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), OF THE CITY OF NEW CUMBERLAND; AUTHORIZING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of New Cumberland (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective October 3, 1994 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); 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 Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer (the "Bonds" or the "Series 1994 A Bonds"), in the aggregate principal amount not to exceed $700,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), all in accordance with Chapter 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

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 Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $647,121. The Bonds shall be dated the date of delivery thereof, shall finally mature October 1, 2033, and shall bear interest at the rate of 6.75% per annum, payable semiannually on April 1 and October 1 of each year, beginning April 1, 1995. The Bonds shall be payable in annual installments of principal on October 1 of each year, commencing October 1, 1996, and ending October 1, 2033, and in the amounts as set forth in "Schedule X" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

Section 3. The Issuer does hereby authorize, approve and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the application to the Authority. 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 (the "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 the Registrar, in substantially the form attached hereto, 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 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 Hancock County Savings Bank, New Cumberland, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1994 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1994 A Bonds Sinking Fund, as capitalized interest. The Issuer shall

deposit $60,441 in the Series 1994 A Bonds Sinking Fund as capitalized interest with other funds available to the Issuer.

Section 8. Series 1994 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 1994 A Bonds Reserve Account. The Issuer shall deposit $47,664 in the Series 1994 A Bonds Reserve Account with other funds available to the Issuer.

Section 9. Series 1994 A Bonds proceeds or other funds of the Issuer in the amount of $4,444 shall be paid to the Authority to pay in full the principal of and interest accrued on all borrowings by the Issuer from the Authority for financing the planning and design of sewerage facilities for the System.

Section 10. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 1994 A Bonds Construction Trust Fund for payment of Costs of the Project, including costs of issuance of the Bonds and related costs.

Section 11. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 27, 1994, to the Authority pursuant to the Loan Agreement.

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

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1994 A Bonds Sinking Fund, including the Series 1994 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 15. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1994, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Section 16. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 12th day of October, 1994.

CITY OF NEW CUMBERLAND

Timothy P. Crazo
Mayor

Jacqueline L. Nelson
City Clerk

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of New Cumberland on the 12th day of October, 1994.

Dated: October 27, 1994.

[SEAL]

Jacqueline L. Robson
City Clerk

10/11/94
NCC.L3
658300/94001

WDA-5
(May 1993)

LOAN AGREEMENT

THIS LOAN AGREEMENT, Made and entered into in several counterparts, by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, a governmental instrumentality and body corporate of the State of West Virginia (the "Authority"), and the governmental agency designated below (the "Governmental Agency").

CITY OF NEW CUMBERLAND
(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 20, Article 5C, of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered to make loans to governmental agencies for the acquisition or construction of water development projects by such governmental agencies and to issue water development revenue bonds of the State of West Virginia (the "State") to finance, in whole or in part, by loans to governmental agencies, one or more water development projects, all subject to such provisions and limitations as are contained in the Act;

WHEREAS, the Governmental Agency constitutes a governmental agency as defined by the Act;

WHEREAS, the Governmental Agency is authorized and empowered by the statutes of the State to construct, operate and improve a water development project, as defined by the Act, and to finance the cost of constructing or acquiring the same by borrowing money to be evidenced by revenue bonds issued by the Governmental Agency;

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a certain general revenue bond resolution adopted by the Board of the Authority (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and the mutual agreements hereinafter contained, the Governmental Agency and the Authority hereby agree as follows:

ARTICLE I

Definitions

1.1 Except where the context clearly indicates otherwise, the terms "Authority," "water development revenue bond," "cost," governmental agency," "water development project," "wastewater facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Consulting Engineers" means the professional engineer, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political sub-divisions, and designated in the Application and any qualified successor thereto.

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

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with a portion of the proceeds of its water development revenue bonds, 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 "Origination Fee" means the fee paid by a Governmental Agency with respect to its participation in the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987, to provide funds for the acquisition and construction of wastewater Projects.

1.8 "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.

1.9 "Project" means the water development project hereinabove referred to, to be constructed or being constructed by the Governmental Agency in whole or in part with the net proceeds of the Local Bonds or being or having been constructed by the Governmental Agency 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 "System" means the water development project owned by the Governmental Agency, 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.

1.11 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 Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Division of Natural Resources* (or in the process of preparation by such

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* Now administered by the West Virginia Division of Environmental Protection.

Director), has been approved by the West Virginia Bureau of Public Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and of the Local Act, the Governmental Agency 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 Governmental Agency 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 Governmental Agency, 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 the Authority.

2.4 The Governmental Agency agrees that the Authority and its 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 Governmental Agency further agrees that the Authority and its duly authorized agents and representatives shall, prior to, at and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority with respect to the System pursuant to the pertinent provisions of the Act.

2.5 The Governmental Agency 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 Governmental Agency shall permit the Authority, acting by and through its Director or his 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 Governmental Agency shall submit to the Authority 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 Governmental Agency agrees that it will permit the Authority and its agents and representatives to have access to the records of the Governmental Agency 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 Governmental Agency shall require that each construction contractor furnish a performance bond and a payment bond, each in an amount at least equal to one hundred percent (100%) of the contract price of the portion of the Project covered by the particular contract, as security for the faithful performance of such contract.

2.8 The Governmental Agency 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. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) 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 Governmental Agency, 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 Governmental Agency on or before the Date of Loan Closing, as hereinafter defined, and maintained so long as any of the Local Bonds is outstanding. Prior to commencing operation of the Project, the Governmental Agency must also obtain, and maintain so long as any of the Local Bonds is outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority and the Governmental Agency 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.

2.10 The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with any and all State and federal standards. The Governmental Agency agrees that qualified operating personnel properly certified by the State will be retained to operate the System during the entire term of this Loan Agreement.

2.11 The Governmental Agency hereby covenants and agrees to comply with all applicable laws, rules and regulations issued by the Authority 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 Governmental Agency, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority, 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 Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(b) The Governmental Agency 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;

(c) The Governmental Agency shall either have received bids or entered contracts for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application; provided, that, if the Loan will refund an interim financing of construction, the Governmental Agency 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 shall have received a certificate of the Consulting

Engineers to such effect the form of which certificate is attached hereto as Exhibit A;

(d) No Loan shall be made for the purpose of refinancing any outstanding long-term indebtedness of a Governmental Agency unless an opinion of counsel is received by the Authority to the effect that such refinancing is permitted by the Act and the Resolution, and that such refinancing will not cause a violation of any covenant, representation or agreement of the Authority contained in the Resolution or Tax Regulatory Agreement with respect to the exclusion of the interest on the Bonds from gross income of the holder thereof for federal income tax purposes;

(e) The Governmental Agency 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 shall have received a certificate of the Consulting Engineers to such effect;

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

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

(h) The Governmental Agency 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 shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel but must be satisfactory to the Authority, to such effect;

(i) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsection 4.1(b)(ii) hereof, and the Authority shall have received a certificate of the

accountants for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority, 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 shall have received a certificate of the Consulting Engineers, or such other person or firm experienced in the financing of water development projects and satisfactory to the Authority, to such effect, such certificate to be in form and substance satisfactory to the Authority, and evidence satisfactory to the Authority 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 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 Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency 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 Governmental Agency 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 and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied

to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until it has available funds sufficient to purchase all the Local Bonds and that, prior to such execution, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available. The Governmental Agency further specifically recognizes that during the last 90 days of a period to originate Loans from its water development revenue bond proceeds, the Authority may execute Loan Agreements, commit moneys and close Local Bond sales in such order and manner as it deems in the best interest of the Program.

ARTICLE IV

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

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

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by the gross or net revenues from the System, as more fully set forth in Schedules X and Y attached hereto;

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

one hundred fifteen percent (115%) of the maximum amount required in any year for debt service on the Local Bonds and all other obligations secured by a lien on or payable from the revenues of the System prior to or on a parity with the Local Bonds or, if the reserve account established for the payment of debt service on the Local Bonds (the "Reserve Account") is funded (whether by Local Bond proceeds, monthly deposits or otherwise) at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement") 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 Governmental Agency will complete the Project and operate and maintain the System in good condition;

(iv) That, except as otherwise required by State law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Local Bonds outstanding, with further restrictions on the disposition of portions of the System as are normally contained in such covenants;

(v) That the Governmental Agency 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; 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 Governmental Agency 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 Governmental Agency will not render any free services of the System;

(viii) That any Local Bond owner may, by proper legal action, compel the performance of the duties of the Governmental Agency 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;

(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 Governmental Agency will not grant any franchise to provide any services which would compete with the System;

(xi) That the Governmental Agency 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, which report shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement and that the Governmental Agency's revenues are adequate to meet its operation and maintenance expenses and debt service requirements;

(xii) That the Governmental Agency shall annually adopt a detailed 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 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, 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 Governmental Agency and on which the owners of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim funding of such Governmental Agency, the proceeds of which were used to finance the construction of the Project; provided that, with the prior written consent of the

Authority, 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 Governmental Agency shall not authorize redemption of any Local Bonds by it without the written consent of the Authority and otherwise in compliance with this Loan Agreement;

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

(xvii) That the Governmental Agency shall take any and all action, or shall refrain from taking any action, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for Federal income tax purposes of interest on the Authority's water development revenue bonds;

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

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

(xx) That the Governmental Agency shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Local Bonds (as that

term is defined in the Code) from time to time as the Authority may request.

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

4.2 The Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to such reservations and exceptions as are described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 An Origination Fee Account shall be established with the Trustee to hold the portion of the proceeds of any Loan established to fund an Origination Fee. Amounts on deposit in an Origination Fee Account shall belong to the Governmental Agency receiving the related Loan, but such amounts may only be disbursed from the Account to pay the Origination Fee as and when required to satisfy the requirements of the State's Revolving Fund program established pursuant to Title VI of the Water Quality Act of 1987 or for such other purposes as the Authority may approve in writing.

4.4 The principal of the Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a semiannual basis as provided in said Schedule X.

4.5 The Loan shall bear interest from the date of the delivery to the Authority of the Local Bonds until the date of payment thereof, at the rate or rates per annum set forth on Schedule X 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.

4.6 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 Governmental Agency. Anything to the contrary herein notwithstanding, the Local Bonds may be issued in one or more series, as reflected by Schedule X hereto.

4.7 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as 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 the water development revenue bonds. The Authority shall provide both the Governmental Agency and the trustee for the water development revenue bonds with a schedule of such fees and charges, and the Governmental Agency shall pay such fees and charges on the dates indicated directly to the trustee. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

4.8 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the Authority's bonds.

4.9 As long as the Authority is the owner of any of the Local Bonds outstanding, the Governmental Agency shall not redeem any of such Local Bonds outstanding without the written consent of the Authority, and any such redemption of Local Bonds authorized by the Authority shall provide for the payment of interest to the first allowable redemption date for the applicable water development revenue bonds, the redemption premium payable on the applicable water development revenue bonds redeemable as a consequence of such redemption of Local Bonds and the costs and expenses of the Authority in effecting any such redemption, all as further prescribed by Section 9.11 of the General Resolution. Nothing in this Loan Agreement shall be construed to prohibit the Authority from refunding applicable water development revenue bonds, and such refunding need not be based upon or result in any benefit to the Governmental Agency.

ARTICLE V

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

5.1 The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Loan Agreement and the Local Act. The Governmental Agency hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to make the Loan, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System, as set forth in

the Local Act and in compliance with the provisions of Subsection 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Governmental Agency hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section 4.6 hereof, the amount of such default shall bear interest at the interest rate of the installment of the Loan next due, from the date of the default until the date of the payment thereof.

5.4 The Governmental Agency hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Governmental Agency, the Authority may exercise any or all of the rights and powers granted under Section 6a of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency 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 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the

Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

6.3 The Governmental Agency hereby warrants and represents that all information provided to the Authority 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 shall have the right to cancel all or any of its obligations under this Loan Agreement if (a) any representation made to the Authority by the Governmental Agency in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Governmental Agency has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of this Loan Agreement.

6.4 The Governmental Agency hereby agrees to repay on or prior to the Date of Loan Closing any moneys due and owing by it to the Authority for the planning or design of the Project, and such repayment shall be a condition precedent to the Authority's making the Loan.

6.5 The Governmental Agency 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 Governmental Agency fails to make any such rebates as required, then the Governmental Agency 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.

6.6 Notwithstanding Section 6.5, the Authority may at any time, in its sole discretion, cause the rebate calculations prepared by or on behalf of the Governmental Agency to be monitored or cause the rebate calculations for the Governmental Agency to be prepared, in either case at the expense of the Governmental Agency.

6.7 The Governmental Agency hereby agrees to give the Authority prior written notice of the issuance by it of any other obligations to be used for the Project, payable from the revenues of the System or from any grants for the Project or otherwise related to the Project or the System.

6.8 The Governmental Agency hereby agrees to file with the Authority upon completion of acquisition and construction of

the Project a schedule in substantially the form of Amended Schedule A to the Application, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE VII

Miscellaneous

7.1 Additional definitions, additional terms and provisions of the Loan and additional covenants and agreements of the Governmental Agency are set forth in Schedule Z attached hereto and incorporated herein by reference, with the same effect as if contained in the text of this Loan Agreement.

7.2 Schedule X 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 Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.3 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.

7.4 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.

7.5 No waiver by either 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.

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

7.7 By execution and delivery of this Loan Agreement, notwithstanding the date hereof, the Governmental Agency 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.

7.8 This Loan Agreement shall terminate upon the earlier of:

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

(ii) termination by the Authority pursuant to Section 6.3 hereof; or

(iii) payment in full of the principal of and interest on the Loan and of any fees and charges owed by the Governmental Agency to the Authority.

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 New Cumberland
[Proper Name of Governmental Agency]

(SEAL)

By: Timothy P. Crago

Its: Mayor

Date: October 27, 1994

Attest:

Jacqueline L. Rabson

Its: City Clerk

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yankoski
Director

Date: October 27, 1994

Attest:

Barbara B Meadows
Secretary-Treasurer

EXHIBIT A

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least forty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions of Subsection 4.1(b)(ii) of the Loan Agreement, (vi) that the net proceeds of the Bonds, together with all other moneys on deposit or to be

simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature on this ____ day of _____, 19__.

_____

By: _____

West Virginia License No. _____

[SEAL]

EXHIBIT B

[Opinion of Bond Counsel for Governmental Agency]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

We are bond counsel to _____ (the "Governmental Agency"), a _____ _____.

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

Year	Installment	Interest Rate

The Local Bonds are issued for the purpose of _____ _____ and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as

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

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

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

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

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

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Local Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the [net] revenues of the System referred to in the Local Act and secured by a [first] lien on and pledge of the [net] revenues of said System, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

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

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

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

Very truly yours,

EXHIBIT C

Monthly Financial Report

_____
[Name of Governmental Agency]

_____
_____
[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

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

Witnesseth my signature this ____ day of _____, 19__.

[Name of Governmental Agency]

By: _____
Authorized Officer

ABB0017F

WDA-5X
(May 1993)

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $ 647,121

Purchase Price of Local Bonds $ 647,121

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semiannual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 6.75 % per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

As of the date of the Loan Agreement, the Local Bonds are subordinate as to source of and security for payment to the following obligations:

West Virginia Water Development Authority
1994 Series A Local Loan Program
Debt Service Schedule - City of New Cumberland

Closing October 27, 1994
Total Amount Borrowed: $647,121.00

Avg Coup = 6.75%
TIC = 6.742835%
NIC = 6.750000%

Yield = 6.742835%
WAM = 27.58 yrs.

Date	Coupon	Principal	Interest	Debt Service
10/1/95	6.75%	0.00	40,525.95	40,525.95
10/1/96	6.75%	3,982.98	43,680.66	47,663.64
10/1/97	6.75%	4,251.83	43,411.81	47,663.64
10/1/98	6.75%	4,538.83	43,124.81	47,663.64
10/1/99	6.75%	4,845.20	42,818.44	47,663.64
10/1/00	6.75%	5,172.26	42,491.39	47,663.65
10/1/01	6.75%	5,521.38	42,142.26	47,663.64
10/1/02	6.75%	5,894.07	41,769.57	47,663.64
10/1/03	6.75%	6,291.93	41,371.72	47,663.65
10/1/04	6.75%	6,716.63	40,947.01	47,663.64
10/1/05	6.75%	7,170.01	40,493.64	47,663.65
10/1/06	6.75%	7,653.98	40,009.66	47,663.64
10/1/07	6.75%	8,170.63	39,493.02	47,663.65
10/1/08	6.75%	8,722.14	38,941.50	47,663.64
10/1/09	6.75%	9,310.89	38,352.76	47,663.65
10/1/10	6.75%	9,939.37	37,724.27	47,663.64
10/1/11	6.75%	10,610.28	37,053.36	47,663.64
10/1/12	6.75%	11,326.48	36,337.17	47,663.65
10/1/13	6.75%	12,091.01	35,572.63	47,663.64
10/1/14	6.75%	12,907.15	34,756.49	47,663.64
10/1/15	6.75%	13,778.38	33,885.26	47,663.64
10/1/16	6.75%	14,708.42	32,955.22	47,663.64
10/1/17	6.75%	15,701.24	31,962.40	47,663.64
10/1/18	6.75%	16,761.07	30,902.57	47,663.64
10/1/19	6.75%	17,892.44	29,771.20	47,663.64
10/1/20	6.75%	19,100.18	28,563.46	47,663.64
10/1/21	6.75%	20,389.44	27,274.20	47,663.64
10/1/22	6.75%	21,765.74	25,897.91	47,663.65
10/1/23	6.75%	23,234.92	24,428.72	47,663.64
10/1/24	6.75%	24,803.28	22,860.36	47,663.64
10/1/25	6.75%	26,477.50	21,186.14	47,663.64
10/1/26	6.75%	28,264.73	19,398.91	47,663.64
10/1/27	6.75%	30,172.60	17,491.04	47,663.64
10/1/28	6.75%	32,209.25	15,454.39	47,663.64
10/1/29	6.75%	34,383.37	13,280.27	47,663.64
10/1/30	6.75%	36,704.26	10,959.39	47,663.65
10/1/31	6.75%	39,181.79	8,481.85	47,663.64
10/1/32	6.75%	41,826.56	5,837.08	47,663.64
10/1/33	6.75%	44,648.78	3,013.79	47,662.57
		$647,121.00	$1,204,622.28	$1,851,743.28

Prepared 10/6/94

SCHEDULE Y
REVENUES

In accordance with Subsection 4.1(a) of the Loan Agreement, the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as follows:

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, beginning thirteen (13) months prior to the first date of payment of principal of the Local Bonds, if the Reserve Account was not funded from proceeds of the Local Bonds or otherwise concurrently with the issuance thereof (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit) in an amount equal to the Reserve Requirement, by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) (or such other amount as shall be acceptable to the Authority and as shall fund the Reserve Account over not more than ten (10) years) 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;

(iv) to provide debt service on and requisite reserves for any subordinate indebtedness of the Governmental Agency held or owned by the Authority; and

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

SCHEDULE Z

Additional and Supplemental Definitions

1. "EPA" means the United States Environmental Protection Agency and any successors to the functions thereof.

2. "Local Statute" means Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended.

3. "System" means a sewage collection system and/or treatment plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all appurtenances necessary or useful and convenient for the collection and/or a treatment, purification and disposal, in a sanitary manner, of liquid and solid waste, sewage, night soil and industrial wastes, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

1. The Governmental Agency agrees that it will at all times provide operation and maintenance of the System to comply with, among other State and federal standards, the water quality standards established by the West Virginia Division of Environmental Protection and EPA.

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency 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.

3. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall have obtained, among other permits required, permits from the EPA and the West Virginia Division of Environmental Protection and approval of the "Part B" supplement to its EPA grant agreement.

4. The Local Act shall contain a covenant substantially as follows:

That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

5. To the extent required by law, the Governmental Agency hereby covenants and agrees to secure approval of the Authority and all other State agencies having jurisdiction before applying for federal financial assistance for pollution abatement in order to maximize the amounts of such federal financial assistance received or to be received for all water development projects in the State.

6. Subject to any prior or parity obligations described in Schedules X and Y attached to the Loan Agreement, the net revenues derived from the operation of the System are pledged to the payment of the principal of and interest on the Local Bonds.

7. As a condition precedent to the Authority's making the Loan, the Governmental Agency shall deliver to the Authority a certificate representing the following:

(a) The Governmental Agency expects to enter into a contract within six months of the date thereof for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2-1/2 percent of the estimated total Project cost financed with proceeds from the sale of the Local Bonds or $100,000;

(b) Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three years from the date of issuance of the Authority's water development revenue bonds;

(c) All of the proceeds from the sale of the Local Bonds which will be used for payment of costs of the Project will be expended for such purpose within three years from the date of issuance of the Authority's water development revenue bonds; and

(d) The Governmental Agency does not expect to sell or otherwise dispose of the Project, in whole or in part, prior to the last maturity date of the Local Bonds.

CITY OF NEW CUMBERLAND

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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CITY OF NEW CUMBERLAND

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $600,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF NEW CUMBERLAND:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 8, Article 20 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 New Cumberland (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Hancock County of said State.

B. The Issuer presently owns and operates a public combined waterworks and 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 to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed (collectively, the "Project") (the existing public combined waterworks and sewerage system of the Issuer, the Project and any further extensions, additions, betterments and improvements thereto are herein called the "System") at an estimated cost of not more than $4,600,000, in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), in the total aggregate principal amount of not more than $600,000 (the "Series 1994 B Bonds"), initially to be represented by a single bond, to permanently finance costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest upon the Series 1994 B Bonds prior to and during acquisition and construction of the Project and for a period not exceeding 6 months after completion of acquisition and construction of the Project; amounts which may be deposited in the Series 1994 B Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 1994 B Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the acquisition or construction of the Project and the placing of same in operation, and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 1994 B Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 20 years.

F. It is in the best interests of the Issuer that its Series 1994 B Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP"), in form satisfactory to the Issuer, the Authority and the DEP, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 1994 B Bonds as to liens, pledge, source of and security for payment, being the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) (the "Series 1994 A Bonds"), issued concurrently with the Series 1994 B Bonds, pursuant to an ordinance enacted by the Issuer simultaneously herewith on October 3, 1994 (the "Series 1994 A Bonds Ordinance"). The Issuer has met the parity test requirements of the Series 1994 A Bonds and the Series 1994 A Bonds Ordinance. Other than the Series 1994 A Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

H. The estimated revenues to be derived in each year after completion of the Project from the operation of the System will be sufficient to pay all costs of operation and maintenance of the System and the principal of and interest on the Bonds (as hereinafter defined) and to make payments into all Sinking Funds, Reserve Accounts and other payments provided for herein and in the Series 1994 A Bonds Ordinance, all as such terms are hereinafter defined.

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 1994 B Bonds, 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 will either have expired prior to the issuance of the Series 1994 B Bonds or such final order will not be subject to appeal.

J. The Issuer is a governmental unit which has general taxing powers to finance operations of or facilities of the nature of the Project and the System; 95% or more of the Net Proceeds of the Series 1994 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the Issuer, all subordinate entities, all entities which issue obligations on behalf of the Issuer, and all entities formed or, to the extent provided under Section 148 of the Code, herein defined, availed of, to avoid the purposes of

Section 148(f)(4)(D) of the Code and all other entities benefiting thereby reasonably expect to issue less than $5,000,000 aggregate principal amount of tax-exempt obligations (other than private activity bonds) during the calendar year in which the Series 1994 A Bonds and the Series 1994 B Bonds are to be issued.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 1994 B 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 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 8, Article 20 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 1994 B Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority.

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

"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 1994 B Bonds, the Series 1994 A Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

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

"Closing Date" means the date upon which there is an exchange of the Series 1994 B Bonds for the proceeds or at least a de minimis portion thereof representing the purchase price of the Series 1994 B Bonds from the Authority.

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

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

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

"Consulting Engineers" means KLH Engineers, Inc., Pittsburgh, Pennsylvania, or any qualified engineer or firm of engineers that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

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

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

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

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

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

"Governing Body" means the Council of the Issuer.

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

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

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any 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.

"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 any security (as said term is defined in Section 165(g)(2)(A) or (B) of the Code), obligation, annuity contract, investment-type property or residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved housing desegregation plan, excluding, however, obligations the interest on which is excluded from gross income, under Section 103 of the Code, for federal income tax purposes other than specified private activity bonds as defined in Section 57(a)(5)(C) of the Code.

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into among the Authority, the DEP and the Issuer, providing for the purchase of the Series 1994 B Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 1994 B Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds,

if any, deposited in the Series 1994 B 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 1994 B Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

"Nonpurpose Investment" means any Investment Property which is acquired with the gross proceeds or any other proceeds of the Series 1994 B Bonds and is not acquired in order to carry out the governmental purpose of the Series 1994 B Bonds.

"Operating Expenses" means the reasonable, proper and necessary costs of repair, operation and maintenance of the System, as hereinafter defined, and includes, without limiting the generality of the foregoing, administrative, engineering, legal, auditing and insurance expenses, other than those capitalized as part of the Costs, fees and expenses of the Authority, fiscal agents, the Depository Bank, the Registrar and the Paying Agent (all as herein defined), other than those capitalized as part of the Costs, payments to pension or retirement funds, taxes and such other reasonable operating costs and expenses as should normally and regularly be included under generally accepted accounting principles; provided, that "Operating Expenses" does not include payments on account of the principal of or redemption premium, if any, or interest on the Series 1994 A Bonds or the Series 1994 B Bonds, charges for depreciation, losses from the sale or other disposition of, or from any decrease in the value of, capital assets, amortization of debt discount or such miscellaneous deductions as are applicable to prior accounting periods.

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

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

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

"Private Business Use" means use directly or indirectly in a trade or business carried on by a natural person, including all persons "related" to such person within the meaning of Section 144(a)(3) of the Code, or in any activity carried on by a person other than a natural person, including all persons "related" to such person within the meaning of

Section 144(a)(3) of the Code, excluding, however, use by a state or local governmental unit and use as a member of the general public. All of the foregoing shall be determined in accordance with the Code, including, without limitation, giving due regard to "incidental use," if any, of the proceeds of the issue and/or proceeds used for "qualified improvements," if any.

"Project" means the acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of a secondary sewage treatment facility, together with all appurtenant facilities, including a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station already constructed.

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund established by Section 5.01 of the Series 1994 A Bonds Ordinance.

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 1994 A Bonds and the Series 1994 B Bonds.

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

"Revenue Fund" means the Revenue Fund established by Section 5.01 of the Series 1994 A Bonds Ordinance.

"Series 1994 A Bonds" means the not more than $700,000 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer.

"Series 1994 A Bonds Ordinance" means the ordinance of the Issuer enacted simultaneously herewith on October 3, 1994, authorizing the Series 1994 A Bonds.

"Series 1994 A Bonds Reserve Account" means the Series 1994 A Bonds Reserve Account established in the Series 1994 A Bonds Sinking Fund pursuant to Section 5.02 of the Series 1994 A Bonds Ordinance.

"Series 1994 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 1994 A Bonds in the then current or any succeeding year.

"Series 1994 A Bonds Sinking Fund" means the Series 1994 A Bonds Sinking Fund established by Section 5.02 of the Series 1994 A Bonds Ordinance.

"Series 1994 B Bonds" means the not more than $600,000 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 1994 B Bonds Construction Trust Fund" means the Series 1994 B Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 1994 B Bonds Reserve Account" means the Series 1994 B Bonds Reserve Account established in the Series 1994 B Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 1994 B Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 1994 B Bonds in the then current or any succeeding year.

"Series 1994 B Bonds Sinking Fund" means the Series 1994 B Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Series 1994 A Bonds and the Series 1994 B 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 1994 B Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 1994 B Bonds, and not so included may be included in another Supplemental Resolution.

"System" means the complete public combined waterworks and 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 constructed or acquired from any sources whatsoever.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $4,600,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 1994 B Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the SRF Program.

The cost of the Project is estimated not to exceed $4,600,000, of which approximately $700,000 will be obtained from proceeds of the Series 1994 A Bonds, approximately $600,000 will be obtained from proceeds of the Series 1994 B Bonds, approximately $2,500,000 from a grant by the United States Environmental Protection Agency, and approximately $750,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia).

The Project consists of two phases. The first phase of the Project, which has been completed, consists of the construction of a conventional gravity vacuum and low pressure force main sewer system with a gravity collection station and raw sewage pumping station. This phase of the Project has been paid with a portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia). The second phase of the Project, which has yet to be constructed, consists of the construction of a secondary sewage treatment plant, together with all appurtenant facilities. This phase of the Project will be paid with the remaining portion of the grant from the United States Environmental Protection Agency and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) and the proceeds of the Series 1994 A Bonds and the Series 1994 B Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 1994 B Bonds, funding a reserve account for the Series 1994 B Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 1994 B Bonds of the Issuer. The Series 1994 B Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 1994 B (West Virginia SRF Program)", in the principal amount of not more than $600,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 1994 B Bonds remaining after funding of the Series 1994 B Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 1994 B Bonds, if any, shall be deposited in or credited to the Series 1994 B Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 1994 B Bonds 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 1994 B Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 1994 B Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 1994 B Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 1994 B Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 1994 B Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in denominations as determined by a Supplemental Resolution. The Bonds shall be dated as of the date specified in a Supplemental Resolution and shall bear interest, if any, from the date so specified therein.

Section 3.03. Execution of Bonds. The Series 1994 B 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 1994 B Bonds shall cease to be such officer of the Issuer before the Series 1994 B 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 1994 B 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 1994 B Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 1994 B Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 1994 B 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 1994 B 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 1994 B 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 1994 B Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 1994 B Bonds or transferring the registered Series 1994 B Bonds are exercised, all Series 1994 B Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 1994 B Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 1994 B Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 1994 B Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 1994 B Bonds or, in the case of any proposed redemption of Series 1994 B 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 1994 B Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 1994 B Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Gross Revenues derived from the operation of the System as herein provided and amounts, if any, in the Series 1994 B Bonds Sinking Fund and the Series 1994 B Bonds Reserve Account. No holder or holders of the Series 1994 B Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 B Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of all Series 1994 B Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Gross Revenues derived from the System, on parity with the lien on the Gross Revenues in favor of the Holders of the Series 1994 A Bonds. Such Gross 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 provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 1994 B Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 1994 B 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 1994 B 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 1994 B Bonds to the original purchasers;

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

D. An executed copy of the Loan Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 1994 B Bonds.

Section 3.10. Form of Series 1994 B Bonds. The text of the Series 1994 B Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

[FORM OF SERIES 1994 B BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1994 B
(West Virginia SRF Program)

No. BR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia in Hancock 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 _____ 1, _____ 1, _____ 1 and _____ 1 of each year, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B 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 Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated _____, 19_____.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) [to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii)] to pay certain costs of issuance hereof and related costs. The existing public combined

waterworks and 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 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 199____, and a Supplemental Resolution duly adopted by the Issuer on _____, 199____ (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED _____, 1994, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $_____ (THE "SERIES 1994 A BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Gross Revenues in favor of the Holders of the Series 1994 A Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1994 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 Gross Revenues, the moneys in the Series 1994 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1994 A Bonds; provided however, that so long as there exists in the Series 1994 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding

year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1994 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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 NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated _____, 199____.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 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: _____, 199____.

ONE VALLEY BANK,
NATIONAL ASSOCIATION,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 1994 B Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Loan Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. "Amended Schedule A" Filing. Within 60 days following the Completion Date, the Issuer will file with the Authority a schedule in substantially the form of the "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1994 A Bonds Ordinance) with and shall be held by the Depository Bank separate and apart from all other funds or accounts of the Depository Bank and the Issuer and from each other:

(1) Revenue Fund (established by the Series 1994 A Bonds Ordinance);

(2) Renewal and Replacement Fund (established by the Series 1994 A Bonds Ordinance); and

(3) Series 1994 B Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created (or confirmed if concurrently established by the Series 1994 A Bonds Ordinance) with and shall be held by the Commission separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 1994 A Bonds Sinking Fund (established by the Series 1994 A Bonds Ordinance);

(2) Within the Series 1994 A Bonds Sinking Fund, the Series 1994 A Bonds Reserve Account (established by the Series 1994 A Bonds Ordinance);

(3) Series 1994 B Bonds Sinking Fund; and

(4) Within the Series 1994 B Bonds Sinking Fund, the Series 1994 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 in the Series 1994 A Bonds Ordinance and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Series 1994 A Bonds Ordinance. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(1) The Issuer shall first, (i) on the first day of each month, commencing 4 months prior to the first date of payment of principal of the Series 1994 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 B Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 1994 B 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 1994 B Bonds Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date, and (ii) simultaneously with the transfer set forth in subsection 5.03A(1)(i), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amounts required by the Series 1994 A Bonds Ordinance to be deposited in the Series 1994 A Bonds Sinking Fund for payment of the principal of and interest on the Series 1994 A Bonds.

(2) The Issuer shall next, (i) on the first day of each month, commencing 3 months prior to the first date of payment of principal of the Series 1994 B Bonds, if not fully funded upon issuance of the Series 1994 B Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Series 1994 B Bonds Reserve Account, an amount equal to 1/120 of the Series 1994 B Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 1994 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 1994 B Bonds Reserve Requirement, and (ii) simultaneously with the transfer set forth in subsection 5.03A(2)(i), on the first day of each month, transfer from the Revenue Fund and remit to the Commission the amount required by the Series 1994 A Bonds Ordinance to be deposited in the Series 1994 A Bonds Reserve Account.

(3) Thereafter, the Issuer shall, each month, pay from the Revenue Fund current Operating Expenses of the System.

(4) The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, commencing with the first month in which any of the above payments shall be payable from the Revenue Fund, as set forth in the Series 1994 A Bonds Ordinance and not in addition thereto, 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 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, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account [except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof] shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1994 B Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 1994 B Bonds as the same shall become due. Moneys in the Series 1994 B Bonds Reserve Account shall be used only for the purpose of paying principal of and interest, if any, on the Series 1994 B Bonds as the same shall come due, when other moneys in the Series 1994 B Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 1994 B Bonds Sinking Fund and the Series 1994 B 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 1994 B Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 1994 B Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 1994 B Bonds Reserve Account which result in a reduction in the balance of the Series 1994 B Bonds Reserve Account to below the Series 1994 B Bonds Reserve Requirement shall be subsequently restored from the first Gross Revenues available after all required payments have been made in full to the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund.

As and when additional Bonds ranking on a parity with the Series 1994 B Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the appropriate reserve account in an amount equal to the maximum amount of principal and interest which will become due in any year for account of the Bonds of such series, including such additional Bonds.

The Issuer shall not be required to make any further payments into the Series 1994 B Bonds Sinking Fund, or the Series 1994 B Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 1994 B Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal and interest payments, and any payments made for the purpose of funding a deficiency in any Reserve Account, shall be made on a parity and pro rata, with respect to the Series 1994 A Bonds and Series 1994 B Bonds in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1994 B Bonds Sinking Fund and the Series 1994 B 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.

Moneys in the Series 1994 B Bonds Sinking Fund and the Series 1994 B Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 1994 B Bonds Sinking Fund, including the Series 1994 B Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 1994 B Bonds and any additional Bonds ranking on a parity therewith that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 1994 B 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.

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

D. 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 such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges, fees and expenses then due. The Issuer shall also remit from the Revenue Fund to the Authority, on such dates as

the Authority shall require, the Issuer's allocable share of reasonable administrative expenses, if any, incurred by the Authority with respect to the SRF Program.

F. 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.

G. If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates; provided, however, that the priority of curing deficiencies in the funds and accounts herein shall be in the same order as payments are to be made pursuant to this Section 5.03 and Section 5.03 of the Series 1994 A Bonds Ordinance, and the Gross Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

H. All remittances made by the Issuer to the Commission 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.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from the sale of any or all of the Series 1994 B Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 1994 B Bonds, there shall first be deposited with the Commission in (i) the Series 1994 A Bonds Sinking Fund and (ii) the Series 1994 B Bonds Sinking Fund, the amounts, if any, set forth in the respective Supplemental Resolutions as capitalized interest; provided, that such amounts may not exceed the amount necessary to pay interest on the Bonds for the period commencing on the date of issuance of the Bonds and ending 6 months after the estimated date of completion of construction of the Project.

B. Next, from the proceeds of the Series 1994 B Bonds, there shall be deposited with the Commission in (i) the Series 1994 A Bonds Reserve Account and (ii) the Series 1994 B Bonds Reserve Account, the amounts, if any, set forth in the respective Supplemental Resolutions for funding the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account.

C. Next, from the proceeds of the Series 1994 B Bonds, there shall first be credited to the Series 1994 B Bonds Construction Trust Fund and then paid, any and all other borrowings by the Issuer made for the purpose of temporarily financing a portion of the Costs of the Project and any borrowings by the Issuer from the Authority, including interest accrued thereon to the date of such payment, not otherwise paid from funds of the Issuer.

D. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 1994 B Bonds, such moneys shall be deposited with the Depository Bank in the Series 1994 B Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof.

E. The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Series 1994 B Bonds Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Series 1994 B Bonds Construction Trust Fund set forth in the Bond Legislation. Moneys in the Series 1994 B Bonds Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Series 1994 B Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Series 1994 B Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 1994 B Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Authority and the DEP of the following:

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

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

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

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

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

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

In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Series 1994 B Bonds Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Series 1994 B Bonds 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 Series 1994 B Bonds 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 Series 1994 B Bonds Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 1994 B 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 1994 B 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 1994 B Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 1994 B Bonds shall not be nor constitute an indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 1994 B Bonds, shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 1994 B Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Gross Revenues. The payment of the debt service of the Series 1994 B Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Gross Revenues derived from the operation of the System, on parity with the lien on said Gross Revenues in favor of the Holders of the Series 1994 A Bonds. The Gross 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 all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The initial schedule of water and sewer rates and charges for the services and facilities of the System shall be as set forth respectively in the water rate ordinance of the Issuer enacted April 4, 1994, and the Final Order of the Public Service Commission of West Virginia, entered August 31, 1994, in Case No. 94-0319-S-MA, which rates are incorporated herein by reference as a part hereof.

Section 7.05. Sale of the System. Except as otherwise required by law or with the written consent of the Authority, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to pay fully all the Bonds Outstanding, or to effectively defease this Bond Legislation in accordance with Article X hereof. The proceeds

from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 1994 B Bonds, immediately be remitted to the Commission for deposit in the Series 1994 B Bonds Sinking Fund, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Series 1994 B Bonds. Any balance remaining after the payment of all the Series 1994 B 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 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 Series 1994 B Bonds 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 or otherwise. Such payment of such proceeds into the Series 1994 B Bonds 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. 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 1994 B Bonds. All obligations issued by the Issuer after the issuance of the Series 1994 B Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on, pledge and source of and security for payment from such revenues and in all other respects, to the Series 1994 B 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 Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. No Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of 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 1994 B Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the Series 1994 B 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 enacted by the Issuer, 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.

Within 30 days of the delivery of such Parity Bonds, the Issuer shall have entered into written contracts for the immediate acquisition or construction of such extensions, 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.

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 1994 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 1994 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.

Notwithstanding the foregoing, or any provision of Section 7.06 hereof to the contrary, additional Parity Bonds may be issued solely for the purpose of completing the Project as described in the application to the Authority and the DEP 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 and the DEP to the issuance of the Parity Bonds.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and

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

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

The Issuer shall file with the Consulting Engineers, the Authority and the DEP, or any other original purchaser of the Series 1994 B Bonds, and shall mail in each year to any Holder or Holders of the Series 1994 B Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations payable from the revenues of the System outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public 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 the Series 1994 B Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 1994 B Bonds. Such audit report submitted to the Authority shall include a statement that the Issuer is in compliance with the terms and provisions of the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

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

Section 7.09. 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 Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1994 B Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 B Bonds, including the Series 1994 A Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 1994 B Bonds Reserve Account and any reserve accounts for obligations prior to or on a parity with the Series 1994 B Bonds, including the Series 1994 A Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 1994 B Bonds and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Series 1994 B Bonds, including the Series 1994 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

Section 7.10. Operating Budget; Audit and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such

increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority, the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

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 and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement as Exhibit B, and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

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

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

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

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

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

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid, when due, shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law.

Section 7.14. No Free Services. The 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 1994 B Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT 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, if the System facilities are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

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

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the 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 also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. In the event the Loan Agreement so requires, such insurance shall be made payable to the order of the Authority, the Issuer, the prime contractor and all subcontractors, as their interests may appear.

Section 7.16. Mandatory Connections. The mandatory use of the sewerage facilities portion of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State 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 sewerage facilities portion of the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the sewerage facilities portion of the System, and

every such owner, tenant or occupant shall, after a 30 day notice of the availability of the sewerage facilities portion of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer will complete the Project as promptly as possible and operate and maintain the System as a revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

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

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

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

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

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 1994 B 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 1994 B Bonds during the term thereof is, under the terms of the Series 1994 B Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 1994 B 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 1994 B Bonds during the term thereof is, under the terms of the Series 1994 B 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 1994 B 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 1994 B Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of 5% of the Net Proceeds of the Series 1994 B Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than state or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 1994 B Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer will file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 1994 B 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 1994 B Bonds will be and remain excludable from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Statutory Mortgage Lien. For the further protection of the Holders of the Series 1994 B 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 1994 B Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Series 1994 A Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Bonds from gross income for federal income tax purposes.

Section 8.02. Arbitrage. 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 1994 B Bonds which would cause the Series 1994 B Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a Federal information return with respect to the Series 1994 B Bonds) so that the interest on the Series 1994 B Bonds will be and remain excludable from gross income for Federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148 (f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that no part of the Series 1994 B Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Series 1994 B Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Series 1994 B Bonds are issued does not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect an applicable to the Series 1994 B Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 B Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 1994 B Bonds. In the event of a failure to pay any such amount or amounts, the Issuer will pay, from any lawful sources available therefor, to the United States an amount equal to the sum of 50% of the amount not paid, plus interest at the required rate on the portion of the amount which was not paid on the required date, beginning on such date, unless waived. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

The Issuer shall furnish to the Authority, annually, and at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority. In addition, the Issuer shall cooperate with the Authority in preparing any required rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the Issuer.

The Issuer shall submit to the Authority within 15 days following the end of each Bond Year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issue exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the Bond Year which would make the Series 1994 B Bonds subject to rebate. The Issuer shall also furnish the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

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

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

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

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

(4) If default occurs with respect to the Series 1994 A Bonds or the Series 1994 A Bonds Ordinance.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 1994 B Bonds shall be on a parity with the Holders of the Series 1994 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, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any

Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the Issuer and for the joint protection and benefit of the Issuer and Registered Owners of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the completion of the Project and the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of the System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Series 1994 B Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Gross Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 1994 B 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 1994 B Bonds from gross income for federal income tax purposes.

Series 1994 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 Agent at the same or earlier time, shall be sufficient, to pay as and when due either at maturity or at the next redemption date, the principal installments of and interest on such Series 1994 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 1994 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 1994 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 1994 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.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 1994 B Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 1994 B 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 Bonds shall be made without the consent in writing of the Registered Owners of 66 2/3% or more in principal amount of the Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest 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 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 1994 B 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 Series 1994 A Bonds Ordinance, the Supplemental Resolutions thereto, or the Bonds.

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

Section 11.05. Conflicting Provisions Repealed. 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 Series 1994 A Bonds Ordinance, the more restrictive provision shall control.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing hereon.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in the Hancock County Courier, a newspaper published and of general circulation in the City of New Cumberland, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading:	-	September 12, 1994
Passed on Second Reading:	-	September 19, 1994
Passed on Final Reading Following Public Hearing:	-	October 3, 1994

Timothy P. Crozier
Mayor

Jacqueline L. Nelson
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF NEW CUMBERLAND on the 3rd day of October, 1994.

Dated: October 27, 1994.

[SEAL]

City Clerk

10/06/94
NCC.B4
658300/94001

EXHIBIT A

[Loan Agreement attached to bond transcript as Document 6.]

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 B (West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITY DATE, REDEMPTION PROVISION, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), OF THE CITY OF NEW CUMBERLAND; RATIFYING AND APPROVING A LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of New Cumberland (the "Issuer"), has duly and officially adopted and enacted a bond ordinance, effective October 3, 1994 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $600,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (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 Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer (the "Bonds" or the "Series 1994 B Bonds"), in the aggregate principal amount not to exceed $600,000, and has authorized the execution and delivery of a loan agreement relating to the Bonds (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Division of Environmental Protection (the "DEP"), all in accordance with Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

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

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

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 Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered BR-1, in the principal amount of $498,666. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2016, and shall bear no interest. The Bonds shall be payable in quarterly installments of principal on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1996, and ending March 1, 2016, and in the amounts as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds.

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

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

Section 4. The Issuer does hereby appoint and designate One Valley Bank, National Association, Charleston, West Virginia, as Registrar (the "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 the Registrar, in substantially the form attached hereto, 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 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 Hancock County Savings Bank, New Cumberland, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. Series 1994 B Bonds proceeds in the amount of $60,441 shall be deposited in the Series 1994 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 1994 B Bonds proceeds in the amount of $-0- shall be deposited in the Series 1994 B Bonds Sinking Fund, as capitalized interest.

Section 9. Series 1994 B Bonds proceeds in the amount of $47,664 shall be deposited in the Series 1994 A Bonds Reserve Account.

Section 10. Series 1994 B Bonds proceeds in the amount of $24,936 shall be deposited in the Series 1994 B Bonds Reserve Account.

Section 11. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 1994 B Bonds Construction Trust Fund as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds and related costs.

Section 12. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about October 27, 1994, to the Authority pursuant to the Loan Agreement.

Section 13. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds is in the public interest, serves a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 14. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Moneys in the Series 1994 B Bonds Sinking Fund, including the Series 1994 B Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 15. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 16. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 1994, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer.

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

Adopted this 12th day of October, 1994.

CITY OF NEW CUMBERLAND

Timothy P. Crago
Mayor

Jacqueline L. Kalson
City Clerk

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of New Cumberland on the 12th day of October, 1994.

Dated: October 27, 1994.

[SEAL]

Jacqueline L. Kalson
City Clerk

10/11/94
NCC.M3
658300/94001

SRF-LP-1
(April 1993)

LOAN AGREEMENT

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

CITY OF NEW CUMBERLAND
(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 construction, acquisition and improvement of wastewater treatment facilities;

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

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

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

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

6

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

the Project, the operation and maintenance of the System and the administration of the Loan or of any State and federal grants or other sources of financing for the Project.

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the

Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

ARTICLE III

Conditions to Loan;
Issuance of Local Bonds

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

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

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

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

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

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

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

Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the

Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

(xiii) That, to the extent authorized by the laws of the State and the rules and regulations of the PSC,

prospective users of the System shall be required to connect thereto;

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

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

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

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

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

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

sufficient to pay the costs of acquisition and construction of the Project; and

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

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

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

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

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

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

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

ARTICLE V

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

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

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the minimum sums set forth in the Local Act, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges so as to provide funds sufficient to produce the minimum sums set forth in the Local Act and as required by this Loan Agreement.

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

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default

hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Local Government

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

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

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

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue

Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

7.4 No waiver by any party of any term or condition of this Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of

the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Loan Agreement.

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

City of New Cumberland
[Proper Name of Local Government]

(SEAL)

By: Timothy P. Cragg
Its: Mayor

Attest:

Jacqueline L. Robison
Its Recorder

Date: September 14, 1994

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Mark A. Hott
Its: Chief, Office of Water Resources

Date: 9-21-94

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Daniel B. Yorkosky
Its: Director

Attest:

Barbara B. Meadows
Secretary-Treasurer

Date: September 14, 1994

APPROVED AS TO FORM PRIOR TO ACKNOWLEDGEMENT THEREOF, THIS 25th day of August, 1992.

Attorney General
BY: Dawn E. Warfield
DEPUTY ATTORNEY GENERAL

EXHIBIT A

Certificate of Performance
for
Publicly Owned Treatment Works

I. As required by the Clean Water Act under Title VI, Section 602(b)(6), and the Loan Agreement, the Local Government does hereby certify that it has :

a. Provided to the WV DEP written notification of the actual date of initiation of operation. This date of initiation was on the _____ day of _____, 19___.

b. Utilized the services of _____, our prime engineer who either:

_____ Supervised our project construction; and/or

_____ Provided architectural and engineering services during construction.

For a period of twelve (12) months following the initiation of operations, the prime engineer provided the following services:

1) Directed project operation and maintenance; and
2) Trained operating personnel and prepared the required curricula and training materials, and revised the operation and maintenance manual(s); and
3) Advised the Local Government on the status of the project meeting performance standards.

II. The Local Government, having access to and control of all the necessary data, and having monitored the construction of this project, hereby certifies that the project built under this Loan Agreement meets:

a. The specifications for which the project was planned, designed, and built.

b. The effluent limitations contained in its NPDES permit, if applicable.

_____
Local Government Name

_____ _____
Local Government Representative's Name and Title Date

EXHIBIT B

[Form of Monthly Financial Report]

[Name of Local Government]

[Name of Bond Issue]

Fiscal Year - ____

Report Month: _____

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

Witnesseth my signature this ____ day of _____, 19__.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(TO BE PROVIDED BY DEP FOR EACH PROJECT)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the application submitted to the Authority requesting the Authority to purchase the Bonds (the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least twenty years, (iii) the Issuer has received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, (v) the rates and charges for the System as adopted by the _____ of the Issuer are sufficient to comply with the provisions

of Subsection 4.1(b) of the Loan Agreement, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

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

_____

By _____

_____

West Virginia License No. ____

[SEAL]

EXHIBIT E

[Special Conditions]

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

EXHIBIT F

[Monthly Payment Form]

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

Re: [Name of bond issue]

Dear Sirs:

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

Sinking Fund:

Interest $_____

Principal $_____

Total: $_____

Reserve Fund: $_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

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

Gentlemen:

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

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

Year	Installment	Interest Rate

The Local Bonds are issued for the purpose of _____ _____ and paying certain issuance and other costs in connection therewith.

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

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

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

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

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

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

4. The Local Government has legally and effectively enacted the Local Act and all other necessary _____ in connection with the issuance and sale of the Local Bonds. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	$ 498,666
Purchase Price of Bonds	$ 498,666

Interest on the Bonds shall be zero percent from the date of delivery ~~to and including~~ _____. Principal ~~and interest~~ on the Bonds is payable quarterly, commencing June 1, 1996, at a rate of 0 % per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has no other obligations outstanding which have a lien as to the source of and security for payment equal to or superior to the lien being granted by the Bonds ~~or [provide list of outstanding debt]~~.

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

The Bonds will be fully registered in the name of the West Virginia Water Development Authority as to principal ~~and interest~~ and such Bonds shall grant the Authority a [first] lien on the net revenues of the Local Government's system.

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

SCHEDULE Y

City of New Cumberland

SRF

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
3/01/1996	-	-	-	-
6/01/1996	6,234.00	-	-	6,234.00
9/01/1996	6,234.00	-	-	6,234.00
12/01/1996	6,234.00	-	-	6,234.00
3/01/1997	6,234.00	-	-	6,234.00
6/01/1997	6,234.00	-	-	6,234.00
9/01/1997	6,234.00	-	-	6,234.00
12/01/1997	6,234.00	-	-	6,234.00
3/01/1998	6,234.00	-	-	6,234.00
6/01/1998	6,234.00	-	-	6,234.00
9/01/1998	6,234.00	-	-	6,234.00
12/01/1998	6,234.00	-	-	6,234.00
3/01/1999	6,234.00	-	-	6,234.00
6/01/1999	6,234.00	-	-	6,234.00
9/01/1999	6,234.00	-	-	6,234.00
12/01/1999	6,234.00	-	-	6,234.00
3/01/2000	6,234.00	-	-	6,234.00
6/01/2000	6,234.00	-	-	6,234.00
9/01/2000	6,234.00	-	-	6,234.00
12/01/2000	6,234.00	-	-	6,234.00
3/01/2001	6,234.00	-	-	6,234.00
6/01/2001	6,234.00	-	-	6,234.00
9/01/2001	6,234.00	-	-	6,234.00
12/01/2001	6,234.00	-	-	6,234.00
3/01/2002	6,234.00	-	-	6,234.00
6/01/2002	6,234.00	-	-	6,234.00
9/01/2002	6,234.00	-	-	6,234.00
12/01/2002	6,233.00	-	-	6,233.00
3/01/2003	6,233.00	-	-	6,233.00
6/01/2003	6,233.00	-	-	6,233.00
9/01/2003	6,233.00	-	-	6,233.00
12/01/2003	6,233.00	-	-	6,233.00
3/01/2004	6,233.00	-	-	6,233.00
6/01/2004	6,233.00	-	-	6,233.00
9/01/2004	6,233.00	-	-	6,233.00
12/01/2004	6,233.00	-	-	6,233.00
3/01/2005	6,233.00	-	-	6,233.00
6/01/2005	6,233.00	-	-	6,233.00
9/01/2005	6,233.00	-	-	6,233.00
12/01/2005	6,233.00	-	-	6,233.00
3/01/2006	6,233.00	-	-	6,233.00
6/01/2006	6,233.00	-	-	6,233.00
9/01/2006	6,233.00	-	-	6,233.00
12/01/2006	6,233.00	-	-	6,233.00
3/01/2007	6,233.00	-	-	6,233.00
6/01/2007	6,233.00	-	-	6,233.00
9/01/2007	6,233.00	-	-	6,233.00
12/01/2007	6,233.00	-	-	6,233.00
3/01/2008	6,233.00	-	-	6,233.00
6/01/2008	6,233.00	-	-	6,233.00

SCHEDULE Y

City of New Cumberland

SRF

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2008	6,233.00	-	-	6,233.00
12/01/2008	6,233.00	-	-	6,233.00
3/01/2009	6,233.00	-	-	6,233.00
6/01/2009	6,233.00	-	-	6,233.00
9/01/2009	6,233.00	-	-	6,233.00
12/01/2009	6,233.00	-	-	6,233.00
3/01/2010	6,233.00	-	-	6,233.00
6/01/2010	6,233.00	-	-	6,233.00
9/01/2010	6,233.00	-	-	6,233.00
12/01/2010	6,233.00	-	-	6,233.00
3/01/2011	6,233.00	-	-	6,233.00
6/01/2011	6,233.00	-	-	6,233.00
9/01/2011	6,233.00	-	-	6,233.00
12/01/2011	6,233.00	-	-	6,233.00
3/01/2012	6,233.00	-	-	6,233.00
6/01/2012	6,233.00	-	-	6,233.00
9/01/2012	6,233.00	-	-	6,233.00
12/01/2012	6,233.00	-	-	6,233.00
3/01/2013	6,233.00	-	-	6,233.00
6/01/2013	6,233.00	-	-	6,233.00
9/01/2013	6,233.00	-	-	6,233.00
12/01/2013	6,233.00	-	-	6,233.00
3/01/2014	6,233.00	-	-	6,233.00
6/01/2014	6,233.00	-	-	6,233.00
9/01/2014	6,233.00	-	-	6,233.00
12/01/2014	6,233.00	-	-	6,233.00
3/01/2015	6,233.00	-	-	6,233.00
6/01/2015	6,233.00	-	-	6,233.00
9/01/2015	6,233.00	-	-	6,233.00
12/01/2015	6,233.00	-	-	6,233.00
3/01/2016	6,233.00	-	-	6,233.00
TOTAL	498,666.00	-	-	498,666.00

YIELD STATISTICS

Accrued Interest from 03/01/1996 to 03/01/1996...	-
Average Life.....	10.125 YEARS
Bond Years.....	5,048.82
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	-
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	-

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 01, 1989

CASE NO. 89-199-S-CN

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Application for a certificate of convenience and necessity to construct a secondary sewage treatment plant (SBR) and collection system (gravity/vacuum/force main) in the City of New Cumberland, Hancock County.

ADMINISTRATIVE LAW JUDGE'S RECOMMENDED DECISION

On March 29, 1989, the City of New Cumberland, a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity, to construct a gravity/vacuum/force main collection system within the City and to construct a secondary sewage treatment plant using the sequential batch reactor process in the City of New Cumberland at an estimated cost of $3,050,000. The application was amended to include the construction of the collection system only at an estimated cost of $1,733,763.00. The Applicant intends to proceed with the construction of the treatment phase under a separate application at some date in the future. Notice of the filing of the certificate was made by publication and two protests were filed.

The matter was set for hearing on October 16, 1989, at 1:30 p.m., in New Cumberland, West Virginia. Appearing at this hearing were Lawrence L. Manypenny, Esq., representing the City of New Cumberland, and Robert Adkins, Esq., representing Commission Staff. Several protests to the application were voiced, questioning if a small town like New Cumberland could bear the amount of the projected construction costs; if the projected vacuum system would require more operation and maintenance costs; the desirability of vacuum systems in customers' yards; the prudence of taking a playground to locate a lift station; an unexplained million dollar mistake in some document; the location of signed protests "filed" with the Commission approximately three years ago; the wisdom of using a vacuum system; how much were the rates; and if the customers could bear those rates. (Protestants Wildman, Connell, Patterson, Wright, Skinner, Mack, Reese, and Frain). The City was not ready to proceed with presentation of evidence and the hearing was continued. On October 31, 1989, Kirk Swann submitted a petition signed by several New Cumberland residents, addressed to Governor Arch Moore, requesting a study of the

sewage collection system proposed for the City. The petition had originated in 1988 and it did not specifically oppose the project, but rather called for a study of any proposed system. On November 13, 1989, Kirk W. Swann withdrew his individual protest filed previously with the Public Service Commission.

A second hearing was convened on November 21, 1989, in the New Cumberland Fire Hall, New Cumberland, West Virginia, at 2:00 p.m. Appearing at the hearing were Lawrence L. Manypenny, Esq., for the City, and Robert Adkins, Esq., Staff Attorney for the Public Service Commission. No protestants appeared in opposition to the project at this hearing.

The Applicant presented its first witness, Greg Bower, Project Manager, KLH Engineers. Mr. Bower testified that a feasibility study had been prepared addressing the sewer needs of the City and, pursuant to that study, the City had directed KLH Engineers to design a vacuum collection system and treatment facility. (Tr., p. 6). He indicated that the engineering work on the project took approximately 14 months to complete. The system was designed to withstand the 1972 flood elevations, since the 1972 flood was the hundred (100) year flood level. (Tr., p. 14). Mr. Bower testified as to how the vacuum system would operate. (Tr., p. 12). He said that the system will provide adequate service. Its design has been reviewed by the engineers in his office and the Department of Natural Resources (DNR) engineers, as well as the product manufacturer's engineers. (Tr., p. 13). Further, he said that the system was as cost effectively designed as possible. An 8-inch gravity sewer would cost approximately $38.00 a foot and a vacuum sewer, because the lines do not have to be sized as large as for a gravity system and do not have to be installed as deep in the ground, would only run approximately $25.00 a foot. (Tr., p. 15). Mr. Bower discussed that the operation and maintenance expenses on a vacuum system will be higher than those for a gravity system. The useful life for one vacuum valve is ten (10) years; for the vacuum pits, fifty (50) years; and for the divisional valves, twenty-five (25) years. Mr. Bower said that, because it was an appropriate location and there were no acquisition costs involved since the City owns the land, the City decided to use a playground area for the location of a lift station. (Tr., p. 16).

The next witness appearing on behalf of the Applicant was Michael V. Uhl, Project Engineer in the Construction Grants Branch of the Department of Natural Resources. (Tr., p. 18). It is standard practice for a project, including the plans and specifications as prepared by the project engineers, to be reviewed by the Department of Natural Resources. (Tr., p. 18). This was done with regard to the New Cumberland project and the Department of Natural Resources engineers determined that the project was feasible. He indicated that, in 1984, the Federal Government stopped funding gravity collection systems; therefore, if a gravity system had been chosen by the City, it would have had to be totally funded by the City, whereas a vacuum system would be funded 75% by federal money and 25% by the City. He believed that fact by itself would justify the decision to use a vacuum collection system, but he said that in the initial feasibility study, it showed that a vacuum system was a less expensive option than a gravity system. (Tr., p. 20). He indicated that funding is available for contracts one through five of this project and funds are

"set aside" for the treatment phase. The Corps of Engineers informed the DNR that the major flood event was in 1972. The engineering standards for design are that the structures are to be built at a twenty-five (25) year flood level and to withstand substantial damage at the hundred (100) year flood level. (Tr., p. 22).

Mr. Uhl testified that there was a substantial amount of inflow and infiltration noted throughout the feasibility study, although it was never quantified. He said that, when a manhole cover is lifted and clear water instead of sewage is found, such is an indication of inflow and infiltration. Further, when there are increases in flows after a storm event at the treatment plant, engineers can tell if there is a significant inflow and infiltration problem. From these observations about the inflow and infiltration, it was determined that it was not feasible to try to rehabilitate the City's existing gravity sewer. There were several brick manholes in the system which would have to be replaced and construction would cause other parts of the old gravity sewer line to fall apart. It was the conclusion of the feasibility study, and also Mr. Uhl's opinion, that it would be more expensive to repair the existing sewer than to build a new collection system. (Tr., p. 25). He stated that, once the vacuum system is in place, the old sanitary system will become a storm sewer. (Tr., p. 26). He indicated that estimated costs of the construction of a new gravity sewer would be $2,073,000.00 and no EPA funds were available for such conventional construction.

According to Mr. Uhl, the City is in violation of the standards of the Clean Water Act, which required the City to have secondary treatment by July 1, 1988. The City did not meet that deadline, so it entered into a Consent Decree with the Attorney General's Office of West Virginia, prescribing the time frame in which it would comply with the Act. The City has a primary plant which does not meet the secondary effluent standards. (Tr., p. 28). If the City continues in violation of the Consent Decree, fines will be imposed as spelled out in that agreement. (Tr., p. 30). The City is continuing to investigate disposal alternatives at the present time and the collection lines are a necessary part of the overall Consent Decree since a plant phase cannot begin unless new collection lines are constructed. (Tr., p. 31).

Mr. Uhl testified that the Environmental Protection Agency has agreed to replace the system, since it is an alternative system, should it fail or not work properly. EPA will, at its expense, get the system working properly or replace it. (Tr., p. 49).

At the time of the first hearing, the Protestants indicated that there was a million dollar error in an estimate for the project. (Tr., p. 56). Mr. Uhl testified that, in the original feasibility study from which the grant documents were drawn up, the estimated cost of the treatment plant was $330,000.00. The actual bid for the plant came in around $2,060,000. Based upon other documentation and opinions, he believed that a better proposed estimate of that facility would be about $1,330,000.00. He was unable to state whether the error was typographical or estimation. (Tr., p. 58).

Mr. Uhl said the Department of Natural Resources is processing the EPA Letter of Commitment for the funds, but, because there was a recent City election and a new mayor was elected, the new mayor needs to be designated by City Resolution to sign the grant documents before the final Letter of Commitment can be issued. Mr. Mastrantoni is taking care of that resolution. He indicated that DNR had been delegated authority to act on behalf of the Environmental Protection Agency for the administration of funds. (Tr., p. 29).

Thomas Dobbs, Certified Public Accountant in the firm of Dobbs, Abraham and Company, prepared the Rule 42 Exhibit. Mr. Dobbs used the engineering estimates of operating costs to arrive at the total revenue requirements for operation of the system. (Tr., p. 33). He believes that there is sufficient revenues, but not more than sufficient revenues, to meet the operation and maintenance expenses and debt service requirements of the system. He indicated that the rates are $10.80 for the first 2,000 gallons and $1.20 for each additional 1,000 gallons thereafter. He indicated an average bill would be $14.60 based upon a 5,000 gallon usage. He designed a $300.00 surplus into the rates per month for contingencies. (Tr., p. 37).

The next witness for the Applicant was A. Daniel Mastrantoni. He is employed as Projects Director with the Brooke-Hancock Planning and Development Council, which assists municipalities and county agencies with planning and project administration. (Tr., p. 38). Under a contractual arrangement, he is Project Administrator for the City and has been working on the project approximately two (2) years. (Tr., p. 38). The City has two grant sources: $1,258,922.00 of United States Environmental Protection Agency funds and $474,841.00 from a Community Development Block Grant. There will be no interim financing for the project. There have been two preconstruction conferences with the contractors informing them that there will be no interim financing and that the lead time for drawdowns would be 45 to 60 days and the contractors did not object to that arrangement. (Tr., p. 40). He said that the United States Environmental Protection Agency would guarantee the system to be functional. The total project costs are $1,733,763.00. He said that there are more grant monies available for the treatment phase of the project whenever an alternative (either build a treatment plant or take sewage to another plant for treatment) is finally decided upon. Mr. Mastrantoni said that the project bids that were accepted were the low bids for the project and that the next highest bid would have increased the project by $337,781.00.

Jack Harris, Mayor of the City of New Cumberland, indicated that it was his opinion that the system was properly designed and the best project possible for the City. The City had worked with the Department of Natural Resources and two different engineering firms over the years to get the most cost effective system. This project is in the best interest of the City. (Tr., p. 53).

Mr. Manypenny stated that the ground has been broken for the project because it would have cost the City at least an additional $337,781.00 to have accepted the next highest bid if the project were rebid.

Commission Staff called Ingrid Ferrell, Staff Engineer, as its first witness. Ms. Ferrell indicated that she has reviewed the plans and specifications for the project and it is technically sound and economically feasible in her opinion. (Tr., p. 60). She had reviewed the cost differences between a gravity and a vacuum/pressure system and presented exhibits which indicated that the vacuum system per customer is less costly to construct. (Tr., p. 62). Her exhibit contained comparisons for projects of similar topography and size to that of New Cumberland. (Tr., p. 64). She further investigated the operation and maintenance costs after five (5) years of operation for similar vacuum systems. The costs of a similar project did not look as though the operational and maintenance costs would increase more than projected. She said that systems such as Friendly, (mentioned by Protestants as an unacceptable system), did have significant increases in operational costs because very little preventive maintenance on the system was done and, further, storm drains were connected to that system which caused many operational problems. (Tr., p. 69).

Ms. Ferrell testified that the Department of Natural Resources has the primary responsibility for design and review of sewer projects and that her review of the plans and specifications revealed no obvious conflicts with Commission Rules and Regulations. (Tr., p. 71).

Carolyn Milam, Utilities Analyst with the Public Service Commission, testified that she has reviewed the Letter of Commitment for the Small Cities Block Grant and is awaiting the Environmental Protection Agency letter (Tr., p. 74), but believes that the funding will be available for the project. She has reviewed the rates prepared in the Rule 42 Exhibit and they appear to cover all of the projected expenses. She prepared a cash flow analysis, which showed that the operation and maintenance expenses will be covered and there is a small cash surplus. Staff's recommended expense level in the cash flow statement would provide a surplus of $9,701.00. This surplus would provide funding for the repair and replacement reserves and some additional surplus. (Tr., p. 78).

DISCUSSION

The City's witnesses indicated that the project was properly and adequately designed. It has taken the City a number of years to proceed with this collection system phase and the treatment phase is still being considered. The witnesses indicated that the project had been thoroughly considered. The benefits and costs of both a gravity and vacuum system had been considered and it was cheaper to install a vacuum system. Appropriate considerations had been given to flood conditions in the future operation of the system. The rates were designed to produce sufficient, but not more than sufficient, revenues to cover the costs associated with operation of the system. A Consent Decree has been entered into by the City and the Attorney General's office, which shows a need for upgrading the City's plant and collection lines. If the City does not proceed with the upgrade, it can incur fines and penalties under that Consent Decree.

Commission Staff has reviewed the project and offered no recommendation against the project. Staff concluded that the project is

adequately financed and economically feasible, and that the rates and charges are adequate and sufficient, but not more than sufficient, to cover the additional operation and maintenance cost generated by the project when completed.

Upon consideration of the foregoing, the Administrative Law Judge (ALJ) is of the opinion that the project is needed and will provide adequate service. The project is economically feasible and will be adequately financed upon receipt of the EPA Commitment Letter. The rates are sufficient, but not more than sufficient, to cover the additional operation and maintenance expense requirements generated by the project. Therefore, the certificate should be approved, contingent upon receipt of the Commitment Letter from the EPA.

The City Attorney stated that the project bids have been accepted and construction on the project has started. Proceeding without a certificate of convenience and necessity is in violation of West Virginia Code §24-2-11. The ALJ does not know the ramifications of such action to those who have endeavored to serve the public with the best of intentions, but who have nevertheless violated the law. This Commission does not condone violations of the law, but since the certificate will be approved herein, it is unnecessary to apply sanctions in this situation.

FINDINGS OF FACT

1. On March 29, 1989, the City of New Cumberland, a municipal corporation, Hancock County, filed an application for a certificate of convenience and necessity to construct a vacuum/gravity/force main collection system within the City and to construct a secondary sewage treatment plant using the sequential batch reactor process in the City at an estimated cost of $3,050,000. (Application).

2. The application was amended to include the construction of the collection system only at an estimated cost of $1,733,763.00. (Application).

3. The project is funded by a grant from the United States Environmental Protection Agency in the amount of $1,258,922.00 and funds from the Community Development Block Grant program in the amount of $474,841.00. (Application).

4. There will be no interim financing for the project. (Tr., p. 40).

5. Publication notice of the proposed project was made in accordance with West Virginia Code §24-2-11. (Affidavit of Publication).

6. Protests to the application were received, although there were no protestants at the second hearing in opposition to the project. (Commission File).

7. The City has been in violation of the Clean Water Act and, as a result of that violation, has entered into a Consent Decree with the

Attorney General's Office citing actions which the City will undertake to bring itself in compliance with said Act. (Applicant's Exhibit No. 3).

8. The plans and specifications for the project have been approved by the West Virginia Department of Natural Resources which agency has primary responsibility for the design of sewer projects in the State, and Staff found the plans and specifications to be in compliance with Commission Rules and Regulations. (Tr., p. 71).

9. Staff recommended approval of the project. (Tr., pp. 72 & 79).

10. The City has passed a rate ordinance reflecting a rate of $10.80 for the first 2,000 gallons and $1.20 for each 1,000 gallons thereafter, which rates will generate sufficient, but not more than sufficient, revenues to cover the projected expenses of the system. (Tr., p. 46).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project. The City is not in compliance with the Clean Water Act and has entered into a Consent Decree to bring itself into compliance. Construction of this project is a requirement to comply with that agreement.

2. The proposed project will provide adequate service. The plans and specifications have been approved by the Department of Natural Resources which agency has primary responsibility for the design of sewer systems in the State. Staff also concluded that these plans and specifications have no apparent conflicts with Commission Rules and Regulations.

3. Construction of the project is adequately financed through the grant from the Environmental Protection Agency in the amount of $1,258,922 and from the Small Cities Block Grant in the amount of $474,841.

4. There will be no interim financing for the project.

5. The rates and charges, as promulgated by the City, are adequate. The rates will generate sufficient, but not more than sufficient, revenues to cover the additional operational and maintenance expenses and other expenses of the system.

6. The approval of the certificate should be contingent upon receipt of the Environmental Protection Agency Grant Letter of Commitment. Although Mr. Uhl, who spoke on behalf of the Department of Natural Resources, which administers the EPA funds, said the Commitment Letter was being processed, it is still a contingency of this certificate issuance that the Commitment Letter be issued.

7. The Protestants did not appear at the second hearing, but the concerns of the Protestants voiced at the first hearing were addressed by the City's witnesses, and the ALJ concludes that the project should be granted a certificate of convenience and necessity as above discussed.

ORDER

IT IS, THEREFORE, ORDERED that the application of the City of New Cumberland, dated March 29, 1989, as amended, for a certificate of convenience and necessity to construct a vacuum/gravity/force collection system within the City, be, and hereby is, approved; provided that the City obtains and provides to the Commission the Letter of Commitment from the Environmental Protection Agency confirming that grant funds are available for the construction of this project.

IT IS FURTHER ORDERED that the use of the City of the Environmental Protection Agency Grant funds of $1,258,922 and the Small Cities Block Grant in the amount of $474,841, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City of New Cumberland file a revised tariff with the revised rates and charges discussed herein, with the Commission's Tariff Office before said rates and charges are placed in effect.

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

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

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

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

Ann Rodak

Ann Rodak
Administrative Law Judge

AR:jas:cjf

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
AT CHARLESTON

Entered: August 31, 1994

CASE NO. 94-0190-S-CN

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Application for a certificate of convenience and necessity to construct a .18MGD secondary sewage treatment facility at New Cumberland, Hancock County, and for approval of financing and rates and charges incidental thereto.

CASE NO. 94-0319-S-MA

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Investigation and suspension of increase in sewer rates and charges, as a result of a petition filed in accordance with West Virginia Code §24-2-4b.

RECOMMENDED DECISION

CASE NO. 94-0190-S-CN

On March 14, 1994, the City of New Cumberland (City), a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct a .18MGD secondary sewage treatment plant using the sequential batch reactor process at New Cumberland, Hancock County. This application was designated as Case No. 94-0190-S-CN.

The City estimated that construction will cost approximately $2,331,219, and would be financed through a HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,006,333. The City proposed that the rates and charges for the project be: $16.17 per 1,000 gallons for the first 2,000 gallons and $3.59 for each additional 1,000 gallons. A minimum sewage charge of $32.34 would be applicable for usage under 2,000 gallons.

By Order entered March 14, 1994, the City was directed to give notice of the filing of the application by publishing a copy of the March 14, 1994 Order, once in a newspaper, duly qualified by the

Secretary of State, published and of general circulation in the City of New Cumberland, making due return to the Commission of proper certification of publication immediately after publication. The notice further provided that anyone desiring to make objection to the application must do so, in writing, within thirty (30) days after the publication of the notice, to P. O. Box 812, Charleston, West Virginia. The order provided that, if no protests are received within the 30-day period, the Commission may waive formal hearing and grant the City's application, based upon the evidence submitted with the application.

On March 25, 1994, the District provided a copy of the bid specifications, plans and the approval letter from the Division of Environmental Protection.

On March 28, 1994, the Commission received an affidavit of publication indicating that the Notice of Filing was published in the Hancock County Courier, a newspaper published in the City of New Cumberland, West Virginia, on March 24, 1994.

On March 28, 1994, Commission Staff filed its Initial and Final Joint Staff Memorandum. Staff noted that the City had not filed a copy of its ordinance indicating that the City's proposed rates had been adopted.

By Order issued April 4, 1994, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before October 9, 1994.

CASE NO. 94-0319-S-MA

On April 4, 1994, the City of New Cumberland, a municipal corporation, adopted an ordinance increasing its rates and charges for sewer service to its customers to become effective July 1, 1994. Public notice of the proposed adoption by the City of New Cumberland of the ordinance amending the New Cumberland City Code and its tariff pertaining to sanitary sewer service rates and charges was published on March 30, 1994 in the Herald Star, a newspaper published and of general circulation in Hancock County. The notice advised that copies of the proposed ordinance would be available for inspection in the Office of the City Clerk in the City Building and that any interested parties may appear and be heard at the meeting on April 4, 1994, at 7:00 p.m., in the Council Chambers of the New Cumberland City Building.

On April 18, 1994, the Commission received a petition in opposition to the City of New Cumberland's sewer rate ordinance signed by approximately 38% of the City's customers, sufficient to generate a municipal appeal and Commission review of the rate ordinance. This filing was designated as Case No. 94-0319-S-MA.

By Order entered on April 25, 1994, the Commission invoked jurisdiction over the City's sewer rate ordinance pursuant to the provisions of West Virginia Code §24-2-4b and suspended the use of the rates contained in the ordinance until 12:01 a.m., October 30, 1994, to enable the Commission to investigate the proposed rates. Commission

Staff was ordered to submit a report on the rates by August 12, 1994, and this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before September 30, 1994.

On May 6, 1994, the City of New Cumberland filed a petition for an emergency rate increase to be collected during the pendency of this proceeding.

By Order issued on May 16, 1994, the undersigned was appointed to review and decide this matter.

By Interim Recommended Decision issued on June 6, 1994, the undersigned denied the City's request for an emergency rate increase.

By Procedural Order issued June 6, 1994, Case Nos. 94-0190-S-CN and 94-0319-S-MA were consolidated for decision and set for hearing to be held on August 18, 1994. The City was directed to give notice by publication of the scheduled hearing.

On July 5, 1994, the Commission received a copy of the bids for construction of the waste water treatment plant indicting that the responsible bid is approximately $5,000 over the engineer's estimate.

On August 10, 1994, the Commission received an affidavit of publication indicating that the notice of hearing was published on July 28, 1994, and August 4, 1994, in the Hancock County Courier, a newspaper published in the City of New Cumberland.

On August 12, 1994, Staff filed its recommendation regarding the certificate application. Staff indicated that the total construction cost of the project is $2,331,219 and that the project is to be funded through a HUD Small Cities Block Grant in the amount of $154,816; an EPA Grant in the amount of $1,170,070 and a West Virginia WDA Loan in the amount of $1,006,333. Staff advised that, on April 4, 1994, the City adopted an ordinance increasing its sewer rates for the proposed project but that protests were received. The Commission invoked its jurisdiction pursuant to West Virginia Code §24-2-4b and suspended the rates and charges proposed by the City. Staff noted in its review of the certificate application that the City has entered into a Consent Decree with the Division of Environmental Protection for improving the effluent characteristics of the City's treatment system; that DEP has informed the City that construction must begin by September 30, 1994, or all remaining federal funds will be terminated; that the engineer's original cost estimate was $1,885,250; that the City has received a proposed bid of $1,890,000 from the Merit Construction Company, which is $4,750 over estimate; and that Staff has received a copy of the City's modified NPDES Permit and concurs with the technical review. Staff's engineer recommended that the construction contract be awarded to the lowest bidder, Merit Construction Company, and that the $4,750 cost overrun be provided from the project contingency. Staff recommended approval of the application and advised that a review of the rates and financial aspects of the project will be provided in Case No. 94-0319-S-MA.

Also, on August 12, 1994, Commission Staff filed its reports regarding the municipal appeal, Case Nos. 94-0319-S-MA. These reports consist of an engineering allocation factors for class cost of service study report, a class cost of study and revenue requirements report and a Staff Rule 42 Exhibit.

The hearing convened as scheduled on August 18, 1994. Appearing on behalf of the Applicant was Lawrence L. Manypenny, Esquire. Appearing on behalf of Commission Staff was Ronald Robertson, Esquire. No persons wished to intervene in the matter. Briefing was waived by the City and Commission Staff.

On August 24, 1994, the Commission received correspondence on behalf of the City providing corrections to the transcript.

EVIDENCE

The first person to testify on behalf of the City was Craig K. Bower, Vice President of KLH Engineers. (Tr., pp. 6-7). Mr. Bower has been the lead engineer on the project and project manager in charge of the design of the sewer treatment plan facilities. (Tr., p. 8). Mr. Bower explained that West Virginia law requires that the City treat its sewage differently than it previously had and the design of the new system will help eliminate any potential health hazards in the area. (Tr., p. 8). Merit Construction Company has provided the lowest bid which Mr. Bower feels is reasonable for the project. (Tr., p. 8).

Mr. Bower confirmed that the City has entered into a Consent Decree and a second amended Consent Decree outlining time periods for the City to complete a secondary sewage treatment plant. He also confirmed that the City had been advised that certain grant monies would be in jeopardy if construction did not commence for the project by September 30, 1994. (Tr., p. 9). The City explored a number of alternatives in treating its sewage before deciding to build a plant and Mr. Bower feels the plant will substantially serve all the residents of New Cumberland. (Tr., p. 9). The City of New Cumberland's sewage is presently disposed of in the Ohio River and untreated sewage can result in health hazards to downstream users. (Tr., pp. 9-10). Continuation of disposal of sewage in the Ohio River would be a violation of federal and state statutes by the City. (Tr., p. 10). Mr. Bower explained that the City's average daily flow is below 120,000 gallons per day. The new plant is designed for 180,000 gallons per day to allow for a modest expansion. The modular design of the system allows for growth in the area if the outlying community chooses to hook up to the system. (Tr., p. 13). Exhibits 1 and 2, which consisted of a second amended Consent Decree and a letter from the Division of Environmental Protection to the City of New Cumberland regarding the funding, were received into evidence. (Tr., p. 13).

The next person to appear on behalf of the City was Mark W. Bischoff. Mr. Bischoff is employed by Wiseman Hutzell Company, Accountants, Wheeling, West Virginia. (Tr., pp. 14-15). The firm was

hired by the City to prepare a Rule 42 Exhibit. (Tr., p. 15). Mr. Bischoff indicated that he had reviewed the City's Rule 42 and the three reports filed by Commission Staff on August 12, 1994. (Tr., pp. 15-16). Mr. Bischoff testified that the City accepts Staff's figures contained in the Staff Rule 42 Exhibit and accepts Staff's recommended rates and charges for this project, with regard to both the interim recommended rate and the permanent recommended rate. (Tr., p. 17). The interim rate is the rate to be charged during construction and the permanent rate is to be charged upon completion of the project and availability of service to all customers. (Tr., p. 17).

The first person to testify on behalf of Commission Staff was James W. Ellars, Staff Engineer in the Utilities Division of the Public Service Commission. Mr. Ellars' testimony was directed toward the certification of the project. (Tr., p. 20). Staff recommended approval of the certificate of convenience and necessity. Staff indicated that the Division of Environmental Protection has entered into Consent Decrees with the City. The Consent Decrees provide for a compliance schedule for the City, with the construction of the project to commence no later than September 30, 1994. (Tr., p. 21). Mr. Ellars confirmed that failure to initiate the contract prior to September 30, 1994, will result in grant termination for all remaining federal grants. The City presently has funds and commitments available to build the particular treatment plant. The commitments include a HUD Small Cities Block Grant in the amount of $154,814,000; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,633,000. (Tr., p. 22; Utilities Division's Memorandum received August 12, 1994).

Mr. Ellars confirmed that in excess of 55% of the funds for the sewage treatment facility are federal funds. Therefore, the City is subject to lose 55% of the funding for the construction of the facility if construction does not timely commence. (Tr., pp. 23-24). Mr. Ellars further explained that the original construction cost of the project was $1,885,250 and the lowest bid for the project was $1,890,000. The additional $4,750 could be obtained from the project contingency. (Tr., p. 24; correspondence received August 24, 1994). Staff has reviewed the modified NPDES permit and concurs with the review of the DEP. The most recent permit modification number is West Virginia 0025119-A and was dated August 26, 1992. Mr. Ellars' recommendation filed August 12, 1994, concerning the certificate of convenience and necessity was received into evidence as Staff Exhibit No. 1. (Tr., p. 25).

The next person to testify on behalf of Commission Staff was Birdie Gandy, Utilities Analyst in the Water and Sewer Section of the Utilities Division of the Public Service Commission. Ms. Gandy prepared the Staff Rule 42 Exhibit which consisted of Staff's review of the City's books and records and its adjustments. (Tr., pp. 26-27). Ms. Gandy testified that she analyzed the City's expenses and revenues as compared with the City's annual report. She made a few adjustments to the accounts payable, posting errors, etc., and made going-level adjustments which reflect what would be expected to happen in the next twelve months. (Tr., p. 27). The City's requested rates would produce an operating revenue of $270,000, other income (interest income) of $1,228, operating expenses of

$136,000, payroll taxes of $4,657, interest on a long-term debt of $70,000, and a bond retirement of $16,000, leaving a surplus of $43,935. Staff's Rule 42 Exhibit was marked and received into evidence as Staff Exhibit No. 2. (Tr., p. 31).

Mr. Ellars was recalled to the stand to sponsor Staff Exhibit No. 3 entitled "Engineering Allocation Factors for a Cost of Service Study" for the sewage plant project. (Tr., p. 37). Mr. Ellars explained that, as part of the cost of service allocation to ensure fair and equitable sewer rates for the customers throughout the City, Commission Staff must develop a set of allocation factors for each class of customers. The four classes were identified as residential, commercial, industrial and public authority. The allocation factors are based upon the commodity/demand method of water allocation that is published in the American Water Works Association Water Rate Manual. (Tr., p. 32). Certain costs are allocated to each of the customer classes based on a usage pattern. Maximum day and maximum hour costs are allocated to each class. With regard to sewer, a percentage must be derived for each customer class that would account for the amount of water that does not enter the sewer system. Without any actual flow data, that percentage must be estimated. In this instance, Staff has assumed that 90% of the water of all residential, industrial and public authority customers will enter the sewer system. Staff assumed that 95% of the water consumed by the commercial class of customers will enter the sewer system. The engineering allocations are used by the rate designer to determine the percentage of revenue to be obtained from each class of customer. The rate designer then allocates the total costs and matches up a revenue requirement from the costs. (Tr., p. 36).

Mr. Ellars testified that, with regard to effluent that enters the water stream, any commercial customer that places an excessive loading on the treatment process by virtue of foreign matter would be in violation of the NPDES permit. The Division of Environmental Protection would be in charge of enforcement proceedings against any commercial customer engaging in such activity. (Tr., p. 39). Staff's report did not take into consideration any extra type of loading factors, or effluent that would require additional treatment, because that was disallowed under the DEP Permit. Staff's allocations were based strictly on percentage of use. (Tr., p. 40). Staff further indicated that it was not aware of any commercial customers in the area that would be generating any type of effluent that would create a special expense for its treatment. (Tr., p. 41).

The last person to testify on behalf of Commission Staff was Robert R. McDonald, Senior Utilities Analyst in the Water and Sewer Section of the Utilities Division of the Public Service Commission. (Tr., p. 42). Mr. McDonald prepared and sponsored Staff's Class Cost of Service Study and Revenue Requirements report identified as Staff Exhibit No. 4. (Tr., p. 42). Staff Exhibit No. 5 was an addition to the report which included the Cash Flow Analysis for Staff's recommended permanent rates for the project. (Tr. pp. 42-43). Mr. McDonald utilized the Rule 42 Report prepared by Birdie Gandy and the Allocation Cost Factors prepared by Mr. Ellars to prepare a rate design for the City both on an interim basis and a permanent basis. Mr. McDonald testified that the interim rates are to

go into effect as soon as possible. The rates would change only in the block after 2,000 gallons of consumption. The $1.20 per thousand gallons after two thousand gallons increases to $1.50 per thousand gallons. The minimum charge of $10.80 will not change under the interim rates. (Tr., p. 44). The increase provides for approximately $5,030 in revenue. Normal usage of a household is 4,500 gallons per month. The City's current rates for 4,500 gallons per month based on a quarterly billing cycle would increase from $41.40 to $43.65, for a 5.43% increase. The minimum bill on a quarterly basis would be $32.40. (Tr., p. 45). The interim rates will provide the City with a remaining cash surplus available for capitalization of $6,000 with a debt coverage ratio of 163%. The interim rate is to discontinue when the construction of the sewer project is completed and is in service to the public. (Tr., pp. 46-47).

Staff's permanent recommended rate provides for rates and charges for the actual sewer treatment plant to be certificated in this case. The permanent rates would provide for total sales revenue of $236,796.00; total cash available $244,032; cash requirements before debt service of $140,993; and cash available after debt service of $103,039. The debt service in total will increase from $9,451 to $91,039 and the remaining cash available for construction will increase from $6,000 to $12,000. The coverage ratio will be 119%, which is in excess of the 110% required by the bond ordinance. (Tr., p. 48). The permanent rates are to go into effect after the construction project is complete or operational. (Tr., p. 49). Staff's permanent recommended rate is $7.89 per thousand gallons per month, with a minimum charge of $15.78 per month, based on two thousand gallons. The project is to be operational by December 31, 1995. (Tr., p. 51). The permanent recommended rates are to go into effect upon completion of the project and availability of service to the customers. (Tr., p. 51). A minimum permanent quarterly rate will be $47.34, if the City continues its quarterly billing. (Tr., p. 52). Mr. McDonald confirmed that additional expenses were not provided in the project for monthly billing cycles. (Tr., p. 53). Any water consumed over the two thousand gallon minimum is $7.89 per thousand, since the permanent recommended rate has only one block. (Tr., p. 54). Mr. McDonald explained that the single block rate best recovers uniformly all the costs of providing service to the various customer classes. Staff considered restructuring the blocking schedule but the single block rate best recovered the amount of money that was needed from the various customer classes. (Tr., pp. 54-55).

The City confirmed that the present rates will remain in effect until a final order of the Commission is issued. (Tr., p. 57). All parties waived the right to file findings of fact, conclusions of law or a brief in this matter and an expedited transcript was requested in this matter. (Tr., p. 57).

FINDINGS OF FACT

1. On March 14, 1994, the City of New Cumberland, a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct a .18MGD secondary

sewage treatment plant using the sequential batch reactor process at New Cumberland, Hancock County. (See, Application).

2. The City estimated that construction costs would be approximately $2,331,219 and would be financed through a HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant (EPA) in the amount of $1,170,070; and a West Virginia Water Development Authority Loan (WDA) in the amount of $1,006,333. (See, Tr., p. 27; Utilities Division Memorandum received August 12, 1994).

3. Commission Staff has recommended approval of the certificate of convenience and necessity inasmuch as the Division of Environmental Protection has entered into a Consent Decree with the City and has approved the proposed modifications in the City's treatment system by permit modification number West Virginia 0025119-A issued August 26, 1992. (See, Tr., pp. 21, 25; Staff Exhibit No. 1).

4. Notice of the proposed project was given by the City in accordance with West Virginia Code §24-2-11. (See, Affidavit of publication received March 28, 1994).

5. On April 4, 1994, the City of New Cumberland adopted an ordinance increasing the rates and charges for sewer service to its customers to become effective July 1, 1994. (See, Affidavit of publication received April 22, 1994; rate ordinance received April 23, 1994).

6. On April 18, 1994, the Commission received a petition from approximately 250 of the City's 650 sewer customers in opposition to the increased sewer rates to be charged by the City. (See, Petition received April 18, 1994).

7. By Order issued April 25, 1994, the Commission invoked its jurisdiction pursuant to West Virginia Code §24-2-4b and suspended the use of the rates and charges of the City until 12:01 a.m., October 30, 1994. (See, Order issued April 25, 1994).

8. Commission Staff has recommended a rate of $5.40 per thousand gallons per month for the first two thousand gallons and $1.50 per one thousand gallons per month for all usage over two thousand gallons of water, with a minimum bill of $10.80 per month, to be charged by the City of New Cumberland on an interim basis until the Staff-recommended permanent rates become effective. (See, Staff Exhibit No. 4, Tr., p. 44).

9. Commission Staff has recommended permanent sewer rates and charges of $7.89 per thousand gallons per month, with a minimum charge of not less than $15.78 per month, to be charged by the City of New Cumberland once the sewer treatment plant and project has become operational. (See, Staff Exhibit Nos. 4 and 5; Tr., pp. 49-52).

10. The City agreed to accept Staff's recommended rate structure outlined in Staff's Exhibits concerning both the Staff-recommended interim rate and the Staff-recommended permanent rate. (See, Tr., p. 17).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project in Case No. 94-0190-S-CN.

2. The proposed project in Case No. 94-0190-S-CN will provide adequate service and is adequately financed.

3. The City has agreed to accept Staff's recommended rates on an interim and permanent basis and it is reasonable that Staff's recommended interim rates be approved for all services rendered on or after this order becomes a final order of the Commission and that the permanent rates become effective upon completion of the project certificated in Case No. 94-0190-S-CN when service is available to the City of New Cumberland's customers.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of New Cumberland on March 14, 1994, for a certificate of convenience and necessity to construct a 0.180MGD secondary sewage treatment facility at New Cumberland, Hancock County, be, and hereby is, approved.

IT IS FURTHER ORDERED that the financing of the proposed project, being a HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,006,333, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if there is a change in any of the terms, conditions or scope of the project or financing, the City of New Cumberland shall notify the Commission immediately and it shall request Commission approval of the revised project or financing.

IT IS FURTHER ORDERED that the City of New Cumberland notify the Commission within thirty (30) days of the completion of the project.

IT IS FURTHER ORDERED that the Staff-recommended interim rates, attached hereto as Appendix A, as agreed to by the City of New Cumberland, be, and hereby are, approved, to become effective for all service rendered on or after this order becomes a final order of the Commission and shall continue in effect until the Staff-recommended permanent rates become effective.

IT IS FURTHER ORDERED that the Staff-recommended permanent rates, attached hereto as Appendix B, as agreed to by the City of New Cumberland, be, and hereby are, approved, to become effective for all services rendered on or after the date that the project certificated in Case No. 94-0190-S-CN becomes operational.

IT IS FURTHER ORDERED that these proceedings be, and hereby are, dismissed and removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the City of New Cumberland file revised tariff sheets setting forth the increased rates as recommended by Commission Staff within ten (10) days of the date that this order becomes a final order of the Commission.

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

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

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

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

Susan A. Murensky

Susan A. Murensky
Administrative Law Judge

SAM:pst

APPENDIX A

CITY OF NEW CUMBERLAND
CASE NOS. 94-0190-S-CN and 94-0319-S-MA
APPROVED INTERIM RATES

APPLICABILITY

Applicable in entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY

Available for sanitary sewer service.

RATES

First	2,000 gallons	$5.40 per 1,000 gallons per month
All over	2,000 gallons	1.50 per 1,000 gallons per month

MINIMUM CHARGE

No bill will be rendered for less than $10.80 per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

$ 250.00

APPENDIX B

CITY OF NEW CUMBERLAND
CASE NOS. 94-0190-S-CN and 94-0319-S-MA
APPROVED PERMANENT RATES

APPLICABILITY

Applicable in entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY

Available for sanitary sewer service.

RATES

$7.89 per 1,000 gallons per month.

MINIMUM CHARGE

No bill will be rendered for less than $15.78 per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

$ 250.00

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA, in the City of Charleston on the 1st day of September, 1994.

CASE NO. 94-0190-S-CN

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Application for a certificate of convenience and necessity to construct a 0.18 MGD secondary sewage treatment facility at New Cumberland, Hancock County, and for approval of financing and rates and charges incidental thereto.

CASE NO. 94-0319-S-MA

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Investigation and suspension of increase in sewer rates and charges as a result of a petition filed in accordance with West Virginia Code §24-2-4b.

COMMISSION ORDER

On August 31, 1994, a recommended decision was entered in the above proceeding, which, in effect, approved the application of the City of New Cumberland for a certificate of convenience and necessity to construct a 0.18 MGD secondary sewage treatment facility at New Cumberland, Hancock County. The recommended decision also approved financing for the project in question.

The August 31, 1994 recommended decision also approved Commission Staff-recommended interim rates and charges, as agreed to by the City of New Cumberland, to become effective for service rendered on or after the date that said recommended decision becomes the final order of the Commission. The interim rates and charges are to remain in effect until the Staff-recommended rates become effective.

The August 31, 1994 recommended decision also approved Commission Staff-recommended permanent rates and charges, as agreed to by the City of New Cumberland, to become effective for all service rendered on or after the date that the project certificated in Case No. 94-0190-S-CN becomes operational.

Later in the day on August 31, 1994, the Commission received, via telecopier, a written communication from Lawrence L. Manypenny, Esq., counsel for the City of New Cumberland, indicating that the City of New Cumberland had received and reviewed the recommended decision. The City of New Cumberland requested a waiver of the 15-day period for filing exceptions to the aforesaid recommended decision.

On September 1, 1994, the Commission received a written communication from Ronald E. Robertson, Jr., Esq., counsel for Commission Staff, advising the Commission that Commission Staff has reviewed and agrees with the August 31, 1994 recommended decision. Therefore, Commission Staff is also waiving its right to file exceptions to said recommended decision and advised the Commission that it would not appeal said cases to the West Virginia Supreme Court of Appeals.

West Virginia Code §24-1-9 provides for a time period of at least twenty (20) days from the date of a recommended order until it becomes effective. According to §24-1-9(c), at least fifteen (15) days must be afforded the parties within which to file exceptions. In addition, §24-1-9(e) provides that when no exceptions are filed within the specified time period, the Commission shall have an additional five (5) days within which to stay or postpone the order.

The Commission is therefore of the opinion and belief that said requests for waiver received by the Commission on August 31, 1994 and September 1, 1994, should be granted.

IT IS, THEREFORE, ORDERED that the requested waivers be, and the same hereby are, granted.

IT IS FURTHER ORDERED that the Administrative Law Judge's recommended decision in these matters become final five (5) days after the date of this order.

A True Copy, Teste:

Howard M. Cunningham
Executive Secretary

HMC/ft

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 27thday of September, 1994.

CASE NO. 89-199-S-CN (Reopened)

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Petition to reopen certificate application and for approval of revised project costs and funding sources.

CASE NO. 94-0190-S-CN (Reopened)

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Petition to reopen certificate application and for approval of revised project costs and funding sources.

FINAL ORDER

CASE NO. 89-199-S-CN

On December 1, 1989, a recommended decision was entered in this proceeding which, among other things, granted the City of New Cumberland a certificate of convenience and necessity to construct a secondary sewage treatment plant (SBR) and collection system (gravity/vacuum/force main) in the City of New Cumberland, Hancock County. The recommended decision, which became the final order of the Commission on December 21, 1989, also approved financing for the project in question through a grant from the Environmental Protection Agency in the amount of $1,258,922 and a Small Cities Block Grant in the amount of $474,841.

On September 10, 1994, the City of New Cumberland, a municipal corporation, filed a petition to reopen this proceeding and for approval of revised financing incidental thereto. The City of New Cumberland advised the Commission, on September 23, 1994, that actual costs for the project covered by Case No. 89-199-S-CN are $2,008,791, with funding as follows: a grant from the Environmental Protection Agency in the amount of $1,413,607 and a Small Cities Block Grant in the amount of $595,184.

CASE NO. 94-0190-S-CN

On August 31, 1994, a recommended decision was entered in this proceeding, which, among other things, granted the City of New Cumberland a certificate of convenience and necessity to construct a .18 MGD secondary sewage treatment facility at New Cumberland, Hancock County, and approved certain financing and rates and charges incidental thereto. The recommended decision became the final order of the Commission on September 6, 1994.

The aforesaid recommended decision approved the financing for the project in question, being as follows: A HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,006,333.

On September 10, 1994, the City of New Cumberland, a municipal corporation, filed a petition to reopen this proceeding and for approval of revised financing incidental thereto. The revised funding in the September 10, 1994 petition consisted of a Water Development Authority Loan in the amount of $662,341; State Revolving Fund Loan in the amount of $498,666; a grant from the Environmental Protection Agency in the amount of $1,128,853; and a Small Cities Block Grant in the amount of $154,816. These revisions support a total cost of $2,444,676 for the project covered by Case No. 94-0190-S-CN. On September 23, 1994, the City of New Cumberland advised the Commission of a subsequent and final revision of project funding. However, this final funding revision did not change the total project costs. While the total project costs remain at $2,444,676, the Environmental Protection Agency grant was increased by $15,220 and the Water Development Authority Loan was decreased by $15,220. The State Revolving Fund Loan and the Small Cities Block Grant remain unchanged.

Therefore, the final funding package is revised as follows: a Water Development Authority Loan in the amount of $647,121; State Revolving Fund Loan in the amount of $498,666; a grant from the Environmental Protection Agency in the amount of $1,144,073; and a Small Cities Block Grant in the amount of $154,816. The City of New Cumberland further advised the Commission that the rates approved by the aforesaid recommended decision are sufficient to cover the requested adjustments.

The September 10, 1994, and September 23, 1994, petitions were submitted to Commission Staff for review and comment. By Joint Staff Memorandum, received September 20 and 23, 1994, Ronald E. Robertson, Jr., counsel for Commission Staff, recommended approval of the City of New Cumberland's petition as well as the revised financing contained therein.

IT IS, THEREFORE, ORDERED that Case No. 89-199-S-CN be, and it hereby is, reopened and further that the revised financing sought by the City of New Cumberland for the project in question, be, and it hereby is, approved.

IT IS FURTHER ORDERED that Case No. 90-0190-S-CN, be, and it hereby is, reopened and further that the revised financing sought by the City of New Cumberland for the project in question, be, and it hereby is, approved.

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

A True Copy, Teste:

Howard N. Cunningham
Executive Secretary

HMC/esk

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

The undersigned, BARBARA B. MEADOWS, Secretary-Treasurer of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and TIMOTHY P. CRAGO, Mayor of the City of New Cumberland (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the 27th day of October, 1994, the Authority received the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer (the "Series 1994 A Bonds"), in the principal amount of $647,121, numbered AR-1, and the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer (the "Series 1994 B Bonds"), in the principal amount of $498,666, numbered BR-1, both issued as a single, fully registered Bond, and both dated October 27, 1994.

2. At the time of such receipt of the Series 1994 A Bonds and the Series 1994 B Bonds upon original issuance, all of the Series 1994 A Bonds and the Series 1994 B Bonds had been executed by Timothy P. Crago, as Mayor of the Issuer, and Jacqueline L. Robson, as 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 1994 A Bonds, of the proceeds of the Series 1994 A Bonds in the aggregate principal amount of $647,121 (100% of par value), there being no interest accrued thereon.

4. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 1994 B Bonds, of $269,177, being a portion of the principal amount of the Series 1994 B Bonds. The balance of the principal amount of the Series 1994 B Bonds will be advanced by the Authority and the West Virginia Division of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

WITNESS our respective signatures on this 27th day of October, 1994.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Barbara B Meadows
Secretary-Treasurer

CITY OF NEW CUMBERLAND

Timothy P. Crazo
Mayor

10/06/94
NCC.N2
658300/94001

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

There are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), in the principal amount of $647,121 (the "Series 1994 A Bonds"), and Bond No. BR-1, constituting the entire original issue of the City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), in the principal amount of $498,666 (the "Series 1994 B Bonds"), both dated October 27, 1994 (collectively, the "Bonds"), executed by the Mayor and City Clerk of the City of New Cumberland (the "Issuer") and bearing the official seal of the Issuer, respectively authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on October 3, 1994, and a Supplemental Resolution duly adopted by the Issuer on October 12, 1994 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of a loan agreement for the Series 1994 A Bonds dated October 27, 1994, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), and a loan agreement for the Series 1994 B Bonds dated September 14, 1994, by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection (collectively, the "Loan Agreements"); and

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

You are hereby requested and authorized to deliver the Series 1994 A Bonds to the Authority upon payment to the Issuer of the sum of $647,121, representing the agreed aggregate purchase price of the Series 1994 A Bonds, there being no accrued interest thereon. You are also hereby requested and authorized to deliver the Series 1994 B Bonds to the Authority upon payment to the Issuer of the sum of $269,177, representing a portion of the principal amount of the Series 1994 B Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the forms of Certificate of Authentication and Registration thereon.

Dated this 27th day of October, 1994.

CITY OF NEW CUMBERLAND

Timothy P. Crago

Mayor

10/18/94
NCA.O3
658300/94001

(SPECIMEN SERIES 1994 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1994 A
(WEST VIRGINIA WATER DEVELOPMENT AUTHORITY)

No. AR-1 $647,121

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia in Hancock 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 SIX HUNDRED FORTY-SEVEN THOUSAND ONE HUNDRED TWENTY-ONE DOLLARS ($647,121), 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 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, 1995. 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 by and between the Issuer and the Authority, dated October 27, 1994.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public combined waterworks and 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 8, Article 20 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond Ordinance duly enacted by the Issuer on October 3, 1994, and a Supplemental Resolution duly adopted by the Issuer on October 12, 1994 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 B (WEST VIRGINIA SRF PROGRAM), DATED OCTOBER 27, 1994, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $498,666 (THE "SERIES 1994 B BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Gross Revenues in favor of the Holders of the Series 1994 B Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1994 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 Gross Revenues, the moneys in the Series 1994 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year

for principal of and interest on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1994 B Bonds; provided however, that so long as there exists in the Series 1994 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1994 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 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 the payment of the costs of the Project and costs of issuance hereof described in the Bond Legislation, and there shall be and hereby is created and granted a lien upon such moneys, until so applied, in favor of the registered owner of this Bond.

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

All provisions of the Bond Legislation, 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 NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated October 27, 1994.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: October 27, 1994.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

_____
Authorized Officer

West Virginia Water Development Authority
1994 Series A Local Loan Program
Debt Service Schedule - City of New Cumberland

Closing October 27, 1994
Total Amount Borrowed: $647,121.00

Avg Coup = 6.75%
TIC = 6.742835%
NIC = 6.750000%

Yield = 6.742835%
WAM = 27.58 yrs.

Date	Coupon	Principal	Interest	Debt Service
10/1/95	6.75%	0.00	40,525.95	40,525.95
10/1/96	6.75%	3,982.98	43,680.66	47,663.64
10/1/97	6.75%	4,251.83	43,411.81	47,663.64
10/1/98	6.75%	4,538.83	43,124.81	47,663.64
10/1/99	6.75%	4,845.20	42,818.44	47,663.64
10/1/00	6.75%	5,172.26	42,491.39	47,663.65
10/1/01	6.75%	5,521.38	42,142.26	47,663.64
10/1/02	6.75%	5,894.07	41,769.57	47,663.64
10/1/03	6.75%	6,291.93	41,371.72	47,663.65
10/1/04	6.75%	6,716.63	40,947.01	47,663.64
10/1/05	6.75%	7,170.01	40,493.64	47,663.65
10/1/06	6.75%	7,653.98	40,009.66	47,663.64
10/1/07	6.75%	8,170.63	39,493.02	47,663.65
10/1/08	6.75%	8,722.14	38,941.50	47,663.64
10/1/09	6.75%	9,310.89	38,352.76	47,663.65
10/1/10	6.75%	9,939.37	37,724.27	47,663.64
10/1/11	6.75%	10,610.28	37,053.36	47,663.64
10/1/12	6.75%	11,326.48	36,337.17	47,663.65
10/1/13	6.75%	12,091.01	35,572.63	47,663.64
10/1/14	6.75%	12,907.15	34,756.49	47,663.64
10/1/15	6.75%	13,778.38	33,885.26	47,663.64
10/1/16	6.75%	14,708.42	32,955.22	47,663.64
10/1/17	6.75%	15,701.24	31,962.40	47,663.64
10/1/18	6.75%	16,761.07	30,902.57	47,663.64
10/1/19	6.75%	17,892.44	29,771.20	47,663.64
10/1/20	6.75%	19,100.18	28,563.46	47,663.64
10/1/21	6.75%	20,389.44	27,274.20	47,663.64
10/1/22	6.75%	21,765.74	25,897.91	47,663.65
10/1/23	6.75%	23,234.92	24,428.72	47,663.64
10/1/24	6.75%	24,803.28	22,860.36	47,663.64
10/1/25	6.75%	26,477.50	21,186.14	47,663.64
10/1/26	6.75%	28,264.73	19,398.91	47,663.64
10/1/27	6.75%	30,172.60	17,491.04	47,663.64
10/1/28	6.75%	32,209.25	15,454.39	47,663.64
10/1/29	6.75%	34,383.37	13,280.27	47,663.64
10/1/30	6.75%	36,704.26	10,959.39	47,663.65
10/1/31	6.75%	39,181.79	8,481.85	47,663.64
10/1/32	6.75%	41,826.56	5,837.08	47,663.64
10/1/33	6.75%	44,648.78	3,013.79	47,662.57
		$647,121.00	$1,204,622.28	$1,851,743.28

Prepared 10/6/94

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:

_____

(SPECIMEN SERIES 1994 B BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF NEW CUMBERLAND
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND,
SERIES 1994 B
(West Virginia SRF Program)

No. BR-1 $498,666

KNOW ALL MEN BY THESE PRESENTS: That the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia in Hancock 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 NINETY-EIGHT THOUSAND SIX HUNDRED SIXTY-SIX DOLLARS ($498,666), 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, as set forth on the "Schedule of Annual Debt Service" attached as EXHIBIT B 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 Loan Agreement by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection, dated September 14, 1994.

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 sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) to fund a reserve account for the Bonds of this Series (the "Bonds"); and (iii) to pay certain costs of issuance hereof and related costs. The existing public combined waterworks and 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 8, Article 20 and Chapter 22C,

11

Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on October 3, 1994, and a Supplemental Resolution duly adopted by the Issuer on October 12, 1994 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY), DATED OCTOBER 27, 1994, ISSUED CONCURRENTLY HEREWITH IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $647,121 (THE "SERIES 1994 A BONDS").

This Bond is payable only from and secured by a pledge of the Gross Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on parity with the pledge of Gross Revenues in favor of the Holders of the Series 1994 A Bonds, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 1994 B Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Gross Revenues shall be sufficient to pay all operating expenses of the System and the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute 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 Gross Revenues, the moneys in the Series 1994 B Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues prior to or on a parity with the Bonds, including the Series 1994 A Bonds; provided however, that so long as there exists in the Series 1994 B Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding prior to or on a parity with the Bonds, including the Series 1994 A Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the

registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of One Valley Bank, National Association, Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and 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 Gross Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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 NEW CUMBERLAND has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated October 27, 1994.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 1994 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: October 27, 1994.

ONE VALLEY BANK, NATIONAL
ASSOCIATION, as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$		(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

TOTAL $_____

EXHIBIT B - SCHEDULE OF ANNUAL DEBT SERVICE

City of New Cumberland

SRF

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
3/01/1996	-	-	-	-
6/01/1996	6,234.00	-	-	6,234.00
9/01/1996	6,234.00	-	-	6,234.00
12/01/1996	6,234.00	-	-	6,234.00
3/01/1997	6,234.00	-	-	6,234.00
6/01/1997	6,234.00	-	-	6,234.00
9/01/1997	6,234.00	-	-	6,234.00
12/01/1997	6,234.00	-	-	6,234.00
3/01/1998	6,234.00	-	-	6,234.00
6/01/1998	6,234.00	-	-	6,234.00
9/01/1998	6,234.00	-	-	6,234.00
12/01/1998	6,234.00	-	-	6,234.00
3/01/1999	6,234.00	-	-	6,234.00
6/01/1999	6,234.00	-	-	6,234.00
9/01/1999	6,234.00	-	-	6,234.00
12/01/1999	6,234.00	-	-	6,234.00
3/01/2000	6,234.00	-	-	6,234.00
6/01/2000	6,234.00	-	-	6,234.00
9/01/2000	6,234.00	-	-	6,234.00
12/01/2000	6,234.00	-	-	6,234.00
3/01/2001	6,234.00	-	-	6,234.00
6/01/2001	6,234.00	-	-	6,234.00
9/01/2001	6,234.00	-	-	6,234.00
12/01/2001	6,234.00	-	-	6,234.00
3/01/2002	6,234.00	-	-	6,234.00
6/01/2002	6,234.00	-	-	6,234.00
9/01/2002	6,234.00	-	-	6,234.00
12/01/2002	6,233.00	-	-	6,233.00
3/01/2003	6,233.00	-	-	6,233.00
6/01/2003	6,233.00	-	-	6,233.00
9/01/2003	6,233.00	-	-	6,233.00
12/01/2003	6,233.00	-	-	6,233.00
3/01/2004	6,233.00	-	-	6,233.00
6/01/2004	6,233.00	-	-	6,233.00
9/01/2004	6,233.00	-	-	6,233.00
12/01/2004	6,233.00	-	-	6,233.00
3/01/2005	6,233.00	-	-	6,233.00
6/01/2005	6,233.00	-	-	6,233.00
9/01/2005	6,233.00	-	-	6,233.00
12/01/2005	6,233.00	-	-	6,233.00
3/01/2006	6,233.00	-	-	6,233.00
6/01/2006	6,233.00	-	-	6,233.00
9/01/2006	6,233.00	-	-	6,233.00
12/01/2006	6,233.00	-	-	6,233.00
3/01/2007	6,233.00	-	-	6,233.00
6/01/2007	6,233.00	-	-	6,233.00
9/01/2007	6,233.00	-	-	6,233.00
12/01/2007	6,233.00	-	-	6,233.00
3/01/2008	6,233.00	-	-	6,233.00
6/01/2008	6,233.00	-	-	6,233.00

SCHEDULE Y

City of New Cumberland

SRF

DEBT SERVICE SCHEDULE

DATE	PRINCIPAL	COUPON	INTEREST	DEBT SERVICE
9/01/2008	6,233.00	-	-	6,233.00
12/01/2008	6,233.00	-	-	6,233.00
3/01/2009	6,233.00	-	-	6,233.00
6/01/2009	6,233.00	-	-	6,233.00
9/01/2009	6,233.00	-	-	6,233.00
12/01/2009	6,233.00	-	-	6,233.00
3/01/2010	6,233.00	-	-	6,233.00
6/01/2010	6,233.00	-	-	6,233.00
9/01/2010	6,233.00	-	-	6,233.00
12/01/2010	6,233.00	-	-	6,233.00
3/01/2011	6,233.00	-	-	6,233.00
6/01/2011	6,233.00	-	-	6,233.00
9/01/2011	6,233.00	-	-	6,233.00
12/01/2011	6,233.00	-	-	6,233.00
3/01/2012	6,233.00	-	-	6,233.00
6/01/2012	6,233.00	-	-	6,233.00
9/01/2012	6,233.00	-	-	6,233.00
12/01/2012	6,233.00	-	-	6,233.00
3/01/2013	6,233.00	-	-	6,233.00
6/01/2013	6,233.00	-	-	6,233.00
9/01/2013	6,233.00	-	-	6,233.00
12/01/2013	6,233.00	-	-	6,233.00
3/01/2014	6,233.00	-	-	6,233.00
6/01/2014	6,233.00	-	-	6,233.00
9/01/2014	6,233.00	-	-	6,233.00
12/01/2014	6,233.00	-	-	6,233.00
3/01/2015	6,233.00	-	-	6,233.00
6/01/2015	6,233.00	-	-	6,233.00
9/01/2015	6,233.00	-	-	6,233.00
12/01/2015	6,233.00	-	-	6,233.00
3/01/2016	6,233.00	-	-	6,233.00
TOTAL	498,666.00	-	-	498,666.00

YIELD STATISTICS

Accrued Interest from 03/01/1996 to 03/01/1996...	-
Average Life.....	10.125 YEARS
Bond Years.....	5,048.82
Average Coupon.....	-
Bond Yield for Arbitrage Purposes.....	-
True Interest Cost (TIC).....	-
Effective Interest Cost (EIC).....	-

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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

SEVENTH FLOOR, BANK ONE CENTER
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(304) 353-8000
FACSIMILE (304) 353-8180

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

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25401-5429
(304) 263-6991
FACSIMILE (304) 263-4785

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

THE BRYAN CENTRE
P. O. BOX 570
82 WEST WASHINGTON STREET, FOURTH FLOOR
HAGERSTOWN, MARYLAND 21740-0570
(301) 739-8600
FACSIMILE (301) 739-8742

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

WRITER'S DIRECT DIAL NUMBER

October 27, 1994

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)

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

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of New Cumberland (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $647,121 Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated October 27, 1994, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, commencing April 1, 1995, at the rate of 6.75% per annum, and with principal installments payable on October 1 of each year, commencing October 1, 1996, and ending October 1, 2033, all as set forth in "Schedule X" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and 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 the Act, the Bond Ordinance duly enacted by the Issuer on October 3, 1994, as supplemented by a Supplemental Resolution duly adopted by

the Issuer on October 12, 1994 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement.

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

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

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

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

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted 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 and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), issued concurrently herewith in the original aggregate principal amount of $498,666, all in accordance with the terms of the Bonds and the Bond Legislation.

5. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax that may be imposed with respect to corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be or continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability

from gross income of the interest on the Bonds set forth in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. Failure to comply with certain of such Code provisions or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 6 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

7. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

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

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

10/21/94
NCJ.P4
658300/94001

STEPTOE & JOHNSON

ATTORNEYS AT LAW

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FACSIMILE (304) 598-8116

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(304) 263-6991
FACSIMILE (304) 263-4785

104 WEST CONGRESS STREET
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FACSIMILE (304) 725-1913

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14TH AND CHAPLINE STREETS
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(304) 233-0000
FACSIMILE (304) 233-0014

WRITER'S DIRECT DIAL NUMBER

October 27, 1994

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 B (West Virginia SRF Program)

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

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

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of New Cumberland (the "Issuer"), a municipal corporation and political subdivision created and existing under the laws of the State of West Virginia, of its $498,666 Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a loan agreement, dated September 14, 1994, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection (the "DEP") and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal to the Authority, with no interest thereon, and with principal installments payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 1996, and ending March 1, 2016, all as set forth in "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 8, Article 20 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); (ii) paying interest on the hereinafter described Series 1994 A Bonds during

the construction of the Project and for not more than 6 months thereafter; (iii) funding a reserve account for the hereinafter described Series 1994 A Bonds; (iv) funding a reserve account for the Series 1994 B Bonds; and (v) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on October 3, 1994, as supplemented by a Supplemental Resolution duly adopted by the Issuer on October 12, 1994 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement.

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

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

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

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

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Gross Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Gross Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), issued concurrently herewith in the original principal amount of $647,121 (the "Series 1994 A Bonds"), all in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

It is to be understood that the rights of the holders of the Bonds and the enforceability of the Bonds, the Loan Agreement and the Bond Legislation, and the liens and pledges set forth therein, may be subject to and limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws

affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

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

Very truly yours,

Steptoe & Johnson

STEPTOE & JOHNSON

10/21/94
NCJ.Q3
658300/94001

Lawrence L. Manypenny
ATTORNEY AT LAW
(304) 564-5151
FAX (304) 564-3130
106 COURT STREET, P.O. BOX 638, NEW CUMBERLAND, WV 26047

October 27, 1994

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

West Virginia Water Development Authority
1201 Dunbar Ave.
Dunbar, West Virginia 25064

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

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

Ladies and Gentlemen:

I am counsel to the City of New Cumberland in Hancock County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe and Johnson, as bond counsel, a loan agreement for the Series 1994 A Bonds dated October 27, 1994, including all schedules and exhibits attached thereto, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), a loan agreement for the Series 1994 B Bonds dated September 14, 1994, including all schedules and exhibits attached thereto, by and among the Authority, the West Virginia Division of Environmental Protection (the "DEP"), and the Issuer (collectively, the "Loan Agreements"), the respective Bond Ordinances duly enacted by the Issuer on October 3, 1994,as supplemented by the respective Supplemental Resolutions duly adopted by the Issuer on October 12, 1994 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (collectively,the "Bonds"). Capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreements when used herein.

I am of the opinion that:

1. The Loan Agreements have 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 their terms.

2. 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.

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

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

5. The Issuer has received all permits, licenses, approvals, consents, exemptions, 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 from the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of appropriate ordinances prescribing such rates and charges. The time for appeal of the Final Orders of the Public Service Commission of West Virginia entered on December 1, 1989, in Case No. 89-199-S-CN, August 31, 1994, in Case No. 94-0190-S-CN, and September 27, 1994, in Case No. 89-199-S-CN (Reopened) and 94-0190-S-CN (Reopened), granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project has expired prior to the date hereof without any appeal.

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

Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Gross Revenues therefor.

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

Very truly yours,

Lawrence L. Manypenny, Esquire

LLM:dlk

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (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 AGREEMENTS
11. RATES
12. SIGNATURES AND DELIVERY
13. BOND PROCEEDS
14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
15. PUBLIC SERVICE COMMISSION ORDER
16. PRIVATE USE OF FACILITIES
17. NO FEDERAL GUARANTY
18. IRS INFORMATION RETURN
19. SPECIMEN BONDS
20. CONFLICT OF INTEREST
21. CLEAN WATER ACT
22. GRANTS

We, the undersigned MAYOR AND CITY CLERK of the City of New Cumberland in Hancock County, West Virginia (the "Issuer"), and the undersigned counsel to the Issuer, hereby certify in connection with the City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and Series 1994 B (West Virginia SRF Program), dated the date hereof (collectively, the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the respective Bond Ordinances of the Issuer duly enacted October 3, 1994, and the respective Supplemental Resolutions duly adopted October 12, 1994 (collectively, the "Bond Legislation").

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

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

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

There are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

City Charter.

Oaths of Office of Officers and Councilmembers.

Bond Ordinance of Series 1994 A Bonds.

Bond Ordinance of Series 1994 B Bonds.

Supplemental Resolution of Series 1994 A Bonds.

Supplemental Resolution of Series 1994 B Bonds.

Loan Agreement of Series 1994 A Bonds.

Loan Agreement of Series 1994 B Bonds.

Water Rate Ordinance.

Public Service Commission Order on Sewer Rates.

Affidavits of Publication of Abstract of Bond Ordinances and Notice of Hearing.

Affidavits of Publication of Rate Ordinances and Notice of Public Hearing.

Minutes on Adoption and Enactment of Bond Ordinances and Adoption of Supplemental Resolutions.

Minutes on Adoption and Enactment of Rate Ordinances.

NPDES Permit.

EPA Grant Agreement.

Evidence of Small Cities Block Grant.

Public Service Commission Orders entered December 1, 1989, August 31, 1994, and September 27, 1994.

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

Name		Date of Commencement of Office	Date of Termination of Office
Timothy P. Crago	- Mayor	January 1, 1994	June 30, 1995
Jerry Everly	- Councilmember	July 1, 1993	June 30, 1997
Howard Hartung	- Councilmember	July 1, 1991	June 30, 1995
James Wells, III	- Councilmember	July 1, 1993	June 30, 1997
Richard Blackwell	- Councilmember	February 7, 1994	June 30, 1995
William Ross	- Councilmember	February 22, 1994	June 30, 1997
Larry Binkoski	- Councilmember	July 1, 1991	June 30, 1995

The duly appointed and acting City Clerk of the Issuer is Jacqueline L. Robson. The duly appointed and acting counsel to the Issuer is Lawrence Manypenny, Esquire.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A, of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

9. CONTRACTORS' INSURANCE, ETC.: All contractors have been required to maintain Worker's Compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Bond Legislation. All insurance for the System required by the Bond Legislation is in full force and effect. The System is not presently covered by policies for flood and business interruption insurance, but will be if such policies are available at reasonable cost. The

Issuer shall deliver to the Authority evidence of fidelity bonds covering all persons who shall have access or control over the Issuer's funds.

10. LOAN AGREEMENTS: As of the date hereof, (i) the representations of the Issuer contained in the respective Loan Agreements are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreements do 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 dates of the Loan Agreements 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 Agreements not misleading; and (iv) the Issuer is in compliance with all covenants, terms and representations in the Loan Agreements.

11. RATES: The Issuer duly enacted a water rate ordinance on April 4, 1994, setting water rates and charges for the water services of the System. The time for appeal of the water rate ordinance has expired prior to the date hereof without any appeal, and is currently in effect. The Public Service Commission of West Virginia has entered a Final Order in Case No. 94-0319-S-MA, setting sewer rates and charges for the sewer services of the System. The time for appeal of such Final Order has expired prior to the date hereof without any appeal, and is currently in effect.

12. SIGNATURES AND DELIVERY: On the date hereof, the undersigned Mayor did officially sign all of the Bonds of the aforesaid issue, consisting upon original issuance of a single Bond for each series, numbered AR-1 and BR-1, respectively, both dated the date hereof, by his manual signature, and the undersigned City Clerk did officially cause the official seal of the Issuer to be affixed upon said Bonds and to be attested by her manual signature, and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreements. Said official seal is also impressed above the signatures appearing on this certificate.

13. BOND PROCEEDS: On the date hereof, the Issuer received from the Authority the entire agreed purchase price of the Series 1994 A Bonds, being $647,121 (100% of par value), there being no interest accrued thereon. On the date hereof, the Issuer also received $269,177 from the Authority and the DEP, being a portion of the principal amount of the Series 1994 B Bonds and more than a de minimis amount of the proceeds of the Series 1994 B Bonds. The balance of the principal amount of the Series 1994 B Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the respective Bond Ordinances, an abstract of each 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 Hancock County Courier, a newspaper published and of general circulation in the City of New Cumberland, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Council at the public hearing held at a public meeting of Council on the 3rd day of October, 1994, at 7:00 p.m., at the New Cumberland 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 respective Bond Ordinances became finally adopted, enacted and effective as of the date of such public hearing, and remain in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Final Orders of the Public Service Commission of West Virginia entered on December 1, 1989, in Case No. 89-199-S-CN, August 31, 1994, in Case No. 94-0190-S-CN, and September 27, 1994, in Case No. 89-199-S-CN (Reopened) and Case No. 94-0190-S-CN (Reopened), 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 such Final Orders has expired prior to the date hereof without any appeal.

16. PRIVATE USE OF FACILITIES: The Issuer shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the Issuer) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related

persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

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

18. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G for the Series 1994 A Bonds and will cause such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Philadelphia, Pennsylvania.

19. SPECIMEN BONDS: Delivered concurrently herewith are true and accurate specimens of the Bonds.

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

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

22. GRANTS: As of the date hereof, the grant from the United States Environmental Protection Agency in the amount of $2,557,680 and the grant from the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia) in the amount of $750,000 are committed and in full force and effect.

WITNESS our signatures and the official seal of the CITY OF NEW CUMBERLAND on this 27th day of October, 1994.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Timothy P. Crago	Mayor
Jacqueline L. Kalbox	City Clerk
	Counsel to the Issuer

10/17/94
NCJ.S3
658300/94001

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)

CERTIFICATE AS TO ARBITRAGE

I, TIMOTHY P. CRAGO, Mayor of the City of New Cumberland in Hancock County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of the $647,121 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the Issuer, dated October 27, 1994 (the "Series 1994 A Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986 and applicable regulations (the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances, and estimates herein certified and 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 ordinances authorizing the Bonds (hereinafter defined) duly enacted by the Issuer on October 3, 1994 (collectively and as supplemented, the "Bond Ordinance").

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on October 27, 1994, the date on which the Series 1994 A Bonds are to be physically delivered in exchange for the issue price thereof, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. The Series 1994 A Bonds and the $498,666 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), of the Issuer, dated October 27, 1994 (the "Series 1994 B Bonds"), were sold on October 27, 1994, to the West Virginia Water Development Authority (the "Authority"). The Series 1994 B Bonds bear no interest. The Series 1994 A Bonds and the Series 1994 B Bonds are herein collectively referred to as the "Bonds." No accrued interest has been or will be paid on the Bonds.

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

7. The Series 1994 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 extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying costs of issuance and related costs thereof. The Series 1994 B 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 the Project; (ii) paying interest on the Series 1994 A Bonds during the construction of the Project and for not more than 6 months thereafter; (iii) funding a reserve account for the Series 1994 A Bonds; (iv) funding a reserve account for the Series 1994 B Bonds; and (v) paying costs of issuance and related costs thereof.

8. The Issuer will, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend in excess of $100,000 on the Project, constituting a substantial binding commitment, or has already done so. Acquisition, construction and equipping of the Project shall 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 January, 1996. Construction of the Project is expected to be completed by January, 1996.

9. The total cost of the Project (including all costs of issuance of the Bonds) is estimated at $4,453,467. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of Series 1994 A Bonds	$ 647,121
Gross Proceeds of Series 1994 B Bonds	498,666
EPA Grant	2,557,680
Small Cities Block Grant	750,000
Total Sources	$4,453,467

USES

Costs of Acquisition and Construction of the Project	$4,300,982
Capitalized Interest on Series 1994 A Bonds	60,441
Fund Series 1994 A Bonds Reserve Account	47,664
Fund Series 1994 B Bonds Reserve Account	24,936
Repayment of Loan from Authority	4,444
Costs of Issuance	15,000
Total Uses	$4,453,467

The amount of the costs of the Project not expected to be reimbursed or paid from grant proceeds and gross proceeds of the Series 1994 B Bonds is estimated to be at least equal to the gross proceeds of the Series 1994 A Bonds. Except for the proceeds of the Series 1994 A Bonds and the Series 1994 B Bonds and the grant proceeds stated above, no other funds of the Issuer will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

10. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 1994 A Bonds Construction Trust Fund;

(4) Series 1994 B Bonds Construction Trust Fund;

(5) Series 1994 A Bonds Sinking Fund, and within the Series 1994 A Bonds Sinking Fund, the Series 1994 A Bonds Reserve Account; and

(6) Series 1994 B Bonds Sinking Fund, and within the Series 1994 B Bonds Sinking Fund, the Series 1994 B Bonds Reserve Account.

11. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Series 1994 A Bonds will be deposited as follows:

(1) Series 1994 A Bonds proceeds in the amount of $-0- will be deposited in the Series 1994 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 1994 A Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 1994 A Bonds proceeds in the amount of $-0- will be deposited in the Series 1994 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 1994 A Bonds will be deposited in the Series 1994 A Bonds Construction Trust Fund and applied solely to payment of costs of the Project, including costs of issuance of the Series 1994 A Bonds and related costs.

Amounts in the Series 1994 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, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

None of the proceeds of the Series 1994 A Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

12. Pursuant to Article VI of the Bond Ordinance, the proceeds of the Series 1994 B Bonds will be deposited as follows:

(1) Series 1994 B Bond proceeds in the amount of $60,441 will be deposited in the Series 1994 A Bonds Sinking Fund as capitalized interest and applied to payment of interest on the Series 1994 A Bonds during acquisition and construction of the Project and for not more than six months thereafter.

(2) Series 1994 B Bond proceeds in the amounts of $47,664 and $24,936 will be deposited in the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account, respectively.

(3) The balance of the proceeds of the Series 1994 B Bonds will be deposited in the Series 1994 B Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Bonds and related costs.

Amounts in the Series 1994 B 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, except as otherwise set forth herein. All of such moneys are necessary for such purpose.

None of the proceeds of the Series 1994 B Bonds will be used to reimburse the Issuer for costs of the Project previously incurred and paid by the Issuer with its own or other funds.

13. Moneys held in the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund will be used solely to pay principal of and interest, if any, on the Series 1994 A Bonds and the Series 1994 B Bonds, respectively, and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 1994 A Bonds Sinking Fund and Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Sinking Fund and Series 1994 B Bonds Reserve Account will be returned, not less than once each year, to the Issuer, and such amounts shall, during construction of the Project, be deposited into the respective Bond Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and such amounts will be applied as set forth in the Bond Ordinance.

14. Except for the Series 1994 A Bonds Sinking Fund and the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Sinking Fund and Series 1994 B 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 1994 A Bonds or the Series 1994 B Bonds, respectively, or which are pledged as collateral for the Series 1994 A Bonds or the Series 1994 B Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Series 1994 A Bonds or the Series 1994 B Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Series 1994 A Bonds or the Series 1994 B Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court ordered or approved designation plan producing a yield in excess of the yield on the respective Bonds have been or will be pledged to payment of the Bonds. Less than 10% of the moneys received from the sale of the Series 1994 A Bonds will be deposited in the Series 1994 A Bonds Reserve Account or any other reserve or replacement fund, and less than 10% of the moneys received from the sale of the

Series 1994 B Bonds will be deposited in the Series 1994 B Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 1994 A Bonds Reserve Account and Series 1994 B Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal of and interest, if any, on the Series 1994 A Bonds and the Series 1994 B Bonds, respectively, and will not exceed 125% of average annual principal of and interest, if any, on the Series 1994 A Bonds and the Series 1994 B Bonds, respectively. Amounts in the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account, not to exceed 10% of the proceeds of the Series 1994 A Bonds and the Series 1994 B Bonds, respectively, if invested, will be invested without yield limitation. The establishment of the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account are required by the Authority, are vital to its purchase of the Series 1994 A Bonds and the Series 1994 B Bonds, and are reasonably required to assure payments of debt service on the Series 1994 A Bonds and the Series 1994 B Bonds, respectively.

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

15. 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 the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

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

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

18. 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.

19. With the exception of the amounts deposited in the Series 1994 A Bonds Sinking Fund for payment of interest on the Series 1994 A Bonds, if any, and the amounts deposited in the Series 1994 A Bonds Reserve Account and the Series 1994 B 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.

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

21. The Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund (other than the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account therein) are intended primarily to achieve a proper matching of payments of debt service on the Series 1994 A Bonds and the Series 1994 B Bonds, respectively, each year. The Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund (other than the Series 1994 A Bonds Reserve Account and the Series 1994 B 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 1994 A Bonds and the Series 1994 B Bonds, respectively, or 1 year's interest earnings on the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund (other than the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account therein), respectively. Except as otherwise allowed, any money deposited in the Series 1994 A Bonds Sinking Fund and in the Series 1994 B Bonds Sinking Fund for payment of the principal of or interest, if any, on the Series 1994 A Bonds and the Series 1994 B Bonds, respectively (other than the Series 1994 A Bonds Reserve Account and the Series 1994 B Bonds Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 1994 A Bonds Sinking Fund and the Series 1994 B Bonds Sinking Fund (other than in the Series 1994 A Reserve Account and the Series 1994 B Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

22. All the proceeds of the Series 1994 A Bonds which were used for the payment of costs of the Project will be expended for such purposes within three years of September 27, 1994.

23. 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.

24. 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.

25. The Issuer shall file Form 8038-G or 8038-GC in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania.

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

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

28. 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.

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

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

31. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 1994, the calendar year in which the Bonds are issued, is not reasonably expected to exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefiting thereby shall be treated as one issuer. No portion of the Bonds is issued to refund other obligations.

32. The Issuer has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

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

34. The Issuer has either (a) funded the Series 1994 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Series 1994 A Bonds in the then current or any succeeding year with the proceeds of the Bonds or with other funds available to the Issuer, or (b) created the Series 1994 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 1994 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 1994 A Bonds in the then current or any succeeding year. Moneys in the Series 1994 A Bonds Reserve Account and the Series 1994 A Bonds Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Series 1994 A Bonds and will not be available to pay costs of the Project.

35. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation or, if the Issuer qualifies for the small governmental issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

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

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

38. The Issuer will rebate to the United States the amount, if any, required by the Code and will take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

39. 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.

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

41. 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.

42. Steptoe & Johnson is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Series 1994 A Bonds.

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

WITNESS my signature on this 27th day of October, 1994.

CITY OF NEW CUMBERLAND

Timothy P. Crago

Mayor

10/18/94
NCA.T3
658300/94001

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

ENGINEER'S CERTIFICATE

I, Craig J. Bauer, Registered Professional Engineer, West Virginia License No. 10638 of KLH Engineers, Inc., Pittsburgh, Pennsylvania, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the sewerage portion of the existing public combined waterworks and sewerage system (the "System") of the City of New Cumberland (the "Issuer") to be constructed primarily in Hancock County, West Virginia, which acquisition and construction are being 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 respective Bond Ordinances enacted by the Issuer on October 3, 1994, the Loan Agreement for the Series 1994 A Bonds, by and between the Issuer and the West Virginia Water Development Authority (the "Authority"), dated October 27, 1994, and the Loan Agreement for the Series 1994 B Bonds, by and among the Issuer, the Authority and the West Virginia Division of Environmental Protection (the "DEP"), dated September 14, 1994.

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) paying interest on the Series 1994 A Bonds during the construction of the Project and for not more than 6 months thereafter; (iii) funding a reserve account for the Series 1994 A Bonds; (iv) funding a reserve account for the Series 1994 B Bonds; and (v) paying costs of issuance and related costs.

3. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the approved plans, specifications and designs prepared by my firm and as described in the respective applications submitted to the DEP and the Authority requesting the Authority to purchase the Bonds (collectively, the "Application") and approved by all necessary governmental bodies, (ii) the Project is adequate for the purpose for which it was designed and has an estimated useful life of at least 40 years, (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application and my firm has ascertained that all contractors have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified by my firm for accuracy, (iv) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project, (v) the rates and charges for the System as

adopted by the Issuer are sufficient to comply with the provisions of Subsection 4.1(b) of the respective Loan Agreements, (vi) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A are the respective final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal on this 27th day of October, 1994.

KLH ENGINEERS, INC.

(SEAL)

West Virginia License No. 10638

10/06/94
NCC.U2
658300/94001

DATE: October 27, 1994

AMENDED SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of New Cumberland (1994 A)

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

A. Cost of Project

1.	Construction	$ 3,602,503	
2.	Technical Services	$ 378,555	
3.	Legal and Fiscal	$ 73,043	
4.	Administrative (Includes Acct. & Audit)	$ 99,994	
5.	Site and Other Lands	$ 7,157	
6.	Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: See * Below)	$ 152,485	
7.	~~Interim Financing Costs~~ Add. Inspect.	$ 11,099	
8.	Contingency	$ 128,631	
9.	Total of Lines 1 through 8		$ 4,453,467

B. Sources of Funds

10.	Federal Grants:[1] (Specify Source)	U.S.E.P.A.	$ 2,557,680	
			$	
11.	State Grants: (Specify Source)	S.C.B.G.	$ 750,000	
			$	
			$	
			$	
12.	Other Grants: (Specify Source)	S.R.F. Loan	$ 498,666	
			$	
13.	Any Other Source[2] (Specify)		$	
			$	
14.	Total of Lines 10 through 13			$ 3,806,346
15.	Net Proceeds Required from Bond Issue (Line 9 less Line 14)			$ 647,121

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[1] Attach supporting documentation not previously submitted. If not yet available, state such and expectations as to availability.

[2] For example, interest earnings during construction, if applicable. Include the proceeds of any parity or subordinate bond issue to be used for such purpose and attach supporting documentation if available (if not yet available, state such and expectations as to availability).

*Step I Loan Repayment	4,444	
Capitalized Interest	60,441	
Prefunded Reserve	72,600	(WDA-47,664; SRF-24,936)
Bond Counsel	15,000	
	$152,485	

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$ -0-	
17.	Funded Reserve Account[3]	$ -0-	
18.	Other Costs[4]	$ -0-	
19.	Total Cost of Financing (Lines 16 through 18)		$ -0-
20.	Size of Bond Issue (Line 15 plus Line 19)		$ 647,121

Additional or explanatory material may be provided on additional sheets attached to Amended Schedule A.

Timothy P. Crago
SIGNATURE OF AUTHORIZED OFFICER OF APPLICANT

Craig J. Bauer
SIGNATURE OF ENGINEER

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[3] Consult with bond counsel and the Authority before assuming a funded reserve.

[4] For example, fees of bond counsel for the Governmental Agency.

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: City of New Cumberland (1994 B)

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

A. Cost of Project

1. Construction	$ 3,602,503	
2. Technical Services	$ 378,555	
3. Legal and Fiscal	$ 73,043	
4. Administrative (Includes Acct. & Audit)	$ 99,994	
* 5. Site and Other Lands	$ 7,157	
* 6. Step I and/or Step II (Design) or Other Loan Repayment (Specify Type: Step I Loan Repayment)	$ 4,444	
7. ~~Interim Financing Costs~~ Addl.Inspec.	$ 11,099	
8. Contingency	$ 128,631	
9. Total of Lines 1 Through 8	$ 4,305,426	
		$ 4,305,426

B. Sources of Funds

10. Federal Grants:[1] (Specify Sources)	U.S.E.P.A.	$ 2,557,680	
		$	
11. State Grants:[1] (Specify Sources)	S.C.B.G.	$ 750,000	
		$	
		$	
		$	
12. Other Grants:[1] (Specify Sources)		$	
		$	
13. Any Other Source[2] (Specify)	W.D.A.	$ 647,121	
		$	
14. Total of Lines 10 Through 13			$ 3,954,801
15. Net Proceeds Required from Bond Issue (Line 9 Less than 14)			$ 350,625

C. Cost of Financing

16. Capitalized Interest (Construction period plus six months)	$ 60,441 (For WDA Loan)	
17. Funded Reserve Account:[3]	$ 72,600 (WDA-47,664; SRF-24,936)	
18. Other Costs:[4] Bond Counsel	$ 15,000	
	$	
19. Total Cost of Financing (lines 16 through 18)		$ 148,041
20. Size of Bond Issue (Line 15 plus Line 19)		$ 498,666

* not allowable for State Revolving Fund Assistance

Wiseman Hutzell & Co.
CERTIFIED PUBLIC ACCOUNTANTS

SUITE 710 HAWLEY BUILDING
WHEELING, W. VA. 26003
PHONE: (304) 233-7600

October 24, 1994

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

West Virginia Water Development
Authority
1201 Dunbar Avenue
Dunbar, WV 25065

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

Ladies and Gentlemen:

Based upon the water rates and charges set forth in the water rate ordinance of the City of New Cumberland (the "Issuer") enacted April 4, 1994, and the sewer rates and charges set forth in the Final Order of the Public Service Commission of West Virginia in Case No. 94-0190-S-CN, entered August 31, 1994, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by KLH Engineers, Inc., Consulting Engineer, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the combined waterworks and sewerage system of the Issuer (the "System"), will pay all repair, operation and maintenance expenses and leave a balance each year equal to at least 110% of the maximum amount required in any year for debt service on the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and Series 1994 B (West Virginia SRF Program) (collectively, the "Bonds"), to be issued to the West Virginia Water Development Authority and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Bonds, if any.

Very truly yours,

Robert J. Prezkop
WISEMAN HUTZELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS

RJP:tmp

CHARTER OF THE TOWN OF NEW CUMBERLAND

Acts of the Legislature of West Virginia, 1891, chapter 48.

An act to amend, consolidate and reenact Chapter 174 of the acts of the Legislature of 1879, providing for the incorporation of the Town of New Cumberland, and to extend and define the corporate limits of said town, passed February 28th, 1891.

Be it enacted by the Legislature of West Virginia:

That Chapter one hundred and seventy-four of the acts of 1872, and Chapter 34 of the acts of 1879, are hereby amended, reduced into one, and re-enacted so that they shall read and be as follows:

Section 1. Town of New Cumberland, Corporate powers.

The inhabitants of Hancock County in this State, now and hereafter residing within the boundaries prescribed in the next section hereof, shall be, and they are hereby constituted a body politic, and corporate, by and under the name of "The Town of New Cumberland", and as such, and by and in that name, shall have perpetual succession and a common seal, and may sue and be sued, contract and be contracted with purchase, lease, hold and use real and personal property necessary for corporate purposes, and generally have all of the rights, powers and franchises appertaining to municipal corporations in this State.

Section 2. Boundaries.

The boundaries of the said town shall be as follows: Beginning at the Mouth of Deep Gut run, on the South side thereof, and at the low water mark of the Ohio River: Thence up said run North 63¼ degree E. 26 rods to a large Elm tree standing on the South bank of said run: Thence N. 10 degrees E. 23 rods to a stone on the North side of said run; thense South 85 degrees E. crossing said run to a rock 11 rods; thence S. 19 degrees West 78 rods to a dogwood corner to Smith Porter & Co.; thence by line of Jeremiah Smith S. 23 degrees E. 65 rods; thence North 13 degrees 1. 4 rods to a stone; thence by lands of Smith and Gregory South 30½ degrees E. 67.5 rods to a stone in John Chapman's line; thence South 70 70 degrees W. 17.5 rods to the East side of a twelve foot alley; thence with said alley S. 21 degrees E. 42.7 rods to the lands of Fickes; thence with said Fickes line N. 69 degrees E. 2.4 rods; thence S. 36 degrees E. 15 rods thence S. 69 degrees W. 6.5 rods to the east side of said alley; thence with same S. 21 degrees E. 22 rods to the line of Smith Porter & Co., N. 69 degrees E. 21.7 rods; thence S. 24 degrees E. 28.5 rods; thence S. 66½ degree W. 3 rods to corner of G. W. Newman; thence S. 39½ degrees E. 9.2 rods; thence S. 62½ degrees E. 17 rods to a pile of rocks; thence S. 29 degrees E. 54.4 rods to three white oak stumps, orginal to Campbell, Cuppy and Chapman; thence S. 54½ degrees E. 36 rods to a stone corner to the New Cumberland Cemetery, and with the same N. 16 degrees W. 10.5 rods to center of road; thence N. 50 degrees E. 4 rods; thence N. 42 degrees E. 12 rods; thence N. 56 degrees E. 25 rods; thence N. 50 degrees E. 7 rods; thence S. 7½ degrees E. 58 rods; thence S. 66½ degrees W. 23.1 rods to a line of Mrs. Headley; thence S. 55 degrees E. 33.3 rods to a Red oak stump; thence N. 67 degrees E. 34.5 rods; thence S. 81¼ degrees E. 31.2 rods to cross on a rock on the North side of Harden's Run; thence with line of E. Stewart, S. 25 degrees E. 8.5 rods; thence S. 42 degrees W. 50.8 rods; thence S. 65 degrees W. about 22 rods to line of Rev. S. F. Greer; thence S. 33 degrees E. 35 rods; thence with line of J. H. Atkinson, James M. Porter and John Porter S. 43½ degrees E. 79 rods to a stone; thence S. 89 degrees E. 20.5; rods; thence S. 2 degrees E. 40 rods; thence S. 9 degrees E. 49 rods to a hickory corned to Roseberry's; thence withRoseberry lands S. 48 degrees W. 61 rods; thence S. 55 degrees W. 41 rods thence S. 14 degrees E. 60 rods to corner of Mrs. Ballantyne; thence with her line North 50 degrees W. 15 rods; thence N. 88 degrees W. about 25 rods to low water mark at the Ohio river; thence West aboyt 70 rods to the West line of West Virginia; thence up the Ohio river with said line of West Virginia, about 800 rods; thence

East across said river about 70 rods to the beginning; but excepting from said boundary the County Bridges over Deep Gut run and Over Harden's run, with their abutments which otherwise would be included therein.

OFFICERS--SECTION 3

The officers of said town shall be mayor, recorder, and two councilmen from each ward, a sergeant, and street commissioner. The Mayor and recorder shall be elected by the qualified voters of the town, and the councilmen by the qualified voters of the respective wards, and togather shall constitute the common council of said town. The other officers of this section shall be appointed by council, but offices of mayor, sergeant, and street commissioner shall not be incompatible, neither shall the offices of recorder, street commissioner, sergeant, and policemen be incompatible, and all the appointive offices insofar as is possible may be held in whole or in part by the mayor or the recorder or either by the mayor and the recorder, and such consolidation of offices shall not be deemed incompatible. No person shall be eligible to any elective office unless he is a legal voter and was for the preceding year assessed with and paid taxes upon at least one hundred dollars worth of real or personal property therein.

ELECTIONS--SECTION 4

The first election under this act shall be held on the second Tuesday of June, one thousand nine hundred thirty-five and there shall be an election held on the second Tuesday of June every two years thereafter. The vote of said election shall be by ballot. All persons who shall have been bona fide residents of the Town three months next preceding any election, and entitled to vote under the constitution and laws of the state, shall be entitled to vote at such election; but only in the ward of residence. The said election shall be held and conducted at such places and under such rules and regulations not inconsistent with the laws regulating district elections, as may be prescribed by the council. Contested elections shall be heard and decided by the council, and the proceedings shall conform as nearly as may be to similar proceedings in case of county and district officers. The council shall be the judge of the election returns and qualifications of its own members.

TERMS OF OFFICE--SECTION 5

The terms of the office of mayor and recorder shall be two years each, and of councilman shall be four years, beginning the first Tuesday in July next succeeding their election and continuing until their successors are elected and qualified; except that the term of office of one of the Councilmen from each of the wards elected at the first election provided shall be determined by lot, one for the two year term and one for the four term, in the presence of and under the direction of the council. The term of all officers appointed by Council shall be as prescribed by council, but shall not exceed two years.

OATH OF OFFICE--SECTION 6

Every person elected or appointed to an office in said town within twenty days thereafter, and before entering on the duties of his office, take and subscribe the oath required by law of officers generally, such oath may be administered by the Mayor, the Clerk, or any other officer authorized to administer oaths.

APPOINTED OFFICERS, DUTIES, BONDS, ETC. SECTION 7.

The Council shall prescribe the powers and duties of all officers by it appointed, except so far as the same are by this act prescribed. It shall fix their compensation, and may require and take from them respectively bonds payable to the town in such penalty and with such sureties as it may deem proper, conditioned for the faithful discharge of their duties.

SECTION 8 BOUNDARIES OF WARDS

The territory of said town is hereby divided into three wards as follows: The part lying north of the center of Madison street shall constitute the first ward.

That part lying between the center of Madison street and the center of said Sedgwick street shall constitute the second ward. That part lying south of the center of Sedgwick street shall constitute the third ward. The lines between the wards are understood to run from the west boundary of the town to the east boundary by lines projected through the center of each of the said streets and avenues.

The council may, after two years after the passage of this act, by ordinance, change the boundaries of the several wards and may decrease the number of said wards; but no change of boundaries for the decrease of the number of wards shall be made until notice of such change of boundaries has been given by order of council by publication in the newspapers of said town, for two successive weeks prior to meeting of council at which such ordinance is proposed for passage, and said notice shall name the time of such meeting.

SECTION 9. OF THE COUNCIL, ITS GENERAL POWERS

The council of said town shall have the power to lay off, vacate, close, open, alter, grade and keep in good repair and free from obstructions the roads, streets alleys, pavement, sidewalks, crosswalks, drains, sewers and gutters therein for the use of citizens of the public, to improve and light the streets, alleys, buildings, and grounds of said town; to regulate the width of pavements and sidewalks on the streets and alleys, and to order the pavement, sidewalk, footways, drains and gutters to be kept in order, free and clean by the owners or occupants of the property (real) next adjacent thereto; to establish and regulate markets, prescribe the time of holding the same; provide suitable and convenient buildings therefor, and prevent the forestalling and regranting of such markets; to prevent injury or annoyance to the public or individuals from anything dangerous, offensive, or unwholesome; to prohibit or regulate slaughter-houses, tan houses, or soap factories within the town limits; or the exercise of any unhealthy or offensive business, trade, or employment; to abate all nuisances within the town limits, or to require or compel the abatement or removal thereof, by or at the expense of the person causing the same, or by or at the expense of the owner of the ground on which they are placed or found; to be caused to be filled up, raised, or drained, by or at the expense of the owner any town lot or tract of land covered or subject to be covered by stagnant water; to prevent horses, hogs, cattle, sheep, or other animals and fowls of all kinds from going or being at large in said town; and as one means of prevention, to provide for empounding and confining such animals and fowls, and for failure to reclaim, for the sale thereof; to protect places of divine worship, and to preserve order in and about the premises where and when such worship is held; to regulate the keeping of gun powder and other inflammable and dangerous substances; to provide for the regular building of houses or other structures, and for the making and maintaining of division fences by the owners of adjoining premises, and for the proper drainage of town lots or other parcels of land, by or at the expense of the owner thereof; to provide against danger or damage by fire; to punish for assault and battery; to prevent loitering in or visiting houses of ill-fame, or loitering in saloons or on the streets, to prevent lewd or lascivious conduct, the sale or exhibition of indecent pictures, or other representations, to prevent and punish for gambling, the desecration of the Sabbath Day, profane swearing; to prevent the illegal sale of intoxicating liquors, drinks, mixtures and preparations, and to provide the penalties of such cases; to protect the persons of those residing within the town; to appoint when necessary or advisable a police force, permanent or temporary to assist the sergeant in the discharge of his duties; to build

or purchase, or lease and use a suitable place of imprisonment within or near the said town, for the safe-keeping or punishment of persons charged with or convicted of the violation of ordinances; to erect or authorize, or prohibit the erection of electric, gas or water works within the town limits to prevent injury to such works or the pollution of any water or gas used, or intended to be used by the public or by individuals; to provide for and regulate the weighing or measuring of hay, coal, and lumber, and other articles sold, or kept for sale within the said town; to establish, construct, alter, remove and repair landings, wharves, and docks, and to establish and collect rates and charges for the use thereof; to regulate the running and speed of cars, automobiles, trucks, and other vehicles within the said town; to create by ordinance such committees or boards and delegate such authority thereto as may be deemed necessary or advisable; to provide for the annual assessment of the taxable property therein and for a revenue expense; and generally to take such measures as may be advisable or necessary to protect the property, both public and private within the town; to preserve and maintain the peace, quiet and good order therein, and preserve the health, safety and comfort and well being of the inhabitants thereof.

SECTION 10 ORDINANCE INFLICTING FINES AND PENALTIES

To carry into effect these enumerated powers and all others by this act, or by general laws conferred upon the said town, or its council, or any of its officers, the said council shall have and possess full authority to make, pass, and adopt all needful ordinances, by-laws, and resolutions, not repugnant to the constitution of the United States, or of this state, and to enforce any and all ordinances, by-laws, orders, or resolutions by prescribing for a violation thereof fines and penalties and imprisonments, either in the county jail of Hancock county, or in the town prison, if there be one. Such fines and terms of imprisonment shall not exceed the penalties imposed by the state for like offenses. Such fines and penalties shall be imposed and recovered, and such imprisonment inflicted and enforced, by and under the judgment of the Mayor of said town, or in case of his absence or inability to act, then the recorder may act in his place, or one of the justices within the district of Clay.

SECTION 11. REMOVAL, VACANCIES, ETC.

The Council shall have the authority to remove any officer of the town whether elected or appointed, for mis-conduct or neglect of duty by an affirmative vote of two-thirds of the members of Council, but only after reasonable notice to such officer, and a hearing of the charge or charges preferred; and any vacancy in office, however occasioned may be filled by Council for the unexpired term until the next election of town officers.

SECTION 12. MEETINGS OF COUNCIL, TRANSACTION OF BUSINESS

The Council shall fix the time and place of holding regular meetings, may provide for special and adjourned meetings; and may prescribe rules and regulations, not inconsistent herewith, for the transaction of business, and for its own guidance and government. The Mayor shall be president of Council, but in the case of his absence, one of the Councilmen present at any meeting thereof, selected for the purpose by a majority of the members present shall act temporarially as such officer. A majority of the Council shall constitute a quorum. No member of the Council shall vote, or take part in the consideration of any proposition in which he is or may be interested otherwise than a resident of said town; and the Mayor or any other presiding officer shall have but one vote, on any question, and that as a member of the council.

SECTION 13. SECOND VOTE ON ORDINANCES, ETC.

In case any ordinance, by-law, resolution or measure shall receive a majority of the votes of the members of the council present, but less than two-thirds of all of the members, the Mayor or any two of the councilman may insist upon a

further consideration thereof, and thereup on it shall not be deemed passed, but shall be postponed until the next regular meeting of the council, when if it shall again receive a majority of the members present, it shall stand and be declared adopted, and not otherwise.

SECTION 14. RECORDS.

The Council shall cause to be kept by the Clerk, in a well bound book, to be called the "Minute Book", an accurate record of all of its proceedings, ordinances, acts, orders and resolutions, and in another to be classed "Ordinance Book", accurate copies of all of the general ordinances adopted by the council; both of which shall be fully indexed and open to the inspection of anyone required to pay taxes to the town, or who may be otherwise interested. All oaths and bonds of officers in the town, and all papers of the council, shall be endorsed, filed and securely kept by the Clerk. All printed copies of such ordinances purporting to be published under authority of the council, and transcript of such ordinances, acts, orders and resolutions, certified by the Clerk, under the seal of the town, shall be deemed prima facia correct when sought to be used in evidence in any court, or before any Justice.

SECTION 15. THE MINUTES, YEAS AND NAYS.

At each meeting of the council the proceedings of the last meeting shall be read and if erroneous corrected, and signed by the presiding officer for the time being. Upon the call of any member the yeas and nays on any question shall be taken and recorded in the "Minute Book" and the yeas and nays shall be taken and recorded upon the passage of every ordinance.

SECTION 16. OF THE MAYOR'S SALARY

The Mayor shall receive the sum of not less than one hundred dollars nor more than two hundred dollars per annum, to be fixed by the council, but if at any time the number of inhabitants of said town shall exceed thirty-five hundred, the salary shall not be less than two hundred nor more than five hundred dollars. Such salary shall be in lieu of the fees which would otherwise accure to him in proceeding for the enforcement of ordinances, but all such fees shall be collected, when practicable, and accounted for to the town.

SECTION 17. GENERAL POWERS AND DUTIES OF THE MAYOR.

The Mayor shall be chief executive officer of the town, and shall take care the the orders, by-laws, ordinances and resolutions of the council thereof; are faithfully executed. He shall be ex-officio a Justice and conservator of the peace within the said town, and shall within the same have, possess and may exercise all the powers and perform all the duties whether in civil or criminal proceedings, vested by law in a Justice of the Peace. Any summons, warrant, or other process, issued by him may be executed at any place within the County. He shall have control of the police officers and shall appoint special policemen whenever he deems it necessary; and it shall be his duty specially to see that the peace and good order of the town are preserved, and persons and property therein are protected, and to this end he may arrest and detain, or cause the arrest and detention of all riotous and disorderly persons before taking other proceedings in the case. He shall from time to time recommend to the Council, such measures as he may deem needful for the welfare of the town. He shall not receive any money due or belonging to the State, or to corporation or to individuals, unless and until he shall have given the bond and security required of a Justice of the Peace by Chapter 50 of the Code of West Virginia; and all of the provisions of said chapter relating to monies received by him in like cases.

SECTION 18. PROVIDING FOR THE VIOLATION OF CERTAIN ORDINANCES.

The The process and proceedings to enfore any ordinance, prescribing a fine or imprisonment or a fine and imprisonment for violation thereof, shall be a summons in the name of the Town of New Cumberland, as plaintiff, directed to the Sergeant or any Constable of any district within said town, requiring the person accused of such violance or violation, and who may thereafter be designated as defendant, to appear before the Mayor, at any time and place therein named, to make answer to such accusation, and to be dealt with according to law. Such summons shall contain such statement of the facts alleged as will inform the person of the general nature of the offense against the town with which he stands charged, and except in cases of arrest on view, shall be issued only on the complaint, on oath of some creditable persons. But the Mayor may, by good cause appearing, by an endorsement on the summons, order the person so accused to be forthwith apprehended and brought before him for hearing of the charge. The Clerk of the said town as well as the Mayor shall have authority to receive any complaint in writing of the Violation of an ordinance, and to sign and issue a proper summons based on such complaint. The Mayor shall have, possess and exercise the power and authority belonging to a Justice, under Sections two hundred and twenty four and two hundred and twenty-five of Chapter fifty of the Code of West Virginia, in summoning and enforcing the attendande and examination in punishing for contempt, in granting continuances and in enforcing the further attendance of the accused, with the view to a trial or hearing. If any recognizance be taken for such further attendance and is forfeited, the Mayor shall record the default and an action may be maintained, intthe name of the town, before the Mayor or any Justice having jurisdiction, against the accused and his sureties if any, to recover the penalty thereof.

SECTION 19. ENFORCEMENT OF JUDGMENT.

The Mayor shall have the power to issue an execution for any fine or costs assessed or imposed by him for the violation of any ordinance or he may at the time of rendering judgment therefore, or at any time thereafter and before satisfaction of such judgment, by his order in writing, require immediate payment thereof, and in default of such payment he may commit the person so in default to the Jail of Hancock County, or in his, discretion, to the prison of said town if any shall have been provided by the Council, until fine and costs have been paid; but such imprisonment shall not exceed thirty days.

SECTION 20. DUTY OF JAILOR--JAIL EXPENSES.

The Jailor of Hancock County, shall take and receive into his custody any person sentenced to imprisonment in the Jail of said county, or committed thereto for the non-payment of fine and costs, or for the failure to enter into a recognizance, by the judgment or the order of the Mayor in proceedings for the violation of an ordinance; and the expense of maintaining such person while so in confinement shall be paid by the town.

SECTION 21. DOCKET

A book well bound and indexed, to be denominated the "Docket" shall be kept in the office of the Mayor, in which shall be noted each case, brought or tried by him, together with the proceedings thereon, including a statement of the complaint, the summons, the return, the fact of appearance, the defense, the hearing, the judgment, the costs, and in case the judgment be one of conviction, the action taken to enforce the same. The record of each case shall be signed by the Mayor and the original papers thereof, if no appeal with writ of error or certiorari be taken, shall be kept together and preserved in his office.

SECTION 22. APPEAL FROM JUDGMENT IN TOWN CASES.

In case of the violation of an ordinance of the said town, in which there is a judgment by the Mayor of imprisonment or for a fine of more than five dollars, an appeal shall lie at the istance of the person against whom such judgment is rendered, to the Circuit Court of Hancock County. Such appeal shall not be granted

by the Mayor unless, within ten days from date of judgment, such person shall enter into a recognizance with security deemed sufficient to appear before the said court on the first day of the next term thereof, to answer for the offense against the town, with which he stands charged, and not thence depart without leave of said court, The provisions of Chapter one hundred and sixty-two of the Code of West Virginia, relating to recognizances in criminal cases, shall be applicable to recognizances contemplated by this section; but any money recovered thereon, or by virtue thereof shall inure to the said town.

SECTION 23. TRIAL IN COURT.

If the appellant be found guilty of a violation fo the ordinances in question, whether upon the verdict of the jury or otherwise, the Court shall ascertain by its judgment the fine or imprisonment to be paid or suffered by such defendant, having regard to the punishment prescribed by such ordinance, and shall include in any such judgment the cost incurred, by the said town, as well as in the proceedings before the Mayor as those in Court, including a fee to the attorney for the town of five dollars, and fees, if any of the Jailor or keeper of the town prison; and the proceedings to enforce the collection of any such fine and costs may be as provided in section ten, eleven and twelve of Chapter thirty-six of the Code of West Virginia, except the writ mentioned in the tenth section may be issued by the Clerk upon the order of the Mayor of the town, and the notice contemplated by the eleventh section, shall be given to such officer. If the judgment be for the defendant, he shall recover his costs against the town.

SECTION 24. APPEALS IN OTHER CASES.

From all judgments by the Mayor or in cases other than for the violations of ordinances, appeals shall be allowed as in similar cases before Justices.

SECTION 25. BOND OF SERGEANT--COLLECTION OF TAXES, ETC.

The Sergeant before entering on the discharge of his duties, shall execute a bond conditioned for the faithful performance by him of the duties of his office, and for the accounting for and paying over, as required by law, all money which comes into his hands by virtue of his office, with surety satisfactory to the council, payable to the town of New Cumberland, and in a penalty of not less than one thousand and not more than five thousand dollars, as the council may prescribe. He shall be chargeable with the town taxes and levies and it shall be his duty to collect and account for the same, and he may distrain therefore in case they are not paid within one month after they are placed in his hands and notice thereof given for two weeks by publication in one or more newspapers published in said town; or by posting at one or more public places in each ward; and as to such distraint and any sale thereunder, as well as in other respects, he shall have the same power and authority possessed by the officer charged with the collection of State taxes, upon all town taxes, whether real or personal estate, not collected before the first day of January, after they are due and payable, he shall charge, collect and account for interest at the rate of one per-cent per month until they are fully paid. He shall also be chargeable with and shall collect and account for all the assessments made by the council, and all fines and costs and rates due to the town.

SECTION 26. ARREST UPON VIEW--SERVICE OF PROCESS

LIABILITY OF SERGEANT.

In case of violation of any ordinance of said town is committed in the presence, or within the view of the Sergeant, or other police offender may be forthwith apprehended and taken before the Mayor and a complaint, under oath, stating such violation, then alleged and filed; and thereupon such offender may be tried and dealt with according to law, without summons. The Sergeant shall

execute, within the County of Hancock, any proper process issued by the Mayor in proceedings for the enforcement of ordinances; and shall collect, by levy of execution or otherwise, and duly account for all fines assessed and the costs imposed in such proceedings. He shall also have all of the rights and powers within said town in regard to the arrest of persons, the collection of claims and the execution and return of process, that are or may be lawfully executed by a Constable of a district within the same, and shall be entitled to the compensation therefore; and he and his sureties shall be liable to all the fines, penalties and forfeitures that a Constable is liable to for any dereliction of duty in office, to be recovered in the same manner and in the same Court that such fine, penalties and forfeitures are recovered against Constables.

SECTION 27. SETTLEMENT BY THE SERGEANT--COMPENSATION--PAYMENTS ON ORDERS

It shall be the duty of the Sergeant, at least once in six months during his continuance in office, and oftener if required by the Council to render an account of the taxes, fines, penalties, assessments and other claims in his hands for collection, and return a list of such as he may not have been able to collect by reason of insolvency, removal or other causes; to which list he shall append an affidavit that he has used due diligence to collect the claims therein mentioned, but has been unable to do so; and if the council shall be satisfied of the correctness of the said list, it shall allow him a credit for said claims, but may thereafter take such lawful measures to collect the same as shall be by it prescribed. He shall receive for his services in the collection of taxes, assessments and other claims due the town, a compensation to be fixed by the council, not exceeding five per centum on the amount, duly collected and accounted for, except an additional per cumtum may be allowed in case of fines, and may be allowed in addition, a salary of not more than three hundred dollars per annum. He shall pay any more money in his hands belonging to the town upon the order of the council.

SECTION 28. REMEDY AGAINST THE SERGEANT.

If the Sergeant shall fail to collect, account for, and pay over all or any of the monies with which he may be chargeable, belonging to the town, according to the conditions of his bond and the orders of the council it shall be lawful for the council to recover the same by action, or by motion, upon ten days notice, in the corporate name of the town, in the Circuit Court of Hancock County, against him and his sureties or any or either of them or his or their executors or administrators, if the sum does not exceed three hundred dollars, such recovery may be had before the Mayor or any Justice of said County.

SECTION 29. DEPUTY SERGEANTS.

The Sergeant may, with the consent of the council, entered of record, but not otherwise, appoint a deputy or deputies, who may perform the duties or any of them with which he is charged; but the Sergeant shall in all cases be responsible for the acts or omissions of the deputy or deputies so appointed.

SECTION 30. OF THE ASSESSOR.

It shall be the duty of the Assessor to ascertain the tangibles and property within said town subject to taxation and make returns thereof to the council at such time as may be prescribed, substantially in manner and form as in the case of assessments by County assessors; and to this end he shall have access to the most recent books and record of the County of Hancock upon payment of reasonable fees and charges to be arranged and provided for by the council. The latest accessable assessments, for State and County purposes, including value, shall be used and adopted by him; but as to property not included in such assessment, he shall ascertain the same, fix the value thereof, and include the same in his assessment; but the council may correct any error on his part in this regard, upon the application of any person aggrieved. In the discharge of his duty he shall have the same powers as are conferred by law upon County Assessors.

SECTION 31. STREET COMMISSIONER.

The Street Commissioner shall be appointed by the council and shall hold office at their pleasure; perform such duties and receive such compensation therefore, as council may from time to time prescribe.

SECTION 32. FINANCES AND EXPENSES.

The Council shall cause to be made up annually, and spread upon its minute book, the accurate estimate of all sums of which are, or may become lawfully charged against the town, and which ought to be paid within one year, and it shall order a levy of so much as will in its judgment, be necessary, and upon all real and personal property therein, subject to State and County taxes; provide, that such levies shall not exceed one dollar on each tangible, and one dollar on every one hundred dollars, of the ascertained value of such property. At least once in each year the council shall cause to be made up and published in one or more of the newspapers of the town, a statement of the revenue received from the different sources, and of the expenditures upon the different accounts for the preceding year, or portion of year as the case may be.

SECTION 33. LIEN FOR TAXES, FINES, ETC.

There shall be a lien upon real estate within said town for the town taxes assessed thereon, and for all the fines thereof by the authorities of said town from the time the same are so assessed or imposed, which shall have priority over all other liens, except the lien for taxes due the State, county and district; which may be enforced by the council in the same manner provided by law for the enforcement of the lien for County taxes. If any real estate within the said town be returned delinquent for the non-payment of the delinquent taxes due thereon, a copy of such delinquent list may be certified by the council to the Auditor, and the same be sold for the town taxes, interest therein, in the same manner, at the same time, by the same officer, as real estate is sold for the non-payment of State taxes.

SECTION 34. TOWN LICENSES.

Council shall have authority to require a town license, as follows: for anything to be done, carried on, exhibited within the town for which a State license is now, or may hereafter be required, for the keeping of hacks, carriages, carts, wagons and other vehicles for hire within the town, and for the keeping of dogs within the town; and the council may provide for the killing of all dogs, the keeping of which is now so licensed. Upon all such license, the council may impose a reasonable tax for the use of the town, when any license is granted by the council for the sale of spiritous liquors, wine, porter, ale or beer, and drinks of like nature, it shall take from the person as licensed, a bond with approved secutity, in a penalty of not less than three thousand and five hundred dollars, payable to the State of West Virginia, and conditioned as prescribed in section twenty-two of Chapter thirty-two of the Code of West Virginia. The Council may provide for the punishment of such persons for the violation of any of the conditions of the said bond, and suit may be brought and maintained against such person and his sureties on such bond, for the same object, by the same person, in the same manner, and with like effect, as upon a bond taken under section mentioned; and also for any fines and costs that may be imposed by the Mayor for any offense against the town under its ordinances, involving a breach of the conditions of such bond. But no such license shall be granted unless the consent of the County Court shall be first obtained therefore; and such license shall be of uniform tax, at the rate of not less than five hundred dollars, and not more than nine hundred dollars in each instance, for each year. The council may revoke any such license for a breach of any of the

conditions of such bond, or for any good causes shown; but the person holding the license must first have reasonable notice of the time and place of hearing and adjudication of the matter as well as the cause alleged; and he shall be entitled to be heard; in person or by counsel in opposition to such revocation. The council may prescribe by ordinance, the manner in which licenses of all kinds shall be applied for and granted, and it may require the payement of the tax thereon before the delivery to the person applying therefore.

SECTION 35. THE TIME FOR WHICH LICENSE SHALL BE GRANTED

The provisions of the twenty-ninth section of chapter thirty-two of the Code of West Virginia, relating to State licenses, shall be deemed applicable to licenses of a similar character to those therein mentioned, and when granted by or under the authority of the council of the said town. License for the keeping of dogs shall also expire on the thirtieth day of April next after they are granted, and all other licenses may be for such time as the council may determine.

SECTION 36. CONDEMNATION PROCEEDINGS.

The council shall have the right to institute proceedings in the name of the town, for the condemnation of real estate, for streets, alleys, drains, market grounds, landings, wharves, city prison, or other work or purpose of public utility. Such proceedings shall conform to the provisions of Chapter forty-two of the Code of West Virginia, and the expense thereof shall be born by the town.

SECTION 37. WORK UPON STREETS.

Every male resident between the age of twenty-one and fifty years, not a pauper, may be required by the council, by himself, or an acceptable substitute, under the directions of the Street Commissioner to work not to exceed two days in each year, upon any of the streets and alleys of said town, or he may be released therefrom upon the payment to the Street Commissioner of a sum of money to be first by Council, to be used solely in making or improving such streets and alleys, and the council shall include in its levy an additional sum that may be necessary to make and keep in order such streets and alleys, as well as the drains, gutters, sidewalks and crosswalks, and to defray all other expenses incident thereto. The residents of the said town shall be and remain exhororated from the payment of district road taxes assessed by the County of Hancodk and from the performance of labor on roads outside of the corporate limits of said town.

SECTION 38 PAVEMENTS.

If the owner of occupant of any sidewalk, footway or gutter, or of the real property next adjacent thereto, shall fail or refuse to curb, pave or keep the same clean, and in repair, in the manner, or within the time required, by council it shall be the duty of the council to cause the same to be done at the expense of the town, and to assess the amojnt of such expense upon the owner or occupant, and the same may be collected by the Sergeant in the manner herein provided for the collection of town taxes. Upon the petition, in writing, of the persons owning the three quarter part of the lots fronting on or abounding on both sides of any street, or between a cross street and an alley, the council, by a majority of not less than two-thirds of all of the members, constituting said body, shall be authorized to order such part of any street or alley to be paved, between the sidewalks, with cobble stones, bricks or other suitable material, and a sewer to be constructed therein from one of such cross streets or alleys to the other, or to have the paving done without the construction of a sewer or a sewer constructed without such paving, under such regulations as it shall direct b ordinance, upon the lowest and best terms to be obrained by advertisement for bids or proposals therefore; and two-thirds of the cost of such paving, together with the cost of such sewer, or the cost of such sewer, when constructed without such paving shall be assessed to the owners of the lots, or fractional parts of lots abutting or

Abounding on that part of the street or alley so paved or sewered, in proportion to the distance so abutting or abounding on that part of the Street or alley so paved or sewered in proportion to the distance so abutting or abounding owned by each. The one-fourth shall be paid within thirty days after the completion of the work, and the remainder in three equal installments payable respectively at such times as the council may be ordinance fix, at the time of letting the contract for such work, The other one-third of the cost of said paving shall be born by the town. The intersection of streets, or of streets and alleys, paved or provided with sewer under this section, shall be correspondingly paved and sewered by council at the sole expense of the town. The sum or sums of money so assessed for paving or construction of sewers shall be a lien upon lots or fractional parts of lots upon which they are assessed, which lien may be enforced by suit in equity in any court having jurisdiction thereof, or the same or any installment thereof, may be collected by a suit at law, before any court or Justice of the Peace having jurisdiction thereof. All provisions of Chapter 174 of the Acts of 1872, and Chapter 34, of the acts of 1879, inconsistent with the act are hereby repealed.

APPROVED MARCH 7TH, 1891

An ordinance to adopt Chapter ninety-two Acts of the Legislature, passed February seventeenth, 1897, entitled "An Act to amend and reenact Sections one and thirteen of Chapter forty-seven of the Code of West Virginia".

Be it ordained and enacted by the Council of the Town of New Cumberland, and it is hereby ordained and enacted by authority of the same.

Section 1.

That chapter ninety-two of the acts of the Legislature passed February seventeenth, 1897, being an act entitled "An Act to amend and re-enact sections one and thirteen of chapter forty-sever (47) Code of West Virginia." Be and the same is hereby adopted as an amendment to, and made a part of the Charter of New Cumberland and

Section 2.

Be it further ordained that chapter ninety-two as aforesaid be spread upon the minutes and that this ordinance shall be in full force and effect from the date of its passage.

The chapter from Code referred to is as follows--Chapter 92, an act to amend and re-enact sections one and thirteen of the chapter forty-seven of the Code of West Virginia (passed February 17, 1897, in effect ninety days from its passage, approved February 19, 1897.)

Be it enacted by the Legislature of West Virginia--that sections one and thirteen of chapter forty-seven of the Code of West Virginia, be amended and re-enacted so as to read as follows;

1--

The cities, town and villages in this State, heretofore established under the laws of the State of West Virginia or of this State shall remain subject to the law now in force and applicable thereto, respectively, and the provisions hereinafter contained in this chapter, shall be deemed applicable only to cities, town, and villages, hereafter established, except that the municipal authorities, of cities, town, or villages, heretofore established, other than the City of Wheeling, may exercise the powers conferred by this chapter, although the same may not be conferred by their charter, and so far as this chapter confers power upon the municipal authorities of a city, town or village other than said City of Wheeling, not conferred by the charter of any city, town or village, the same shall be deemed as an amendment to said charter. Any city, town or village

in this State incorporated by special act of the legislature of Virginia, or of this State, and exercising the power conferred by this chapter, may by ordinance of the council of said city, town or village adopt this chapter, and thereafter the same officers shall be elected or appointed as are provided for by this chapter.

13--

The municipal authorities of said city, town or village, shall be a Mayor, REcorder, and the Councilmen who together shall form a Common Council, where the said city, town or village has not been divided into wards there shall be at least five councilmen but when the said city, town or village has been divided into wards, the Council may by ordinance determine the number of Councilmen to be selected from each ward. And when it is deemed necessary the council may by ordinance increase the number of wards and charge the boundaries thereof, the said wards to be made as nearly equal as may be in territory and population and when such city, town or village shall be divided into wards, or there shall be an increase in the number of wards as aforesaid, the council may increase the number of wards as aforesaid, the council may increase the number of councilmen and direct an election to be held in such ward as may have its full number residing therein and to give to each ward, equal representation in the council, and may be ordinance, provide for said election and prescribe the terms of office of all of the councilmen necessary to be elected. Provided that no such term of office shall exceed two years. No person shall be qualified to hold the office of Mayor, Recorder, or Councilman of such city, town or village, unless he is a legal voter and was qualified to hold the office of Mayor, Recorder, or Councilman of such city, town or village, unless he is a legal voter and was for the preceding year, assessed with and paid taxes upon at least one hundred dollars worth of real or personal property therein.

PROPOSED CHANGES OF TOWN CHARTER OF NEW CUMBERLAND

Sec. 40: It shall be the duty of the mayor, recorder, and council, in office at the time of the time of submission of the changes in the chapter to the voters, to perform all the duties in relation to holding such election as required by the general laws in holding municipal elections.

Sec. 41: If this act be adopted by the majority of the votes cast at said election then the mayor, recorder, and councilmen in office at the time of the adoption shall hold an election as made and provided in section four of this act, for the purposes of electing a mayor, recorder, and six councilmen, and the designation by lot the councilmen selected for the two year and four year terms as provided in section five, as to the two year and four years terms of councilmen.

Sec. 42: During the interim between the time when this act shall take effect and its adoption by the votes cast at a special election for ratification or rejection, the present officers of the town shall have and exercise the same authority as made and provided in the old charter. On and after the second Tuesday in July, one thousand nine hundred thirty-five, all officers elected on the second Tuesday in June, one thousand nine hundred thirty-five, shall take office, after qualifying, and all officers elected March eleven, one thousand nine hundred thirty-five, shall terminate, unless reelected under the provisions of this act.

Sec. 43: The town council may be ordinance or ordinances adopt any sections now in the state municipal code, or that hereafter may be adopted as a part of the said state municipal code.

Sec. 44: All ordinances, by-laws, resolution, and rules of the town of New Cumberland in force at the time of the passage of this act and the adoption thereof by the votes so cast in its ratification, which are not inconsistent therewith shall be and remain in full force and effect, until amended or repealed by the council of said town.

Sec. 45: All acts and parts of acts in conflict and inconsistent with this act are hereby repealed. If any clause, para raph, or section of this act should be declared to be unconstitutional, all clauses, paragraphs, and sections thereof shall not be affected thereby.

April 2, 1957

Council met in regular session with Mayor Albert Fuccy presiding. Councilmen present were Gilmer, Nardo, Vulgamore, and Katzenmeyer.

Minutes of the previous meeting were read and approved.

Pursuant to the motion made and unanimously adopted on the 7th day of February, 1957, a public hearing was held in the City Hall on the 25th day of March 1957 at 7:30 p.m., after the same had been advertised in the Independent and the Hancock County Courier, two local newspapers, as provided by law. At said public hearing, a number of citizens attended but no objection in writing was filed.
Therefore, the said amendment shall become operative on and after the 8th day of April, 1957.

Attest: _____ _____
City Clerk Mayor Albert Fuccy

NOTICE: TO THE VOTERS OF THE CITY OF NEW CUMBERLAND:
Notice is hereby given that a public hearing will be held in the City Building, Jefferson St., New Cumberland, West Virginia, on the 25th day of March, 1957 at 7:30 p.m. for the purpose of amending the town charter to eliminate the necessity of electing a recorder.

At said hearing, the proposed amendment will be considered and any elector of the city may appear and file objections, in writing. If no objections are filed, the said amendment shall become operative on and after the 8th day of April, 1957.

New Cumberland City Council
by Albert Fuccy, Mayor

Attest: Mary Lou Wagner, Recorder
Pub. Feb. 21, 28, Mar, 7, 1957.

Mayor Albert Fuccy issued his proclamation that the election be held on Tuesday, June 11, 1957.

Motion by Gilmer, seconded by Katzenmeyer, that the the City of New Cumberland, adopt Daylight Savings Time, April 28, 1957 to September 28, 1957. Motion carried.

Under discussion were delinquent water bills. Council ordered delinquent bills be collected with no adjustments to be made. If turned in for collection, six per cent interest to be added to the bills.

Motion by Nardo, seconded by Katzenmeyer that the bills be paid. Motion carried. Council adjourned.

Mary Lou Wagner, City Clerk

February 7, 1957

The council of the City of New Cumberland met in a continued session with Mayor Fuccy presiding. The following councilmen were present: Gilmer, Nardo, Chaney, Katzenmeyer and Vulgamore.

Motion by Katzenmeyer, seconded by Nardo, that effective March 1, 1957 the offices of Town Sergeant, Water Superintendent be eliminated and done away with and the duties of the same be assumed by the Recorder. The Recorder shall have quarters in the City Building which he/she shall keep open from 9 a.m. to 5 p.m., Monday through Friday, inclusive; Saturday, 9 to noon. The Recorder, shall effective, March 1, 1957, be known as City Clerk as well as Recorder and shall receive a monthly salary of $200.00 per month, effective March 1, 1957. Motion carried unanimously.

Motion by Vulgamore, seconded by Chaney, that the rules be suspended for the purpose of amending and re-enacting Section 3 of the Town Charter. Motion unanimously carried.

Motion by Katzenmeyer, seconded by Vulgamore that Sections 3 and 5 of the Town Charter of New Cumberland be amended and re-enacted to read as follows:

> Officers - Sec. 3. The officers of said town shall be Mayor and two councilmen from each ward. The Mayor shall be elected by the qualified voters of the town and the councilmen by the qualified voters of the respective wards. The other officers shall be appointed by council but office of Mayor shall not be incompatible with any of the appointive offices. All the appointive offices, in so far as possible, may be held in whole or in part by the Mayor.
>
> No person shall be eligible to any elective office unless he is a legal voter and was for the preceding year assessed with and paid taxes upon at least $100.00 worth of real estate therein.

Motion unanimously carried.

Legal notice to be published February 21 and 28, and March 7th, 1957, for a public hearing.

Council recessed.

Mary Lou Wagner, Recorder

CITY OF NEW CUMBERLAND

P.O. BOX 505 • NEW CUMBERLAND, WEST VIRGINIA 26047 • 1-(304) 564-3383

OATH OF OFFICE

I, Timothy P. Crago do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Mayor of the City of New Cumberland, West Virginia, beginning 12:01 A.M. January 1,1994, to the best of my skill and judgement, so help me God.

Timothy P. Crago
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 30th day of December, 19 93.

SIGNATURE AND TITLE

Attest:

Jacqueline L. Pelsom
SIGNATURE AND TITLE

CITY OF NEW CUMBERLAND

P.O. BOX 505 • NEW CUMBERLAND, WEST VIRGINIA 26047 • 1-(304) 564-3383

OATH OF OFFICE

I, Jackie Robson do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of City Clerk of the City of New Cumberland, West Virginia, beginning 4:00 P.M., August 9, 1993, to the best of my skill and judgement, so help me God.

Jackie Robson, City Clerk
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 9th day of August, 1993.

John P. Harris Sr
SIGNATURE AND TITLE

Attest:

Human Capital Investigator
SIGNATURE AND TITLE

CITY OF NEW CUMBERLAND

P.O. BOX 505 • NEW CUMBERLAND, WEST VIRGINIA 26047 • 1-(304) 564-3383

OATH OF OFFICE

I, Jerry Everly do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia and that I will faithfully discharge the duties of Councilman of the City of New Cumberland, West Virginia, beginning 12:01 a.m., July 1, 1993, to the best of my skill and judgment, so help me God.

Jerry Everly
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 24th day of June, 1993.

Jim Wells - Councilman
SIGNATURE AND TITLE

Attest:

Jackie Rabson, City Clerk
SIGNATURE AND TITLE

CITY OF NEW CUMBERLAND

NEW CUMBERLAND, W. VA. 26047

1-(304)-564-3383

OATH OF OFFICE

I, Howard Hartung do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Councilman of the City of New Cumberland, West Virginia, beginning 12:01 a.m., July 1, 1991, to the best of my skill and judgment, so help me God.

Howard L. Hartung
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 25th day of June, 1991.

Amy James Boyles
SIGNATURE AND TITLE City Judge

Attest:

Gale S. Thomas
SIGNATURE AND TITLE City Clerk

CITY OF NEW CUMBERLAND

P.O. Box 505 • New Cumberland, West Virginia 26047 • 1-(304) 564-3383

OATH OF OFFICE

I, Jim Wells do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia and that I will faithfully discharge the duties of Councilman of the City of New Cumberland, West Virginia, beginning 12:01 a.m., July 1, 1993, to the best of my skill and judgment, so help me God.

Jim Wells
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 24th day of June, 1993.

Gary Everly Councilman
SIGNATURE AND TITLE

Attest:

Jackie Robison, City Clerk
SIGNATURE AND TITLE

CITY OF NEW CUMBERLAND

P.O. BOX 505 • NEW CUMBERLAND, WEST VIRGINIA 26047 • 1-(304) 564-3383

OATH OF OFFICE

I, Richard Blackwell do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Councilmen of the City of New Cumberland, West Virginia, beginning 7:00 P.M. February 7, 1994 to the best of my skill and judgement, so help me God.

Richard Blackwell
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 7th day of February, 19 94.

Timothy P. Crago Mayor
SIGNATURE AND TITLE

Attest:

Jacqueline L. Robison, City Clerk
SIGNATURE AND TITLE

CITY OF NEW CUMBERLAND

P.O. BOX 505 • NEW CUMBERLAND, WEST VIRGINIA 26047 • 1-(304) 564-3383

OATH OF OFFICE

I, William Ross do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Councilmen of the City of New Cumberland, West Virginia, beginning February 22, 1994 3:30 P.M. to the best of my skill and judgement, so help me God.

William Ross
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 22nd day of February, 19 94.

Timothy P. Chago, Mayor
SIGNATURE AND TITLE

Attest:

Jacqueline L. Robson
SIGNATURE AND TITLE

CITY OF NEW CUMBERLAND

NEW CUMBERLAND, W. VA. 26047

1-(304)-564-3383

OATH OF OFFICE

I, Larry Binkoski do hereby solemnly vow that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Councilman of the City of New Cumberland, West Virginia, beginning 12:01 a.m., July 1, 1991, to the best of my skill and judgment, so help me God.

Larry Binkoski
SIGNATURE OF OFFICIAL

Taken, sworn to and subscribed before the undersigned authority this the 25th day of June, 1991.

Amy James Boyle
SIGNATURE AND TITLE City Judge

Attest:

Gale S. Thomas
SIGNATURE AND TITLE City Clerk

ORDINANCE NO. 94- 003

An Ordinance Increasing Water Service Fees In The City of New Cumberland

BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF NEW CUMBERLAND:

Comes the Council of the City of New Cumberland and hereby enacts the following Ordinance setting water service fees:

Section 1. Definitions. As used in this ordinance, unless the context otherwise requires:

(a) "Person" shall mean and include any individual, firm or co-partnership, joint adventure, association, corporation, trust, or any other group or combination acting as a unit.

(b) "Consumer" shall mean any person eligible for water service by the City of New Cumberland.

Section 2. Imposition of Fees. There is hereby levied and shall be collected monthly fee upon any person receiving water service from the City of New Cumberland.

Section 3. Computation of Rates. The rate imposed by this ordinance shall become due at the end of each month. The fee for this service shall be based upon the number of gallons used per month. The rates for water service shall be as follows:

1) $2.00 per thousand for use up to 2,000 gallons.

2) $1.31 per thousand for the next 198,000 gallons.

3) $1.06 per thousand gallon for use over 200,000 gallons.

4) A minimum monthly charge of $4.00 for all meter sizes.

5) A $15.00 reconnection fee.

Section 4. Payment. Every remittance of the fee imposed by this ordinance shall be made by bank draft, certified check, money order, or certificate of deposit, to the water clerk/sewage clerk who will place the money into the city's water account to be kept and accounted for as provided by law.

Section 5. Penalty for Non-Payment.

a) Any account not paid in full within twenty (20) days from the date of the bill, ten percent (10%) will be added to the amount due. This delayed payment penalty is not interest and is only collected once for each bill where it is appropriate. If such a failure is due to reasonable cause, the city council may waive or remit in whole or in part the penalties prescribed by this section.

Section 6. Administration and Enforcement. The administration of this ordinance is vested in, and shall be exercised by, the city clerk, who shall prescribe forms and reasonable rules in conformity with this ordinance for making the rules of fees and for the ascertainment, assessment and collection of the tax imposed hereunder. The city attorney shall render any necessary assistance to the city clerk in the enforcement of this ordinance.

Section 7. Severability. The provisions of this ordinance are severable and if any provision or part hereof shall be held invalid for any reason, such invalidity shall not affect or impair any of the other provisions or parts of this ordinance. It is hereby declared to be the intent of council that this ordinance would have been adopted if such invalid provision or part hereof had not been included herein.

Section 8. Effective Date. This ordinance shall become effective on the 1ST day of JULY, 1994.

Section 9. Ordinance Procedure.

(1) This Ordinance shall be read at not less than two (2) meetings, with at least one (1) week intervening between such meeting:

(2) At least five (5) days before the meeting at which such ordinance is finally adopted the governing body shall cause notice of the proposed adoption of said ordinance to be published in at least one newspaper of general circulation in said city to at least one publication, stating the subject matter of such ordinance and the time and place of the proposed final note on adoption, and as well the place or places within the city where such ordinance may be inspected by the public.

(3) This ordinance shall not be finally passed until after three (3) days from the date of publication and until all interested parties have been given an opportunity to attend a meeting of the council and be heard with respect to such ordinance.

First reading: March 7, 1994

Second reading: April 4, 1994

Effective Date: July 1, 1994

Timothy P. Crago
Mayor

Approved as to form:

Michael J. [illegible]
City Attorney

Attest:

Jacqueline L. Robson
City Clerk

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
AT CHARLESTON

Entered: August 31, 1994

CASE NO. 94-0190-S-CN

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Application for a certificate of convenience and necessity to construct a .18MGD secondary sewage treatment facility at New Cumberland, Hancock County, and for approval of financing and rates and charges incidental thereto.

CASE NO. 94-0319-S-MA

CITY OF NEW CUMBERLAND, a municipal corporation, Hancock County.
Investigation and suspension of increase in sewer rates and charges, as a result of a petition filed in accordance with West Virginia Code §24-2-4b.

RECOMMENDED DECISION

CASE NO. 94-0190-S-CN

On March 14, 1994, the City of New Cumberland (City), a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct a .18MGD secondary sewage treatment plant using the sequential batch reactor process at New Cumberland, Hancock County. This application was designated as Case No. 94-0190-S-CN.

The City estimated that construction will cost approximately $2,331,219, and would be financed through a HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,006,333. The City proposed that the rates and charges for the project be: $16.17 per 1,000 gallons for the first 2,000 gallons and $3.59 for each additional 1,000 gallons. A minimum sewage charge of $32.34 would be applicable for usage under 2,000 gallons.

By Order entered March 14, 1994, the City was directed to give notice of the filing of the application by publishing a copy of the March 14, 1994 Order, once in a newspaper, duly qualified by the

Secretary of State, published and of general circulation in the City of New Cumberland, making due return to the Commission of proper certification of publication immediately after publication. The notice further provided that anyone desiring to make objection to the application must do so, in writing, within thirty (30) days after the publication of the notice, to P. O. Box 812, Charleston, West Virginia. The order provided that, if no protests are received within the 30-day period, the Commission may waive formal hearing and grant the City's application, based upon the evidence submitted with the application.

On March 25, 1994, the District provided a copy of the bid specifications, plans and the approval letter from the Division of Environmental Protection.

On March 28, 1994, the Commission received an affidavit of publication indicating that the Notice of Filing was published in the Hancock County Courier, a newspaper published in the City of New Cumberland, West Virginia, on March 24, 1994.

On March 28, 1994, Commission Staff filed its Initial and Final Joint Staff Memorandum. Staff noted that the City had not filed a copy of its ordinance indicating that the City's proposed rates had been adopted.

By Order issued April 4, 1994, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before October 9, 1994.

CASE NO. 94-0319-S-MA

On April 4, 1994, the City of New Cumberland, a municipal corporation, adopted an ordinance increasing its rates and charges for sewer service to its customers to become effective July 1, 1994. Public notice of the proposed adoption by the City of New Cumberland of the ordinance amending the New Cumberland City Code and its tariff pertaining to sanitary sewer service rates and charges was published on March 30, 1994 in the Herald Star, a newspaper published and of general circulation in Hancock County. The notice advised that copies of the proposed ordinance would be available for inspection in the Office of the City Clerk in the City Building and that any interested parties may appear and be heard at the meeting on April 4, 1994, at 7:00 p.m., in the Council Chambers of the New Cumberland City Building.

On April 18, 1994, the Commission received a petition in opposition to the City of New Cumberland's sewer rate ordinance signed by approximately 38% of the City's customers, sufficient to generate a municipal appeal and Commission review of the rate ordinance. This filing was designated as Case No. 94-0319-S-MA.

By Order entered on April 25, 1994, the Commission invoked jurisdiction over the City's sewer rate ordinance pursuant to the provisions of West Virginia Code §24-2-4b and suspended the use of the rates contained in the ordinance until 12:01 a.m., October 30, 1994, to enable the Commission to investigate the proposed rates. Commission

Staff was ordered to submit a report on the rates by August 12, 1994, and this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before September 30, 1994.

On May 6, 1994, the City of New Cumberland filed a petition for an emergency rate increase to be collected during the pendency of this proceeding.

By Order issued on May 16, 1994, the undersigned was appointed to review and decide this matter.

By Interim Recommended Decision issued on June 6, 1994, the undersigned denied the City's request for an emergency rate increase.

By Procedural Order issued June 6, 1994, Case Nos. 94-0190-S-CN and 94-0319-S-MA were consolidated for decision and set for hearing to be held on August 18, 1994. The City was directed to give notice by publication of the scheduled hearing.

On July 5, 1994, the Commission received a copy of the bids for construction of the waste water treatment plant indicting that the responsible bid is approximately $5,000 over the engineer's estimate.

On August 10, 1994, the Commission received an affidavit of publication indicating that the notice of hearing was published on July 28, 1994, and August 4, 1994, in the Hancock County Courier, a newspaper published in the City of New Cumberland.

On August 12, 1994, Staff filed its recommendation regarding the certificate application. Staff indicated that the total construction cost of the project is $2,331,219 and that the project is to be funded through a HUD Small Cities Block Grant in the amount of $154,816; an EPA Grant in the amount of $1,170,070 and a West Virginia WDA Loan in the amount of $1,006,333. Staff advised that, on April 4, 1994, the City adopted an ordinance increasing its sewer rates for the proposed project but that protests were received. The Commission invoked its jurisdiction pursuant to West Virginia Code §24-2-4b and suspended the rates and charges proposed by the City. Staff noted in its review of the certificate application that the City has entered into a Consent Decree with the Division of Environmental Protection for improving the effluent characteristics of the City's treatment system; that DEP has informed the City that construction must begin by September 30, 1994, or all remaining federal funds will be terminated; that the engineer's original cost estimate was $1,885,250; that the City has received a proposed bid of $1,890,000 from the Merit Construction Company, which is $4,750 over estimate; and that Staff has received a copy of the City's modified NPDES Permit and concurs with the technical review. Staff's engineer recommended that the construction contract be awarded to the lowest bidder, Merit Construction Company, and that the $4,750 cost overrun be provided from the project contingency. Staff recommended approval of the application and advised that a review of the rates and financial aspects of the project will be provided in Case No. 94-0319-S-MA.

Also, on August 12, 1994, Commission Staff filed its reports regarding the municipal appeal, Case Nos. 94-0319-S-MA. These reports consist of an engineering allocation factors for class cost of service study report, a class cost of study and revenue requirements report and a Staff Rule 42 Exhibit.

The hearing convened as scheduled on August 18, 1994. Appearing on behalf of the Applicant was Lawrence L. Manypenny, Esquire. Appearing on behalf of Commission Staff was Ronald Robertson, Esquire. No persons wished to intervene in the matter. Briefing was waived by the City and Commission Staff.

On August 24, 1994, the Commission received correspondence on behalf of the City providing corrections to the transcript.

EVIDENCE

The first person to testify on behalf of the City was Craig K. Bower, Vice President of KLH Engineers. (Tr., pp. 6-7). Mr. Bower has been the lead engineer on the project and project manager in charge of the design of the sewer treatment plan facilities. (Tr., p. 8). Mr. Bower explained that West Virginia law requires that the City treat its sewage differently than it previously had and the design of the new system will help eliminate any potential health hazards in the area. (Tr., p. 8). Merit Construction Company has provided the lowest bid which Mr. Bower feels is reasonable for the project. (Tr., p. 8).

Mr. Bower confirmed that the City has entered into a Consent Decree and a second amended Consent Decree outlining time periods for the City to complete a secondary sewage treatment plant. He also confirmed that the City had been advised that certain grant monies would be in jeopardy if construction did not commence for the project by September 30, 1994. (Tr., p. 9). The City explored a number of alternatives in treating its sewage before deciding to build a plant and Mr. Bower feels the plant will substantially serve all the residents of New Cumberland. (Tr., p. 9). The City of New Cumberland's sewage is presently disposed of in the Ohio River and untreated sewage can result in health hazards to downstream users. (Tr., pp. 9-10). Continuation of disposal of sewage in the Ohio River would be a violation of federal and state statutes by the City. (Tr., p. 10). Mr. Bower explained that the City's average daily flow is below 120,000 gallons per day. The new plant is designed for 180,000 gallons per day to allow for a modest expansion. The modular design of the system allows for growth in the area if the outlying community chooses to hook up to the system. (Tr., p. 13). Exhibits 1 and 2, which consisted of a second amended Consent Decree and a letter from the Division of Environmental Protection to the City of New Cumberland regarding the funding, were received into evidence. (Tr., p. 13).

The next person to appear on behalf of the City was Mark W. Bischoff. Mr. Bischoff is employed by Wiseman Hutzell Company, Accountants, Wheeling, West Virginia. (Tr., pp. 14-15). The firm was

hired by the City to prepare a Rule 42 Exhibit. (Tr., p. 15). Mr. Bischoff indicated that he had reviewed the City's Rule 42 and the three reports filed by Commission Staff on August 12, 1994. (Tr., pp. 15-16). Mr. Bischoff testified that the City accepts Staff's figures contained in the Staff Rule 42 Exhibit and accepts Staff's recommended rates and charges for this project, with regard to both the interim recommended rate and the permanent recommended rate. (Tr., p. 17). The interim rate is the rate to be charged during construction and the permanent rate is to be charged upon completion of the project and availability of service to all customers. (Tr., p. 17).

The first person to testify on behalf of Commission Staff was James W. Ellars, Staff Engineer in the Utilities Division of the Public Service Commission. Mr. Ellars' testimony was directed toward the certification of the project. (Tr., p. 20). Staff recommended approval of the certificate of convenience and necessity. Staff indicated that the Division of Environmental Protection has entered into Consent Decrees with the City. The Consent Decrees provide for a compliance schedule for the City, with the construction of the project to commence no later than September 30, 1994. (Tr., p. 21). Mr. Ellars confirmed that failure to initiate the contract prior to September 30, 1994, will result in grant termination for all remaining federal grants. The City presently has funds and commitments available to build the particular treatment plant. The commitments include a HUD Small Cities Block Grant in the amount of $154,814,000; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,633,000. (Tr., p. 22; Utilities Division's Memorandum received August 12, 1994).

Mr. Ellars confirmed that in excess of 55% of the funds for the sewage treatment facility are federal funds. Therefore, the City is subject to lose 55% of the funding for the construction of the facility if construction does not timely commence. (Tr., pp. 23-24). Mr. Ellars further explained that the original construction cost of the project was $1,885,250 and the lowest bid for the project was $1,890,000. The additional $4,750 could be obtained from the project contingency. (Tr., p. 24; correspondence received August 24, 1994). Staff has reviewed the modified NPDES permit and concurs with the review of the DEP. The most recent permit modification number is West Virginia 0025119-A and was dated August 26, 1992. Mr. Ellars' recommendation filed August 12, 1994, concerning the certificate of convenience and necessity was received into evidence as Staff Exhibit No. 1. (Tr., p. 25).

The next person to testify on behalf of Commission Staff was Birdie Gandy, Utilities Analyst in the Water and Sewer Section of the Utilities Division of the Public Service Commission. Ms. Gandy prepared the Staff Rule 42 Exhibit which consisted of Staff's review of the City's books and records and its adjustments. (Tr., pp. 26-27). Ms. Gandy testified that she analyzed the City's expenses and revenues as compared with the City's annual report. She made a few adjustments to the accounts payable, posting errors, etc., and made going-level adjustments which reflect what would be expected to happen in the next twelve months. (Tr., p. 27). The City's requested rates would produce an operating revenue of $270,000, other income (interest income) of $1,228, operating expenses of

$136,000, payroll taxes of $4,657, interest on a long-term debt of 70,000, and a bond retirement of $16,000, leaving a surplus of $43,935. Staff's Rule 42 Exhibit was marked and received into evidence as Staff Exhibit No. 2. (Tr., p. 31).

Mr. Ellars was recalled to the stand to sponsor Staff Exhibit No. 3 entitled "Engineering Allocation Factors for a Cost of Service Study" for the sewage plant project. (Tr., p. 37). Mr. Ellars explained that, as part of the cost of service allocation to ensure fair and equitable sewer rates for the customers throughout the City, Commission Staff must develop a set of allocation factors for each class of customers. The four classes were identified as residential, commercial, industrial and public authority. The allocation factors are based upon the commodity/demand method of water allocation that is published in the American Water Works Association Water Rate Manual. (Tr., p. 32). Certain costs are allocated to each of the customer classes based on a usage pattern. Maximum day and maximum hour costs are allocated to each class. With regard to sewer, a percentage must be derived for each customer class that would account for the amount of water that does not enter the sewer system. Without any actual flow data, that percentage must be estimated. In this instance, Staff has assumed that 90% of the water of all residential, industrial and public authority customers will enter the sewer system. Staff assumed that 95% of the water consumed by the commercial class of customers will enter the sewer system. The engineering allocations are used by the rate designer to determine the percentage of revenue to be obtained from each class of customer. The rate designer then allocates the total costs and matches up a revenue requirement from the costs. (Tr., p. 36).

Mr. Ellars testified that, with regard to effluent that enters the water stream, any commercial customer that places an excessive loading on the treatment process by virtue of foreign matter would be in violation of the NPDES permit. The Division of Environmental Protection would be in charge of enforcement proceedings against any commercial customer engaging in such activity. (Tr., p. 39). Staff's report did not take into consideration any extra type of loading factors, or effluent that would require additional treatment, because that was disallowed under the DEP Permit. Staff's allocations were based strictly on percentage of use. (Tr., p. 40). Staff further indicated that it was not aware of any commercial customers in the area that would be generating any type of effluent that would create a special expense for its treatment. (Tr., p. 41).

The last person to testify on behalf of Commission Staff was Robert R. McDonald, Senior Utilities Analyst in the Water and Sewer Section of the Utilities Division of the Public Service Commission. (Tr., p. 42). Mr. McDonald prepared and sponsored Staff's Class Cost of Service Study and Revenue Requirements report identified as Staff Exhibit No. 4. (Tr., p. 42). Staff Exhibit No. 5 was an addition to the report which included the Cash Flow Analysis for Staff's recommended permanent rates for the project. (Tr. pp. 42-43). Mr. McDonald utilized the Rule 42 Report prepared by Birdie Gandy and the Allocation Cost Factors prepared by Mr. Ellars to prepare a rate design for the City both on an interim basis and a permanent basis. Mr. McDonald testified that the interim rates are to

go into effect as soon as possible. The rates would change only in the block after 2,000 gallons of consumption. The $1.20 per thousand gallons after two thousand gallons increases to $1.50 per thousand gallons. The minimum charge of $10.80 will not change under the interim rates. (Tr., p. 44). The increase provides for approximately $5,030 in revenue. Normal usage of a household is 4,500 gallons per month. The City's current rates for 4,500 gallons per month based on a quarterly billing cycle would increase from $41.40 to $43.65, for a 5.43% increase. The minimum bill on a quarterly basis would be $32.40. (Tr., p. 45). The interim rates will provide the City with a remaining cash surplus available for capitalization of $6,000 with a debt coverage ratio of 163%. The interim rate is to discontinue when the construction of the sewer project is completed and is in service to the public. (Tr., pp. 46-47).

Staff's permanent recommended rate provides for rates and charges for the actual sewer treatment plant to be certificated in this case. The permanent rates would provide for total sales revenue of $236,796.00; total cash available $244,032; cash requirements before debt service of $140,993; and cash available after debt service of $103,039. The debt service in total will increase from $9,451 to $91,039 and the remaining cash available for construction will increase from $6,000 to $12,000. The coverage ratio will be 119%, which is in excess of the 110% required by the bond ordinance. (Tr., p. 48). The permanent rates are to go into effect after the construction project is complete or operational. (Tr., p. 49). Staff's permanent recommended rate is $7.89 per thousand gallons per month, with a minimum charge of $15.78 per month, based on two thousand gallons. The project is to be operational by December 31, 1995. (Tr., p. 51). The permanent recommended rates are to go into effect upon completion of the project and availability of service to the customers. (Tr., p. 51). A minimum permanent quarterly rate will be $47.34, if the City continues its quarterly billing. (Tr., p. 52). Mr. McDonald confirmed that additional expenses were not provided in the project for monthly billing cycles. (Tr., p. 53). Any water consumed over the two thousand gallon minimum is $7.89 per thousand, since the permanent recommended rate has only one block. (Tr., p. 54). Mr. McDonald explained that the single block rate best recovers uniformly all the costs of providing service to the various customer classes. Staff considered restructuring the blocking schedule but the single block rate best recovered the amount of money that was needed from the various customer classes. (Tr., pp. 54-55).

The City confirmed that the present rates will remain in effect until a final order of the Commission is issued. (Tr., p. 57). All parties waived the right to file findings of fact, conclusions of law or a brief in this matter and an expedited transcript was requested in this matter. (Tr., p. 57).

FINDINGS OF FACT

1. On March 14, 1994, the City of New Cumberland, a municipal corporation, Hancock County, filed an application, duly verified, for a certificate of convenience and necessity to construct a .18MGD secondary

sewage treatment plant using the sequential batch reactor process at New Cumberland, Hancock County. (See, Application).

2. The City estimated that construction costs would be approximately $2,331,219 and would be financed through a HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant (EPA) in the amount of $1,170,070; and a West Virginia Water Development Authority Loan (WDA) in the amount of $1,006,333. (See, Tr., p. 27; Utilities Division Memorandum received August 12, 1994).

3. Commission Staff has recommended approval of the certificate of convenience and necessity inasmuch as the Division of Environmental Protection has entered into a Consent Decree with the City and has approved the proposed modifications in the City's treatment system by permit modification number West Virginia 0025119-A issued August 26, 1992. (See, Tr., pp. 21, 25; Staff Exhibit No. 1).

4. Notice of the proposed project was given by the City in accordance with West Virginia Code §24-2-11. (See, Affidavit of publication received March 28, 1994).

5. On April 4, 1994, the City of New Cumberland adopted an ordinance increasing the rates and charges for sewer service to its customers to become effective July 1, 1994. (See, Affidavit of publication received April 22, 1994; rate ordinance received April 23, 1994).

6. On April 18, 1994, the Commission received a petition from approximately 250 of the City's 650 sewer customers in opposition to the increased sewer rates to be charged by the City. (See, Petition received April 18, 1994).

7. By Order issued April 25, 1994, the Commission invoked its jurisdiction pursuant to West Virginia Code §24-2-4b and suspended the use of the rates and charges of the City until 12:01 a.m., October 30, 1994. (See, Order issued April 25, 1994).

8. Commission Staff has recommended a rate of $5.40 per thousand gallons per month for the first two thousand gallons and $1.50 per one thousand gallons per month for all usage over two thousand gallons of water, with a minimum bill of $10.80 per month, to be charged by the City of New Cumberland on an interim basis until the Staff-recommended permanent rates become effective. (See, Staff Exhibit No. 4, Tr., p. 44).

9. Commission Staff has recommended permanent sewer rates and charges of $7.89 per thousand gallons per month, with a minimum charge of not less than $15.78 per month, to be charged by the City of New Cumberland once the sewer treatment plant and project has become operational. (See, Staff Exhibit Nos. 4 and 5; Tr., pp. 49-52).

10. The City agreed to accept Staff's recommended rate structure outlined in Staff's Exhibits concerning both the Staff-recommended interim rate and the Staff-recommended permanent rate. (See, Tr., p. 17).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the proposed project in Case No. 94-0190-S-CN.

2. The proposed project in Case No. 94-0190-S-CN will provide adequate service and is adequately financed.

3. The City has agreed to accept Staff's recommended rates on an interim and permanent basis and it is reasonable that Staff's recommended interim rates be approved for all services rendered on or after this order becomes a final order of the Commission and that the permanent rates become effective upon completion of the project certificated in Case No. 94-0190-S-CN when service is available to the City of New Cumberland's customers.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the City of New Cumberland on March 14, 1994, for a certificate of convenience and necessity to construct a 0.180MGD secondary sewage treatment facility at New Cumberland, Hancock County, be, and hereby is, approved.

IT IS FURTHER ORDERED that the financing of the proposed project, being a HUD Small Cities Block Grant in the amount of $154,816; an Environmental Protection Agency Grant in the amount of $1,170,070; and a West Virginia Water Development Authority Loan in the amount of $1,006,333, be, and hereby is, approved.

IT IS FURTHER ORDERED that, if there is a change in any of the terms, conditions or scope of the project or financing, the City of New Cumberland shall notify the Commission immediately and it shall request Commission approval of the revised project or financing.

IT IS FURTHER ORDERED that the City of New Cumberland notify the Commission within thirty (30) days of the completion of the project.

IT IS FURTHER ORDERED that the Staff-recommended interim rates, attached hereto as Appendix A, as agreed to by the City of New Cumberland, be, and hereby are, approved, to become effective for all service rendered on or after this order becomes a final order of the Commission and shall continue in effect until the Staff-recommended permanent rates become effective.

IT IS FURTHER ORDERED that the Staff-recommended permanent rates, attached hereto as Appendix B, as agreed to by the City of New Cumberland, be, and hereby are, approved, to become effective for all services rendered on or after the date that the project certificated in Case No. 94-0190-S-CN becomes operational.

IT IS FURTHER ORDERED that these proceedings be, and hereby are, dismissed and removed from the Commission's docket of open cases.

IT IS FURTHER ORDERED that the City of New Cumberland file revised ariff sheets setting forth the increased rates as recommended by Commission Staff within ten (10) days of the date that this order becomes a final order of the Commission.

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

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

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

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

Susan A. Murensky
Administrative Law Judge

SAM:pst

APPENDIX A

CITY OF NEW CUMBERLAND
CASE NOS. 94-0190-S-CN and 94-0319-S-MA
APPROVED INTERIM RATES

APPLICABILITY

Applicable in entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY

Available for sanitary sewer service.

RATES

First	2,000 gallons	$5.40 per 1,000 gallons per month
All over	2,000 gallons	1.50 per 1,000 gallons per month

MINIMUM CHARGE

No bill will be rendered for less than $10.80 per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

$ 250.00

APPENDIX B

CITY OF NEW CUMBERLAND
CASE NOS. 94-0190-S-CN and 94-0319-S-MA
APPROVED PERMANENT RATES

APPLICABILITY

Applicable in entire territory served, which is totally within the corporation limits of the City of New Cumberland.

AVAILABILITY

Available for sanitary sewer service.

RATES

$7.89 per 1,000 gallons per month.

MINIMUM CHARGE

No bill will be rendered for less than $15.78 per month.

DELAYED PAYMENT PENALTY

The above tariff is net. On all current usage billings not paid within twenty (20) days, ten percent (10%) will be added to the net current amount unpaid. This delayed payment penalty is not interest and is to be collected only once for each bill where it is appropriate.

TAP FEE

$ 250.00

Regular Session of Council
March 7, 1994

Meeting was called to order by Mayor Crago at 7:00 P.M. Those present were L. Binkoski, D. Blackwell, J. Everly, B. Ross. Wells was absent due to his work schedule. Hartung was absent because of illness.

Everly made a motion to accept the minutes from the previous meeting and have them signed by the mayor. Second by Blackwell. Motion carried.

Committee Reports

Finance - Report was given by City Clerk. The finance committee met on March 4. The committee is recommending to council that a HMO plan be purchased for the chief of police, with the city paying 80% and the chief paying 20%. The plan will cost the city approximately $221.21 per month with the chief paying $55.30. A $50.00 dollar a month increase was recommended for the city judge, which will take him from $200.00 a month to $250.00 a month. It was also recommended that a .25 an hour raise be given to Thomas McGowan. The 1994-1995 budget was prepared with a estimated income of $180,093.00. Everly made a motion to accept the .25 an hour raise for McGowan. Second by Binkoski. Motion carried. Blackwell made a motion to approve the HMO plan for the chief of police. Second by Binkoski. Motion carried. Everly made a motion we accept the $50.00 a month increase for the city judge. Second by Binkoski. Motion carried. Ross made a motion we accept the 94-95 budget. Second by Blackwell. Motion carried.

Police - Hamilton reported that 52 calls had been answered for the month of March. There was 3 incidents, 2 thefts, 5 accidents and 31 citations were issued. He noted that the department is going to deal with Staley Communications instead of A.V. Lauttamus. The new officers are doing well, car 41 has been put strictly on day light hours because of its condition.

Water - Everly stated at their last meeting they had decided to take an extensive look at changing from Chlorination to ultra violet. Because of complications at the present time Everly recommends that we stay with chlorination. It was suggested that they have Aqua Tec come in and check for leaks. It was also discussed about giving Pat Jones a .25 an hour raise.

Streets - Binkoski noted that he would like to start patching in the month of May with an estimated cost of $2,000.00. He has received three requests for speed bumps and a one way sign. The location for the speed bumps are alley behind drug store, alley between 2nd and 3rd avenue on the north end and N. Chestnut Street half way down.

Mayor's Comments - Crago thanked the fire department for turning the upstairs of the city building back to the city and J. Robson

for painting of the city building sign.

Humane Control Investigator - Staley noted that the swans had been relocated. One call was received on the leash law which has been taken care of. Several calls has been received on stray cats.

City Clerk Comments and Correspondence - It was noted that we are going to purchase a copier and a fax machine and if council had any suggestions concerning either of these items the clerk would appreciate the help.

AGENDA

Proclamation - "A Living Legacy" - Phyllis Dicks - The proclamation was read by Crago declaring the week of April 24-30 as A Living Legacy week when the Rhododendron Rebekah Lodge will plant a rhododendron bush at the Pride Park Extension.

T.C.I. (Franchise Ordinance) - Crago asked Simon where we stood with this ordinance. We have one in effective but at the present time are not collecting any money from T.C.I. Simon stated that T.C.I. does not feel that they should have to pay this 5% fee, but are willing to meet with the city and negotiate this fee. Simon will set up a meeting with T.C.I. and see if this can be worked out.

Re-Adopt Ordinance Chapter 17, 17A, 17B, 17C and 17D - Everly made a motion we accept the first reading of this ordinance. Second by Blackwell. Motion carried.

A.I.R. - Bill Currance stated that they are in the process of finishing up the cement work for the new pad.

Citizen's Letter - Crago noted that he had received a letter of complaint from Kurt Swan about the on going noise from A.I.R. plant. Crago asked Currance what he was going to do about this complaint. Currance gave a letter to council members from Occupational Health Consultants, Inc. This company came to A.I.R. and tested various locations for noise. There was no area tested that was uncommonly loud. Swan commented that some of the noise has decreased, but that he feels it could be cut down more. He feels that the noise makes the living conditions unbearable. Currance said that he is not permitted to put any modifications on the stack, but he will check into this to see if there is anything else that can be done. Everly wanted Currance to be aware of complaints coming in about the loader being ran at all hours of the night. Currance said he will see that this is taken care of.

Follow Up Letter From TCI - TCI's reply concerning the bad reception of the channels 2, 4, and 7 are related to a power source between Chester and Pittsburgh. The cable company has asked people to please bear with them while they are trying to find a way to eliminate this problem.

President Of Council - Crago announced that he has appointed James

Wells as President of Council. Jim will hold this position during the remainder of Crago's term.

Pride Station Wall Repair - Crago stated that for a long time now the wall was in need of repair. He told council that when the wall was built that the city agreed to maintain it. Council suggested we try to get a couple bids to see what this job will cost.

Amendment To Parking Violation Ordinance - Crago told council at the present time the fine for a parking violation is $10.00. He would like to see this increased to $20.00. He asked council to think about this and possibly increase this at a later time.

Sign Ordinance - Crago suggested to council that we consider some type of ordinance to cover the condition of advertising signs that are in the city limits. Crago told council that he will get a sample of a sign ordinance and let them review it.

Curfew Ordinance - Crago stated that he has received a couple complaints about children running around in Eden Valley late at night. He wanted council to be aware of this an he stated that we do have a ordinance in effect that covers this problem.

New Utility Billing System - Crago has been in contact with David Shroads about designing a program for the utility billing. Shroads has presented the water/sewage board with a proposal and the board has accepted it and will be entering into a contract with him.

✔ First Reading of Water & Sewage Rate Increase - Ross made a motion to accept the first reading of the Water Service Fee Increase. Second by Everly. Motion carried. The increase will be $2.00 per thousand for use up to 2,000 gallons. $1.31 per thousand for the next 198,000 gallons. $1.07 per thousand gallon for use over 200,000 gallons. A minimum monthly charge of $4.00 for all meter sizes. A $15.00 reconnection fee.

✔ Everly made a motion to accept the first reading of the sewer services fees. Second by Binkoski. Motion carried. The increase will be $16.17 per 1000 gallons for the first 2000 gallons consumed. (A minimum sewer charge of $32.34 will be applicable for usage under 2000 gallons.) For each additional 1000 gallons a charge of $3.59 will be applicable.

Riverfront Property Leasing - Crago wanted council to know that letters will be going out to the people leasing these properties by April 1, 1994.

Property For Bid - Crago stated that the property located on the corner of S Chester St and Filmore Street has been appraised at $1,200.00. An ad will be put in the paper to accept bids on this property, but it will also be noted in the ad that the city reserves the right to refuse all bids.

Stairwell Construction - Crago asked council if they would like to get some bids on putting a stairwell from the downstairs of the city building to the proposed police offices which will be located in the upstairs of the city building. Council had no problem with this.

Crago then asked if anyone else needed to bring anything before council. Kim Weaver from BHJ who is the project administrator for the sewer project stated that Attorney Manypenny had suggested to her that council needs to procure a Bond Council Attorney for the loan. She told council that she needed their permission to start the process. Council had no problem with Kim to begin this process. She also told council that the DEP has approved the plans on the new sewage plant and that they should be receiving a letter on this sometime this week.

Fire Hydrants - It was noted that the city had several hydrants that did not work and the question was asked exactly what was the city going to do about this. Crago stated that two new hydrants had been put in the budget for 94-95.

Everly made a motion to adjourn. Second by Binkoski. Motion carried. Meeting adjourned at 8:10 P.M.

Regular Session of Council
April 4, 1994

The meeting was called to order by Mayor Crago at 7:00 P.M. Those present were L. Binkoski, R. Blackwell, J. Everly, J. Wells, H. Hartung and W. Ross.

Hartung made a motion to have the minutes approved and signed by the Mayor. Second by Wells. Motion carried.

Committee Reports

Finance - Wells reported that he had been approached by Chief Hamilton to purchase a radar unit because the one the department presently has isn't working. The unit will cost $697.45 and we can make payments. J. Everly made a motion we purchase the radar unit. Second by Hartung. Motion carried.

Police - Hartung said that he would like to have permission to send Patrolman Keven Ginier to a Radar Instructor School. He then in turn would be able to certify any new officers the city hired. Skinner will be graduating from the academy on April 8 and Ginier returned to work on April 1. Twenty three hours was donated by the police department.

Water/Sewage - Everly reported that three contracts were presented to Manypenny for approval on the sewage plant. The board approved that minimal supplies be bought for the third avenue project. Two new board members were present Mr. Kuzio and Bill Ross. Approval was given for the programer to begin with the new billing system. A letter was issued to the city employees to please be more cautious when using the city vehicles. The fine with Eli McCoy is to be paid as soon as possible and the fine for the magistrate is to be set up in payments if possible.

Streets - Binkoski noted that they hope to start patching the streets the week of May 8.

Humane Control Investigator - Staley stated she received two reports on strays, three reports on possible cruelty, one letter issued regarding the lease law and one dog returned to his owner.

City Clerk Comments and Correspondence - Robson stated that the mayor had asked herself and Tim Hines to look into the possibility of getting some grant money to remodel the upstairs for the police department and that Michael Scime with Conrail was in the city building to let us know that they had reached an agreement with the state road and the two railroad crossings will be resurfaced with the new hard rubber material.

Resolution For Swaney Memorial Library-April 17-24 - Resolution was read by Mayor Crago and presented to George Hines. Mr. Hines then presented the mayor with a book bag marking the library's 30th year.

AGENDA

Old Business
Property For Bid - Crago feels that council should reconsider the selling of the Fish property. This piece of property will be located in the industrial area. Since council made a motion to sell, a motion to rescind the previous motion needs to be made. Blackwell made a motion to rescind the motion to sell this piece of property. Second by Wells. Motion carried.

Pride Station Wall Repair - Crago asked if we had received any bids to repair the wall. No bids have come in at this time. Ross is going to contact someone he knows who might be interested and Currance noted that he knew someone who might do it. These people will be contacted.

Stairwell Construction - At present time we are awaiting bids be two people who have come in and looked at the situation.

Mr. Uker - Noted he had something to say about the water situation on his property. He had made a trip to Wheeling and two trips to Morgantown concerning this problem. He said that the state is still stating that the problems are arising because of the city. A meeting will be set up for Uker to bring a video tape in and show council exactly what the problem is.

New Business
Possible Cost Over Runs On Industrial Park Access Road - Crago wants this committee to be aware that the city cannot assume any expense for this project. There is $250,000.00 for phase two of this project and if the road has to be cut short to stay in this budget, then this will be done. He would like to have a letter issued to this committee letting them know the city's stand on this issue.

Zoning Plan - Crago asked Binkoski if this did not need to be taken care of as soon as possible and presented to the people. Binkoski noted that they are not sure yet if this needs to be completed before Phase I or Phase II.

Library Storage Shed Proposal - Crago would like the city to share in the cost of a storage shed and give $200.00 towards a lawn mower. These items will be used by the library board and also used to maintain Pride Park Extension. Everly made a motion we support this project. Second by Wells. Motion carried.

T.C.I. Proposal - Simon stated that the city had asked T.C.I. concerning the Franchise Fee that they pay the city 4% with a two year extension with them be implemented. T.C.I. responded with a 3% fee and a three year extension. Simon recommended to council that counter act and ask for 3 1/2 % and three year extension. Binkoski made a motion that we counter offer for the three and one half percent and three year extension. Second by Ross. Motion carried.

Second Reading WV Code Chapters 17, 17A, 17B, 17C and 17D - Everly made a motion that we have the second reading and approve WV Code Ordinance. Second by Blackwell. Motion carried.

✓ Citizen Comment/Complaints - The mayor asked if any citizen had any comments or complaints concerning the water service fees. The mayor wanted it noted that there has been an adjustment since the first reading. The adjustment change went from $1.07 to $1.06 for the use over 200,000 gallons.

✓ Second Reading of Water Service Fees - Hartung made a motion to accept the second reading of Water Service Fee Ordinance. Second by Everly. Motion carried.

✓ Citizen Comment/Complaints - The mayor asked if any citizen had any comments or complaints concerning the Sewer Service Fee Ordinance. Rick Mercer wanted to know if council had an idea of what the new plant was going to cost. The estimate that council has is 2.3 million dollars. Mercer wanted to know if any grant money was going to be used. Kim Weaver noted that they had a little over 150,000.00 dollars in CDBG money and approximately a little over one million dollars in EPA funds. If the project can go to bid before the EPA runs out of money they will give us an additional $600,000.00. IF the city gets all these awards then we should have to borrow an additional one million dollars to complete the project. The reason of the rate increase is because of having to borrow this one million dollars. Mercer stated that one of the biggest complaints he had was the fact that the billing was going to go to monthly instead of quarterly and because of this he had the opinion that he would have to pay more money. The assumption was incorrect and council and Weaver tried to explain this to him. Following a lengthy discussion Mercer stated that he did now understand the monthly billing and knows that it will not cost him more billed this way. He also said that he will put an ad in the Courier explaining to people that he had told them incorrectly about the monthly billing and if anyone wanted to remove their name from the petition they could. He also told council that he is still going to send the petition down state.

✓ Second Reading of Sewer Service Fees - Wells made a motion to accept the second reading of the sewer service fee. Second by Hartung. Mayor Crago asked clerk to take a roll call vote. Binkoski-yes, Blackwell-yes, Everly-yes, Wells-yes, Hartung-yes and Ross-yes. Motion carried.

Kim Weaver present projects to council that need motions to accept. The first is to enter into a contract with KLH for the bidding and construction service for 131,000.00 dollars. Motion to accept this contract was made by Hartung. Second by Blackwell. Motion carried. The second is an amendment to our project attorney for them to be carried over from Phase I to Phase II which is Larry Manypenny at a cost of $20,000.00. Motion to accept was made by Everly. Second by Binkoski. Motion carried. The third is an amendment to BHJ's contract to cover the services for Phase II

which is $26,000.00. Motion to accept made by Ross. Second by Hartung. Motion carried. The fourth is to retain bond council service. Kim Weaver preferred to go with Steptoe and Johnson at a cost of $7,500.00 with out of the pocket money at $1,000.00. Motion to accept this company made by Wells. Second by Ross. Motion carried.

Councilman Blackwell asked if the radar unit being purchased for the police department could be paid for in full instead of making payments because of the high interest that is going to have to be paid. The clerk stated that we could afford to do this.

Robert Williams Property - Simon asked council what they wanted to do concerning this property. Crago would like to have a letter sent to Attorney Manypenny concerning this problem. Simon stated that he will submit a letter stating that since no action has been taken regarding this problem, one week will be given to respond to this and then eminent domain action will be taken. Crago asked Simon to get on this immediately.

Blackwell made a motion to adjourn. Second by Wells. Motion carried.

Certificate Of Publication

HANCOCK COUNTY COURIER

Published By

THE HANCOCK COURIER PRINTING CO.

NOTICE

Public notice of the proposed adoption by the City of New Cumberland of an ordinance amending the New Cumberland City Code and its tariffs pertaining to water service rates and related matters.

The City of New Cumberland will take final action on the adoption of an ordinance amending the City Code and its Tariff Schedules pertaining to water service rates and other related matters on April 4th, 1994 at 7:00 p.m. in Council Chambers of the New Cumberland City Building.

Copies of the proposed ordinance will be available for inspection in the office of the City Clerk in the City Building. Any interested parties may appear at the meeting and be heard with respect to the proposed ordinance.

Given under my hand this 22nd day of March, 1994.

Jacqueline L. Robson
City Clerk,
New Cumberland

Publish: March 24, 1994
Hancock County Courier

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK

I, Joyce Frair publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

March 24, 1994

commencing on the 24 day of March 1994

Given under my hand this 24 day of March 1994

Joyce Frair

Sworn to and subscribed before me this 24 day of March 1994

Hugh C Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.

Official Seal
Notary Public,
State of West Virginia
Hugh C. Tate
P.O. Box 163
New Cumberland, WV 26047
My Commission Expires November 7, 2003

23 A

Certificate Of Publication

HANCOCK COUNTY COURIER

Published By

THE HANCOCK COURIER PRINTING CO.

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LEGAL NOTICE

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New rates are $2.00 per 1,000 gallons for the first 2,000 gallons consumed. For each additional 1,000 gallons, for the next 198,000 gallons, a fee of $1.31 will be applicable. A fee of $1.07 per thousand gallons will be applicable for any usage over 200,000 gallons. A minimum monthly charge of $4.00 for all meter sizes. Any account not paid in full twenty days from the date of the bill, ten percent will be added to the amount due.

Copies of the approved ordinance are available for inspection in the office of the City Clerk in the City Building.

Given under my hand this 4th day of April, 1994.

Jacqueline L. Robson
City Clerk,
New Cumberland

Publish: April 7, 14, 1994
Hancock County Courier

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK

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April 7, 14, 1994

commencing on the 7 day of April 1994

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Joyce Frain

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Hugh C. Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.

Official Seal
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City Clerk,
New Cumberland

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23 B

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HANCOCK COUNTY COURIER

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22.31

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Copies of the approved ordinance are available for inspection in the office of the City Clerk in the City Building.

Given under my hand this 4th day of April, 1994.

Jacqueline L. Robson
City Clerk,
New Cumberland

Publish: April 7, 14, 1994
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My Commission Expires November 7, 2003

Regular Session of Council
September 12, 1994

The meeting was called to order by Mayor Crago at 7:00 P.M. Those present were L. Binkoski, R. Blackwell, J. Wells, H. Hartung and W. Ross. Everly was absent due to his work schedule.

Ross made a motion to have the minutes approved from the previous meeting and signed by the Mayor. Second by Wells. Motion carried.

Committee Reports

Finance - Wells reported that it had been approved to purchase a beeper for the Chief of Police. The purchase price is $150.00 with a monthly service fee of $12.50. The finance committee also approved the purchase of ammo for the police department of a yearly cost of $175.00. It should only cost half that amount after the first year. Wells made a motion that council give T. McGowan a .25 cent an hour raise and K. Ginier a .15 cent an hour raise. Second by Hartung. Motion carried.

Police - Hamilton noted that the department responded to 106 calls. Twenty offenses and incidents, three breaking and entering, fourteen other calls and three arrests. All officers attended a class on the filling out of a new nine page offense report. A computer is going to be donated to the department from Duquesne Light. The Neighborhood Watch is in operation.

Water/Sewage - The mayor asked Kim Weaver to give an overview of exactly where we were with the Sewage Plant Project. She reported that the Public Service Commission had met at the City Building the previous month for the rate increase to help implement the construction of the new plant. The new rates will be set at $7.89 per one thousand gallons with the minimum bill to be set at two thousand gallons. She noted that we had to go back in after they had made their final order and ask them to reopen it because we discovered that they had not put in their recommended order, the correct financing scenario. Some adjustments had been made to the engineers fees. We are presently waiting to hear from the PSC for a final order that outlines the funding correctly. Both Bond Ordinances will be read at this meeting, this will be the first reading and there has to be three readings. We have until October the 19th to award the contract to Merit Contracting. The state revolving loan should be coming to the city within the next two days. This needs to be signed by the Mayor so we can receive our money from the state. A final motion needs to be made stating that the Phase I of the project has been reduced from Two Hundred Five Thousand to One Hundred Eighty Three Thousand Six Hundred Seventy One. This is Addendum #2. This lowers the final phase down to One Hundred Seventy Three Thousand Five Hundred. Motion to accept the change was made by Ross. Second by Blackwell. Motion carried. The mayor asked K. Swan if he had any updates from the water department. Swan reported that a motor had burned up in the pump

house but that this had been taken care of.

Streets - Binkoski stated that the trench on Straight Street needs to be piped at a cost of approximately $2,000.00 and then filled. He asked that this go to the Finance Committee to get this project approved.

Humane Control Investigator - Staley stated that she had received one complaint concerning the lease law, six complaints of possible neglect, one injury and one missing dog from Brooke County.

AGENDA

Petition Presented - Teresa Duke presented a petition to council of people who support speed bumps that are being installed within the city limits of New Cumberland. She commented that she strongly feels that they need to be installed for the safety of the children. Binkoski stated that the bumps were being installed as per council as calls are coming into the city building requesting them. Following lengthy discussion council asked that citizens who are having trouble with repeated speeders to try and get a license number and turn it into the police department. The mayor asked if anyone else had any comments about this matter. Dave Allison noted that he was going to speak for 280 people, 220 who are residents and voters of the town, who are against the speed bumps. He stated that Binkoski had said that most of the people on South Chestnut wanted the speed bumps and that he had a list of the people that lived on that street who wanted and those who do not want them, and the number who do not want the speed bumps well out numbers the ones who do want them. He commented that speed bumps were fine in their place. He gave Binkoski a copy of the petition and noted that he had also went door to door in Eden Valley where Blackwell is trying to get speed bumps installed. Allison said that the people in the valley do not want the bumps installed. He told council that he had went door to door and he suggested that council do the same. He said if the police would do their job the bumps would not be necessary. He felt that our police do not need to patrol State Route 2, that the county and state police should do this. The mayor asked him where this conversation was going because he was supposed to be taking about speed bumps. He said the Courier had ran a story that said the speed bumps were doing their job and he does not feel that the bumps should be taking care of speeders but that the police should be doing this. He said the police should be sitting down on his street not on Route 2 with radar. He feels that the bumps are going to cause damage to cars and could result in people losing control of their automobiles which in turn could cost the city millions of dollars. Council felt that the speed bumps were legal but would have the attorney look in to this matter. They also told Allison that they would read over the petitions. Following a lengthy discussion council told Allison that any removal or addition of speed bumps would be put on hold until this matter was looked into. The mayor thanked Allison for his concern and all the work he has done on this subject.

A.I.R. - The mayor commented that he has been coming into the city late in the evening and he has noticed heavy pollution coming from the stack at A.I.R. He thinks something should be done about this problem. He feels Currance needs to be contacted and see what he can do about this. The mayor asked council to please advise him on what they think should be done. Mr. Swan told council that he had pictures and video tape documenting this problem and if council would like to use them the could. Council feels this needs to be addressed. Crago said he will get in contact with Currance and tell him the concerns of Council.

First Reading of 15 MPH South Chestnut Street - Motion to accept this Ordinance #94-007 was made by Ross. Second by Binkoski. Motion carried.

First Reading of 15MPH South Chester Street - Motion to accept this Ordinance #94-008 was made by Blackwell. Second by Ross. Motion carried.

First Reading of 10MPH on All Alleys - Motion to accept this Ordinance #94-009 was made by Blackwell. Second by Binkoski. Motion carried.

Reading of Bond Ordinance's - Bond Ordinance #94-005 was read. Blackwell made a motion to accept this first reading. Second by Hartung. Motion carried. Bond Ordinance #94-006 was read. Ross made a motion to accept this first reading. Second by Blackwell. Motion carried.

Ross made a motion to adjourn. Second by Wells. Motion carried. Meeting adjourned at 8:00 P.M.

September 19, 1994 4:30 p.m. Special Session of City Council

Mayor Crago called the meeting ~~to order~~. Present ~~were~~ D. Blackwell, L. Binkoski, T. Crago, B. Ross, and H. Hartung. J. Wells and J. Everly had a conflict with their work schedules. Ross motioned to accept the minutes of the previous meeting, Hartung seconded.

The first item on the agenda was the second reading of the bond ordinances. Crago read the title of the ordinance on issuance of not more than $600,00.00 in aggregate principle amount of combined water works and sewerage system revenue bonds, series 1994 B, WV SRF program, and Hartung motioned to accept, Blackwell seconded. There was no opposition. Crago then read the second ordinance, issuance of not more than $700,000.00 in aggregate principle amount of combined water works and sewerage system revenue bonds, series 1994 A, WV WDA Authority. Ross motioned to accept. Binkoski seconded. Third reading is scheduled for next regular session of Council, October 3rd.

Regarding the eminent domain item on the agenda, Crago reported that there twenty-nine owners of the property that are needed to sign for the Industrial Park Access road. These people are spread out across the country. Should we attempt to get all of these signatures, or file eminent domain? Crago agrees with the attorney that the most cost feasible and quickest way is filing eminent domain. He asked for a motion to allow the attorney to file eminent domain. Hartung questioned the cost which is unknown at this point. Blackwell motioned for council to authorize the city attorney to proceed with eminent domain proceedings on the piece of property in question, Hartung seconded. Binkoski abstained. There was no opposition.

Next item on the agenda was the Industrial Access Road, which was covered with the previous agenda item.

Crago next asked for any investigations or reports that had been done on the problem with the installation of the speed bumps. Binkoski had prepared a statement/breakdown on the petition which is on file. Our attorney, Mike Simon, contacted the Attorney General who felt that we have the right to do anything we want with our streets. The insurance company feels that there is no more liability than anything else in the city. A person would have to prove that they were going slow when the damage was done to their vehicle, and that the speed bump, specifically, and not the speed of their travel, caused the damage to their vehicle. However, the claims turned into the insurance company could cause our premiums to raise. There is no doubt that we are allowed to put speed bumps in, there is nothing illegal about it. Hartung stated that he has been contacted by people wanting speed bumps in his area. Blackwell felt that part of the problem was that the original speed bumps weren't done correctly. Crago feels the bumps are the best thing that has happened on Commerce St. to curb speeders. Hartung stated that he refuses to vote to remove any speed bumps. Everyone agreed that they should be uniform in size. Crago questioned Binkoski whether he had anything to say on the matter. Binkoski feels the bumps should be put in per the area of the request. Blackwell commented that he was in touch with someone from Eden

Valley who had signed the petition, and this resident stated that he didn't realize he had signed a petition against speed bumps in Eden Valley. Crago asked Council to consider just how much weight they want to put on a petition. Crago wanted to clear up the letter in the Courier written by Councilman Binkoski. He feels there is a controversy as to who the blame falls on for the installation of the bumps. Crago feels that committees are in place to make recommendations to council, who has the ultimate decision. Binkoski stated that he was contacted by people requesting speed bumps on S. Chestnut, and the crew was approached by people asking for bumps when they began the installation. After a lengthy discussion, Crago felt that council needs to state a direction they want to go. Crago also felt that, before anymore are installed, the neighborhood needs to be canvassed. The only complaint then could be the height. Binkoski also added that the bumps need to be painted. Crago would also like to see signs posted on both ends of a street containing speed bumps. The final consensus was that City Council is still in favor of speed bumps, and still wants to pursue the current direction. It was decided that a door-to-door poll is to be taken of S. Chestnut to get a general opinion. Members present felt that too many people will sign a petition, and not be concerned on what it is really about. The poll is to be done by property frontage. Hartung and Ross offered their assistance to Binkoski in this. This poll may extend to other areas, depending on the consensus. Crago will also be checking with the police department on what is currently being done in those areas to curb speeders.

Virgil Wickham, Jr. is requesting fencing on the easement that he will grant the city. He needs fencing running from the foot bridge along the north side of the easement to Commerce St. to deter people from walking through his yard. The original thought was that the cost would run around $200 - $400.00. The estimate now given is $1,250.00, materials and labor. Blackwell motioned to have the fence installed for that cost as long as the easement is signed. The reasoning is that there are jobs that need done in the city without our employees having to worry about installing a fence. Ross seconded. Binkoski questioned whether this is affordable. Hartung questioned whether an easement was ever given by Crescent Brick. Blackwell commented that he doesn't want to be responsible for maintaining the fence, but concern was expressed that, if the fence does not belong to the city, it could possibly be moved. Wickham's insurance company is requesting that something be done. There was no opposition to having the fence installed.

Regarding special sessions vs. work sessions. In a special session, council can only address what is on the agenda. Crago would like to have council meetings more often, but doesn't want to call them special sessions for this reason. At work sessions, decisions can't be made. Joyce Frain of the Hancock County Courier interjected at this point to inform Council that she has looked at rules pertaining to meetings, and she found no reason that Council cannot have work sessions. However, minutes are to be kept of every meeting that Council has, whether it be work sessions, executive sessions, etc. (executive session minutes are not available to the public), and decisions have to be made at a public

meeting. Council agreed that the attorney will have to look into this to see if it is legal to meet twice a month for a few months to take care of some important matters.

With no further business, Blackwell motioned to adjourn the special session, Ross seconded.

Regular Session of Council
October 3, 1994

Meeting was called to order by Mayor Crago at 7:00 P.M. Those present were W. Ross, H. Hartung, J. Wells, J. Everly and R. Blackwell. L. Binkoski was absent due to his work schedule.

Wells made a motion to have the minutes approved and signed by the mayor from the previous meeting. Second by Blackwell. Motion carried.

Committee Reports

Police - Hartung told council that the cruiser was in and asked Darrin to give his report. Darrin reported that the department responded to 102 calls. There was thirteen offenses and defenses, one breaking and entering, two thefts, one structure fire, nine people arrested and four non traffic situations.

Water/Sewage - Everly reported at the meeting they had discussed the situation concerning a dump truck and backhoe. They decided they would like to have someone else come in and give them another estimate on the backhoe. He noted that Kim Weaver had been at the meeting and gave an update on the sewage plant. The city is to award a contract for the plant on October 17 and the loan closing is not until the 27th of October. This should be the other way around and therefore there is some concern as to whether the city should proceed with the award of the sewage plant. The mayor noted that the city attorney was looking into this situation. Everly told council that there had been some question concerning the work that is going on by CM Tec and Jamegy. He reported that they were changing the flow coming into the vac station and because of this change has reduced the flow by four thousand gallons per day. He also stated that the water/sewage employees were given a twenty five cent an hour raise effective October 2, 1994. Binkoski was to go door to door with a survey on the speed bumps along with Hartung. Hartung said he came to the city building to meet Binkoski, but Binkoski never showed so he does not know what was done. Crago asked Allison, who is a resident, if Binkoski had been around with the survey. Allison stated that he had and would like to add that he had went through the town and that no one wants speed bumps.

Mayor's Comments - Crago wanted to public thank George and Millie Hines for the work they have done in maintaining Pride Park Extension and the work done at Swaney Library.

Attorney Comments - Simon wanted council to know that he had spoke to TCI and that the money owed the city for the franchise fee should be received within the next ten days for the year of 1994.

Humane Control Investigator - Staley stated she had received two reports neglect and one barking complaint. She also worked with the county on a license matter.

City Clerk Comments and Correspondence - Robson wanted to thank council for the opportunity to attend a criminal justice grant writing seminar. Office Skinner also attended. We are hoping through this class that the police and city will be able to obtain grant money for various projects.

AGENDA

Third Reading of Bond Ordinance - Third reading of Bond Ordinance #94-005 was read by the mayor. Motion to accept this ordinance was made by Hartung. Second by Blackwell. Motion carried. Third reading of Bond Ordinance #94-006 was read by the mayor. Motion to accept this ordinance was made by Ross. Second by Blackwell. Motion carried.

Second Reading of 15MPH South Chestnut Street - Motion to accept this Ordinance #94-007 was made by Ross. Second by Blackwell. Motion carried.

Second Reading of 15MPH South Chester Street - Motion to accept this Ordinance #94-008 was made by Blackwell. Second by Ross. Motion carried.

Second Reading of 10MPH On All Alleys - Motion to accept this Ordinance #94-009 was made by Ross. Second by Wells. Motion carried.

Proclamation on Recycling Month - The mayor read Recycling Proclamation, proclaiming the month of October as Recycling Month.

Dick Uker - The mayor asked what Uker had for council. Uker replied he had a letter to present to council and he brought some pictures of his property to substantiate his letter. He is letting council know that if they do not act on putting a catch basin in on his property he will take legal action. It was decided following a lengthy discussion that after Uker gets written permission to correct this problem, the city crew would take care of it.

Business Review Board - Blackwell would like to form a committee to review new businesses wanting to come into the city. The mayor feels that this would be a very good thing to initiate and would stand behind this committee. He feels businesses need to be regulated. The mayor asked Blackwell to contact some other cities to see if they have this type of a committee and if so to provide us with some info and this will be brought up at a later time.

Zoning (Planning Commission) - Blackwell noted that an ordinance numbered 0-318 wrote in 1981 which was a revision of the 1955 ordinance which established a planning committee, needs to be revised or amended. Blackwell wanted to know if at the present time we had a Planning Commission. It was decided that J. Harris, T. Pettit and L. Binkoski was the members of the present committee. Blackwell made a request that the Planning Commission be present at the next council meeting and give a report to council on the zoning

ordinance. Second by Everly. Motion carried.

Dump Truck - Blackwell told council that they were still in need of a dump truck. Following a lengthy discussion it was decided that we would go to bid for a new dump truck.

Backhoe - Blackwell is going to get more estimates on repairing the backhoe and trying to get estimates on the purchase of a backhoe and going with a least to own agreement.

A & S Steps - Blackwell asked Ross if he had gotten any bids on repairing or replacing these steps. Ross said he had been in contact with someone and as of yet they had not got back to him.

Conrail Property - Crago contacted Conrail and asked if something could be done with the property located behind Pride Station Wall. Conrail noted that they didn't have the time or equipment to do this. Crago asked if they minded if the city did something to improve the condition of the property. Ross said he would look into this and see what could be done.

Old Cruiser - It was decided that we would put the old cruiser up for bid. We would put a minimum bid of $200.00 and it would be a take as is.

Fire Hydrants - Crago noted that we had several fire hydrants in bad shape. He noted that he believed that the responsibility of these being replaced were the cities not the water/sewage department. He asked that an evaluation be done on the hydrants and then some decisions being made concerning this matter.

Blackwell made a motion to adjourn. Second by Ross. Meeting adjourned at 8:35 P.M.

Special Session of City Council October 12, 1994 4:30 p.m.

Mayor Crago called the meeting to order.

Hartung motioned to accept the minutes of the previous meeting, Blackwell seconded.

Present were H. Hartung, D. Blackwell, J. Wells, J. Everly, T. Crago.

Mayor Crago read from the title page for the supplemental resolution for Series A. Blackwell motioned that the reading of the title for the resolution was sufficient to identify the resolution, Wells seconded. Blackwell further motioned to accept as read, Wells seconded. There was no opposition.

Crago then read the supplemental resolution for Series B. Blackwell again motioned that the reading of the title was sufficient for identification, and Wells seconded. Blackwell motioned to accept as read, Everly seconded. There was no opposition.

Regarding the notice of award for the sewerage plant project, Crago needed a motion for KLH to send contract documents - issue the notice of award - on October 18th. The paperwork will probably take seven to ten days, but Crago prefers not signing our part until the loan closing. Everly expressed concern about a penalty from the contractor if the documents are held up by the city when available. Everly motioned to issue the notice of award on October 18th, Hartung seconded. There was no opposition.

Crago next expressed his feeling that a zoning ordinance is very important in protecting the residential neighborhoods and aiding business development in the city. Binkoski is to have the ordinance ready to present at the next council meeting. Mayor Crago is to notify him by mail in regards to this, both regular U.S. mail and via Binkoski's mailbox at the city building. Crago even suggested hiring someone to do this if necessary. General opinion was that members would like to see this on the next election.

With no further business on the agenda, Wells motioned to adjourn, Blackwell seconded.

8½ : 50.58

Certificate Of Publication

HANCOCK COUNTY COURIER

Published By

THE HANCOCK COURIER PRINTING CO.

NOTICE OF PUBLIC HEARING ON CITY OF NEW CUMBERLAND BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of New Cumberland to be held on October 3, 1994, at 7:00 p.m. in the Council chambers at the New Cumberland City Hall, Jefferson Street, New Cumberland, West Virginia, and at such hearing any persons interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $700,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WEST VIRGINIA WATER DEVELOPMENT AUTHORITY); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING, EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City of New Cumberland on September [illegible]

The above-quoted title of the Ordinance [illegible] generally the contents thereof and the purposes of the Bonds [illegible] plated thereby. The City of New Cumberland contemplates issuing the Bonds described in said Ordinance. The proceeds of the Bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the City of New Cumberland. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. [illegible] may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-[illegible] Ordinance is on file with the Council at the office of the City Clerk of the City of New Cumberland for review by interested parties during regular office hours.

Following said public hearing, the Council intends to enact said Ordinance upon final reading.

Dated: September 22, 1994.

s/s Timothy P. Cook
Mayor

Publish: September 22, 29, 1994
Hancock County Courier

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK

I, Joyce Frain publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Sept. 22, 29, 1994

commencing on the 22 day of Sept 1994

Given under my hand this 29 day of Sept 1994

Joyce Frain

Sworn to and subscribed before me this 29 day of Sept 1994

Hugh C Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.

Official Seal
Notary Public,
State of West Virginia
Hugh C. Tate
P.O. Box 163
New Cumberland, WV 26047
My Commission Expires November 7, 2003

25A

8 2 : 5058

Certificate Of Publication

HANCOCK COUNTY COURIER

Published By

THE HANCOCK COURIER PRINTING CO.

NOTICE OF PUBLIC HEARING ON CITY OF NEW CUMBERLAND BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of New Cumberland to be held on October 3, 1994, at 7:00 p.m. in the Council chambers at the New Cumberland City Hall, Jefferson Street, New Cumberland, West Virginia, and at such hearing any person interested may appear before the Council and present protests, and all protests and suggestions shall be heard by the Council and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

ORDINANCE AUTHORZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE SEWERAGE PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF NEW CUMBERLAND AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $600,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1996 B (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-entitled Ordinance was adopted by the Council of the City of New Cumberland on September 19, 1994.

The above-quoted title of the Ordinance [illegible] and the purpose of the bonds contemplated thereby. The City of New Cumberland contemplates issuing the bonds described in said Ordinance. The proceeds of the bonds will be used to provide permanent financing of a portion of the costs of acquisition and construction of extensions, additions, betterments and improvements to the sewerage portion of the existing public combined waterworks and sewerage system of the City of New Cumberland. The Bonds are payable solely from revenues to be derived from the ownership and operation of the combined waterworks and sewerage system of the City. Rates may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file with the Council at the office of the City Clerk of the City of New Cumberland for review by the public during regular office hours.

Following said public hearing, Ordinance [illegible] will be taken up for consideration upon final reading.

Dated: September 22, 1994.

s/s Timothy P. Cragg
Mayor

Publish: September 22, 29, 1994
Hancock County Courier

STATE OF WEST VIRGINIA,
COUNTY OF HANCOCK

I, Joyce Frair publisher of the HANCOCK COUNTY COURIER, a newspaper published in the CITY OF NEW CUMBERLAND, STATE OF WEST VIRGINIA, hereby certify that the annexed publication was inserted in said newspaper on the following dates:

Sept. 22, 29, 1994

commencing on the 22 day of Sept 19 94

Given under my hand this 29 day of Sept 19 94

Joyce Frair

Sworn to and subscribed before me this 29 day of Sept 19 94

Hugh C Tate Notary Public

of, in and for HANCOCK COUNTY, WEST VIRGINIA.

Official Seal
Notary Public,
State of West Virginia
Hugh C. Tate
P.O. Box 163
New Cumberland, WV 26047
My Commission Expires November 7, 2003

25B

STEPTOE & JOHNSON

ATTORNEYS AT LAW

SIXTH FLOOR

BANK ONE CENTER

P. O. BOX 2190

CLARKSBURG, W. VA. 26302-2190

(304) 624-8000

FACSIMILE (304) 624-8183

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

1000 HAMPTON CENTER
P. O. BOX 1616
MORGANTOWN, W. VA. 26507-1616
(304) 598-6000
FACSIMILE (304) 598-8118

126 EAST BURKE STREET
P. O. BOX 2629
MARTINSBURG, W. VA. 25401-5429
(304) 263-6991
FACSIMILE (304) 263-4785

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

THE BRYAN CENTRE
P. O. BOX 570
82 WEST WASHINGTON STREET, FOURTH FLOOR
HAGERSTOWN, MARYLAND 21740-0570
(301) 739-8600
FACSIMILE (301) 739-8742

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

WRITER'S DIRECT DIAL NUMBER

October 27, 1994

City of New Cumberland
Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Philadelphia, Pennsylvania 19255

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 bonds. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope. Thank you for your attention to this matter.

Very truly yours,

Steptoe & Johnson

Steptoe & Johnson

Enclosures
Copy of letter with enclosure to:
Samme L. Gee, Esquire
Mayor, City of New Cumberland
10/21/94
8038.LTR
658300/94001

Form **8038-G** (Rev. May 1993) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

(Use Form 8038-GC if the issue price is under $100,000.)

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: City of New Cumberland

2 Issuer's employer identification number: 55 6000221

3 Number and street (or P.O. box if mail is not delivered to street address): P. O. Box 505

Room/suite:

4 Report number: G1994 - 1

5 City, town, state, and ZIP code: New Cumberland, West Virginia 26047

6 Date of issue: October 27, 1994

7 Name of issue: City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (WV Water Dev. Auth.)

8 CUSIP Number: None

Part II Type of Issue (check applicable box(es) and enter the issue price)

		Issue price
9	☐ Education (attach schedule–see instructions)	$
10	☐ Health and hospital (attach schedule–see instructions)	
11	☐ Transportation	
12	☐ Public safety	
13	☒ Environment (including sewage bonds)	$647,121
14	☐ Housing	
15	☐ Utilities	
16	☐ Other. Describe (see instructions) ▶	
17	If obligations are tax or other revenue anticipation bonds, check box ▶ ☐	
18	If obligations are in the form of a lease or installment sale, check box ▶ ☐	

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	10/1/2033	6.750%	$ 44,648.78	$ 44,648.78			
20 Entire issue			$647,121	$647,121	27.58 years	6.743 %	6.750 %

Part IV Uses of Original Proceeds of Bond Issue (including underwriters' discount)

21	Proceeds used for accrued interest	21	–0–
22	Issue price of entire issue (enter amount from line 20, column (c))	22	647,121
23	Proceeds used for bond issuance costs (including underwriters' discount) 23 –0–		
24	Proceeds used for credit enhancement 24 –0–		
25	Proceeds allocated to reasonably required reserve or replacement fund 25 –0–		
26	Proceeds used to refund prior issues 26 –0–		
27	Total (add lines 23 through 26)	27	–0–
28	Nonrefunding proceeds of the issue (subtract line 27 from line 22 and enter amount here)	28	647,121

Part V Description of Refunded Bonds (complete this part only for refunding bonds)

N/A

29 Enter the remaining weighted average maturity of the bonds to be refunded ▶ _____ years

30 Enter the last date on which the refunded bonds will be called ▶ _____

31 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

32 Enter the amount of the state volume cap allocated to the issue ▶ –0–

33 Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception) ▶ –0–

34 Pooled financings:

a Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units ▶ –0–

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☒ and enter the name of the issuer ▶ West Virginia Water Dev. Authority and the date of the issue ▶ September 27, 1994

35 If the issuer has elected to pay a penalty in lieu of rebate, check box ▶ ☐

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.

Please Sign Here

▶ Timothy P. Crago — Signature of officer

October 27, 1994 — Date

▶ Timothy P. Crago, Mayor — Type or print name and title

For Paperwork Reduction Act Notice, see page 1 of the Instructions.

Cat. No. 63773S Form 8038-G (Rev. 5-93)

WV MUNICIPAL BOND COMMISSION

812 Quarrier Street
Suite 300
Charleston, WV 25301
(304)558-3971

NEW ISSUE REPORT FORM

Date of Report: October 27, 1994

(See Reverse for Instructions)

ISSUE: City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (WV WDA)

ADDRESS: P. O. Box 505, New Cumberland, West Virginia 26047 COUNTY: Hancock

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: October 27, 1994 CLOSING DATE: October 27, 1994

ISSUE AMOUNT: $ 647,121 RATE: 6.75%

1st DEBT SERVICE DUE: 4/01/95 1st PRINCIPAL DUE: 10/01/96, $3,982.98

1st DEBT SERVICE AMOUNT: $18,685.62 PAYING AGENT: Municipal Bond Commission

ISSUERS
BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: 624-8161

UNDERWRITERS
BOND COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esq.
Phone: 340-1318

CLOSING BANK: Hancock County Savings Bank
Contact Person: Connie Gettinger
Phone: 564-3368

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Timothy P. Crago
Position: Mayor
Phone: 564-3383

OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE:

By ____ Wire
X Check

____ Accrued Interest: $ ____
X Capitalized Interest: $ 60,441
X Reserve Account: $ 47,664
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:

By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

27A

WV MUNICIPAL BOND COMMISSION

812 Quarrier Street
Suite 300
Charleston, WV 25301
(304)558-3971

NEW ISSUE REPORT FORM

Date of Report: October 27, 1994

(See Reverse for Instructions)

ISSUE: City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (WV SRF Program)

ADDRESS: P. O. Box 505, New Cumberland, West Virginia 26047 COUNTY: Hancock

PURPOSE OF ISSUE: New Money X Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: October 27, 1994 CLOSING DATE: October 27, 1994

ISSUE AMOUNT: $ 498,666 RATE: 0%

1st DEBT SERVICE DUE: 6/01/96 1st PRINCIPAL DUE: 6/01/96

1st DEBT SERVICE AMOUNT: $6,234 PAYING AGENT: Municipal Bond Commission

ISSUERS
BOND COUNSEL: Steptoe & Johnson
Contact Person: Vincent A. Collins, Esq.
Phone: 624-8161

UNDERWRITERS
BOND COUNSEL: Jackson & Kelly
Contact Person: Samme L. Gee, Esq.
Phone: 340-1318

CLOSING BANK: Hancock County Savings Bank
Contact Person: Connie Gettinger
Phone: 564-3368

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Timothy P. Crago
Position: Mayor
Phone: 564-3383

OTHER: ____
Contact Person: ____
Function: ____
Phone: ____

DEPOSITS TO MBC AT CLOSE:
By ____ Wire
X Check

____ Accrued Interest: $ ____
____ Capitalized Interest: $ ____
X Reserve Account: $ 24,936
____ Other: ____ $ ____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ____ Wire
____ Check
____ IGT

____ To Escrow Trustee: $ ____
____ To Issuer: $ ____
____ To Cons. Invest. Fund: $ ____
____ To Other: ____ $ ____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: ____
TRANSFERS REQUIRED: ____

27B

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS DEPOSITORY BANK

Hancock County Savings Bank, New Cumberland, West Virginia, a state banking corporation, hereby accepts appointment as Depository Bank in connection with the respective Bond Ordinances of the City of New Cumberland (the "Issuer") enacted by the Council of the Issuer on October 3, 1994, and the respective Supplemental Resolutions of the Issuer adopted by the Council of the Issuer on October 12, 1994 (collectively, the "Bond Legislation"), respectively authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and Series 1994 B (West Virginia SRF Program), both dated October 27, 1994, issued in the respective principal amounts of $647,121 and $498,666 (collectively, the "Bonds"), and agrees to perform all duties of Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 27th day of October, 1994.

HANCOCK COUNTY SAVINGS BANK

Ronald L. Thompson Jr.
Vice President - Finance

10/19/94
NCJ.W4
658300/94001

28

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association with its principal office in the City of Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of New Cumberland Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and Series 1994 B (West Virginia SRF Program), both dated October 27, 1994, issued in the respective principal amounts of $647,121 and $498,666 (collectively, the "Bonds"), and agrees to perform all duties of Registrar in connection with the Bonds, all as set forth in the Bond Legislation authorizing issuance of the Bonds.

WITNESS my signature on this 27th day of October, 1994.

ONE VALLEY BANK, NATIONAL
ASSOCIATION

Vice President

10/18/94
NCA.X3
658300/94001

CITY OF NEW CUMBERLAND

Combined Waterworks and Sewerage System Revenue Bonds,
Series 1994 A (West Virginia Water Development Authority)
and Series 1994 B (West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

I, BRUCE C. LECKIE, Vice President of One Valley Bank, National Association, as Registrar under the Bond Legislation and Registrar's Agreement providing for the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority) and Series 1994 B (West Virginia SRF Program), of the City of New Cumberland (the "Issuer"), hereby certify that on the date hereof, the single, fully registered Combined Waterworks and Sewerage System Revenue Bond, Series 1994 A (West Virginia Water Development Authority), of the Issuer, dated October 27, 1994, in the principal amount of $647,121, numbered AR-1, and the single, fully registered Combined Waterworks and Sewerage System Revenue Bond, Series 1994 B (West Virginia SRF Program), of the Issuer, dated October 27, 1994, in the principal amount of $498,666, numbered BR-1, were registered as to principal and interest (the Series 1994 B Bond being registered as to principal only) in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of One Valley Bank, National Association, as Registrar.

WITNESS my signature on this 27th day of October, 1994.

ONE VALLEY BANK, NATIONAL
ASSOCIATION

Vice President

10/18/94
NCA.Y3
658300/94001

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 27th day of October, 1994, by and between the CITY OF NEW CUMBERLAND, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and ONE VALLEY BANK, NATIONAL ASSOCIATION, a national banking association (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $647,121 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), and its $498,666 aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 B (West Virginia SRF Program), in fully registered form (collectively, the "Bonds"), pursuant to the respective Bond Ordinances of the Issuer enacted October 3, 1994, and the respective Supplemental Resolutions of the Issuer duly adopted October 12, 1994 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or

similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection therewith.

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 New Cumberland P. O. Box 505 New Cumberland, West Virginia 26047 Attention: Mayor
REGISTRAR:	One Valley Bank, National Association Post Office Box 1793 One Valley Square Charleston, West Virginia 25326 Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

IN WITNESS WHEREOF, the CITY OF NEW CUMBERLAND and ONE VALLEY BANK, NATIONAL ASSOCIATION, 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 NEW CUMBERLAND

Timothy P. Crago

Mayor

ONE VALLEY BANK, NATIONAL ASSOCIATION

Vice President

10/18/94
NCA.Z3
658300/94001

EXHIBIT A

Bond Legislation included in bond transcript as Documents Nos. 1, 2, 4 and 5

SCHEDULE OF COMPENSATION

Invoice

ONE VALLEY BANK

HONORABLE TIMOTHY P. CRAGO
MAYOR - CITY OF NEW CUMBERLAND
P O BOX 505
NEW CUMBERLAND WV 26047

DATE OCTOBER 27, 1994

UNITS	ITEM DESCRIPTION	TOTAL
	CITY OF NEW CUMBERLAND COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 1994 A (WDA) AND SERIES 1994 B (WV SRF PROGRAM)	
	ONE TIME FEE FOR SERVICES AS REGISTRAR AND AUTHENICATING AGENT.....	$500.00

669

SEND REMITTANCE TO: One Valley Bank
One Financial Place - 6th Floor
One Valley Square
P.O. Box 1793
Charleston, WV 25326
ATTN: CHARLOTTE S MORGAN

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto One Valley Bank, National Association, Charleston, West Virginia, the Combined Waterworks and Sewerage System Revenue Bonds, Series 1994 A (West Virginia Water Development Authority), of the City of New Cumberland, in the principal amount of $647,121, numbered AR-1, dated October 27, 1994, standing in the name of the West Virginia Water Development Authority on the books of said Issuer.

WITNESS my signature on this 27th day of October, 1994.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Daniel B. Yankoski

Director

10/06/94
NCC.BB1
658300/94001

RECEIPT OF PAYMENT OF LOAN FROM AUTHORITY

West Virginia Water Development Authority, as holder of a loan (the "Loan") of the City of New Cumberland (the "City"), hereby certifies that it has received the sum of $4,444 from the City and that such sum is sufficient to pay the entire principal amount of and the one percent service charge on the Loan to the date hereof and discharge the liens, pledges and encumbrances securing the Loan. The Loan is a non-interest bearing Loan.

WITNESS my signature on this 27th day of October, 1994.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Daniel B. Yankoski

Director

10/06/94
NCC.CC1
658300/94001

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

1201 Greenbrier Street
Charleston, WV 25311-1088

David C. Callaghan
Director

Laidley Eli McCoy
Deputy Director

RECEIVED

June 1, 1994

JUN 06 1994

Water Resources
Construction Assistance

Honorable Timothy P. Crago
Mayor, City of New Cumberland
P.O. Box 505
New Cumberland, WV 26047

CERTIFIED RETURN RECEIPT REQUESTED

RE: WV/NPDES Permit No. WV0025119

Dear Mayor Crago:

This letter serves as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0025119, issued the 12th day of November 1991.

After review and consideration of the information submitted with Permit Modification Application No. WV0025119-A dated the 26th day of August 1993, and the associated plans and specifications approved by the Construction Assistance Branch on the 14th day of March 1994, the subject permit is modified as follows:

To acquire, construct, install, operate, and maintain a 180,000 gallon per day sequential batch reactor (SBR) wastewater treatment system consisting of bar screen, grit chamber, two (2) 270,000 gallon SBR units with a clarifier and a sludge decanter as an integral part of each unit, chlorine injection disinfection with dual 4,560 gallon contact tanks, a flow meter, a filter belt press, and any other necessary appurtenances.

The existing "clarigestor" primary treatment facility shall continue to operate until the new SBR system begins operation. Once the above described system begins operation, the existing "clarigestor" unit will be reworked and converted into a 12,100 gallon sludge holding tank.

The new treatment system is designed to serve 1,800 persons in the City of New Cumberland and discharge the treated wastewater to the Ohio River. The discharge coordinates are unchanged.

The wastewater treatment system is to be constructed in accordance with the plans and specifications approved on the 14th day of March 1994. A further description of these documents is presented as follows:

Plans and Specifications:
Prepared by: KLH Engineers, Inc., 555 N. Bell Ave., Pittsburgh, PA 15106.
Title: City of New Cumberland, Hancock County, West Virginia, Contract No. 6 Wastewater Treatment Plant Construction.

Please find enclosed additional Page 2A of 9 and a new Discharge Monitoring Report which the City of New Cumberland shall begin using upon the start-up of the new SBR wastewater treatment system.

All other terms and conditions of the subject permit shall remain in effect and unchanged.

Sincerely,

OFFICE OF WATER RESOURCES

Mark A. Scott
Chief

MAS:rbl

Attachments

A.1 SCHARGE LIMITATIONS AND MONITORING REQUIREMENTS

During the period beginning at new plant start-up and lasting through midnight, November 11, 1996 the permittee is authorized to discharge from outlet number(s) 001-Discharge from sewage treatment facilities

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations (Quantity) lbs/day Avg. Monthly	Discharge Limitations (Quantity) lbs/day Max. Daily	Discharge Limitations Other Units (Specify) Avg. Monthly	Discharge Limitations Other Units (Specify) Max. Daily	Monitoring Requirements Measurement Frequency	Monitoring Requirements Sample Type
Flow			0.18 MGD		Continuous	Measured
Biochemical Oxygen Demand (5-Day)	45.0	90.0	30.0 mg/l	60.0 mg/l	1/Month	Batch*
Total Suspended Solids	45.0	90.0	30.0 mg/l	60.0 mg/l	1/Month	Batch*
Total Kjeldahl Nitrogen (TKN)	27.0	54.0	18.0 mg/l	36.0 mg/l	1/Month	Batch*
Fecal Coliform			200 counts/100 ml	400 counts/100 ml	1/Month	Grab

* One (1) sample per batch discharge over a period of 24 hours

The pH shall not be less than 6.0 standard units and not greater than 9.0 standard units and shall be monitored monthly by grab sampling.

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s): Effluent BOD_5 samples shall be collected at a location immediately preceding disinfection. Other effluent samples shall be collected at or as near as possible to the point of discharge.

This discharge shall not cause violation of Series 1, Section 3, Title 46 of the West Virginia Legislative Rules issued pursuant to Chapter 20, Article 5A.

WRD 2A-82

STATE OF WEST VIRGINIA
NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
DISCHARGE MONITORING REPORT

FACILITY NAME City of New Cumberland
LOCATION OF FACILITY New Cumberland, Hancock County
PERMIT NUMBER WV0025119 OUTLET NO. 001
WASTELOAD FOR MONTH OF _____ 19____

COMMERCIAL LABORATORY NAME _____
COMMERCIAL LABORATORY ADDRESS _____
INDIVIDUAL PERFORMING ANALYSES _____

Parameter		Quantity					Other Units					Measurement	Sample
		Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Minimum	Avg.Monthly	Max.Daily	Units	N.E.	Frequency	Type
'low, in Con	Reported	*****	*******	*****	***								
luit or thru :rmt plant)0050	Permit Limitation	*****	*******	*****	***		N/A	0.180	N/A	MGD		Continuous	Measured
)OD, 5-Day 20 Deg. C))0310	Reported												
	Permit Limitation	N/A	45.0	90.0	lbs/ day		N/A	30.0	60.0	mg/l		1/Month	Batch
;olids, 'otal Sus- pended)0530	Reported												
	Permit Limitation	N/A	45.0	90.0	lbs/ day		N/A	30.0	60.0	mg/l		1/Month	Batch
litrogen, 'otal Kjel- dahl(as N))0625	Reported												
	Permit Limitation	N/A	27.0	54.0	lbs/ day		N/A	18.0	36.0	mg/l		1/Month	Batch
)H)0400	Reported	*****	*******	*****	***								
	Permit Limitation	*****	*******	*****	***		6.0	N/A	9.0	Std. Units		1/Month	Grab
:oliform, 'ecal Gen- eral '4055	Reported	MF	--	MPN									
	Permit Limitation	Circle	Method	Used			N/A	200	400	count 100ml		1/Month	Grab
	Reported	*****	*******	*****	***								
	Permit Limitation	*****	*******	*****	***								

Name of Principal Executive Officer

Title of Officer

I certify under penalty of law that this document and all attachments were prepared under my directions or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief true, accurate and complete. I am aware that there are significant penalties for submitting false information including the possibility of fine and imprisonment for knowing violations.

Date Completed

Signature of Principal Executive Officer or Authorized Agent

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

David C. Callaghan
Director

Ann A. Spaner
Deputy Director

October 20, 1994

Honorable Timothy P. Crago
Mayor, City of New Cumberland
P.O. Box 505
New Cumberland, West Virginia 26047

RE: City of New Cumberland
C-540252-02

Dear Mayor Crago:

Due to the identification of additional Phase I construction costs, this letter supersedes our letter of August 30, 1994.

You are hereby advised that the bidding procedures for Contract 6 have been reviewed and approved. You may now award to the low, responsive bidder, Merit Contracting, Inc., as demonstrated by the proposal submitted. However, should you wish to award prior to closing on your financing, you should seek the advice of your bond counsel.

As the revised eligible project cost is $3,943,200, the grant has been increased to an amount not to exceed $2,557,680. The grant increase will be made under separate cover.

Certain construction activities have been assigned to our Engineering Branch. You will be contacted by a representative of this section in the near future.

Should you have any questions, please contact Rosalie Brodersen at 558-0637 (or TDD 558-2751).

Sincerely,

OFFICE OF WATER RESOURCES

Rosalie Brodersen

Mike Johnson, P.E.
Assistant Chief
Construction Assistance

MJ/cga

Enclosures

cc: KLH Engineers, Inc.
BHJ Metropolitan Planning Commission
Steptoe & Johnson
Mr. Lee Murphy, EPA

09/21/94

City of New Cumberland
C540252-02/C-544181

PART B

	TOTAL AMOUNT	GRANT ALLOWABLE AMOUNT	GRANT AMOUNT	GRANT ALTERNATIVE/ INNOVATIVE	SRF AMOUNT	GRANT/ SRF INELIGIBLES
CONSTRUCTION						
CONTRACT 1 - 4	1,217,265	1,217,265	1,217,265	1,217,265	0	0
CONTRACT 5	453,540	453,540	453,540	453,540	0	0
CONTRACT 6	1,890,000	1,890,000	1,890,000	0	0	0
CONSTRUCTION MISC	14,649	0	0	0	14,649	0
CONTRACT	0	0	0	0	0	0
CONTRACT	0	0	0	0	0	0
CONTRACT	0	0	0	0	0	0
SUBTOTAL	3,575,454	3,560,805	3,560,805	1,670,805	14,649	0
EQUIPMENT (estimate)	40,000	40,000	40,000	0	0	0
LATER CONTRACTS	0	0	0	0	0	0
TOTAL	3,615,454	3,600,805	3,600,805	1,670,805	14,649	0
TECHNICAL SVCS	378,500	113,650	113,615	113,585	113,117	0
LEGAL & FISCAL	71,616	0	0	0	71,616	0
ADMINISTRATIVE	97,669	29,771	29,771	29,771	67,898	0
CONTINGENCY	125,089	68,621	68,570	0	77,848	0
LAND	7,157	0	0	0	0	7,157
BOND COUNSEL	15,000	0	0	0	15,000	0
ACCOUNTANT	1,900	0	0	0	1,900	0
STEP I LOAN REPMT	4,444	0	0	0	0	4,444
PREFUNDED RESERVE	76,197	0	0	0	76,197	0
CAPITALIZED INTEREST	60,441	0	0	0	60,441	0
FINAL DESIGN ALLOW	0	130,439	130,439	130,439	0	0
TOTAL	4,453,467	3,943,286	3,943,200	1,944,600	498,666	11,601
			0.55	0.20		
		EPA GRANT	2,168,760	388,920		
			388,920			
PRF FACTOR	0.9959		2,557,680			
ALT / INN FACTOR	0.4692	TOTAL GRANT	2,557,680			
		EXISTING	1,964,470			
		INCREASE	593,210			

Post-it™ Fax Note 7671

To Kim Weaver	Date 9/21 # of pages ▶ 3
Co./Dept. PHI	From Carrie Grimm
Phone # (614) 282-3685	Co. DEP
Fax # (614) 282-1825	Phone # (304) 558-0037
	Fax # (304) 558-3778

09/21/94

TOTAL PROJECT COST	4,453,467
LESS: EPA GRANT	2,557,680
LOCAL SHARE	1,895,787
CASH	0
ARC	0
COUNTY COMMISSION	0
SCBG/HUD	750,000
SRF LOAN	498,666
NET BOND PROCEEDS	647,121
2B ISSUED (FmHA Ln)	0
SAFETY	(647,121)

PREFUNDED RESERVES*	
WDA	51,899
SRF	24,298
	76,197

(*based on WDA loan of $647,121)

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

David C. Callaghan
Director

Ann A. Spaner
Deputy Director

August 30, 1994

Honorable Timothy P. Crago
Mayor, City of New Cumberland
P.O. Box 505
New Cumberland, West Virginia 26047

RE: City of New Cumberland
C-540252-02

Dear Mayor Crago:

Your are hereby advised that the bidding procedures for Contract 6 have been reviewed and approved. You may now award to the low, responsive bidder, Merit Contracting, Inc., as demonstrated by the proposal submitted. However, should you wish to award prior to closing on your financing, you should seek the advice of your Bond Counsel.

As the revised eligible project cost is $3,879,300, the grant has been increased to an amount not to exceed $2,500,370. The grant increase will be made under separate cover.

Certain construction activities have been assigned to our Engineering Branch. You will be contacted by a representative of this section in the near future.

Should you have any questions, please contact Carrie Grimm at (304) 558-0637 (or TDD 558-2751).

Sincerely,

OFFICE OF WATER RESOURCES

Mike Johnson

Mike Johnson, P.E.
Assistant Chief
Construction Assistance

MJ/cga

Enclosure

cc: KLH Engineers, Inc.
BHJ Metropolitan Planning Commission
Steptoe & Johnson
Mr. Lee Murphy, EPA

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

CERTIFIED MAIL

RE: C-540252-02
City of New Cumberland

MAR 22 1990

Honorable John P. Harris
Mayor, City of New Cumberland
P. O. Box 505
New Cumberland, West Virginia 26047

Dear Mayor Harris:

You were advised by letter on November 13, 1989, that the bidding procedures for Contracts 1 - 5 of the referenced project have been approved and that the contracts could be awarded to the low responsive bidders as indicated by the proposals you submitted.

In addition, EPA Form 5780-1B is approved with the following revisions:

	Item	For Grant Participation
A.	Construction	$
	Contract 1	428,265
	Contract 2	192,095
	Contract 3	319,592
	Contract 4	146,450
	Contract 5	440,360
	Later Contract	688,198
B.	Technical Services	113,650
C.	Legal & Fiscal	12,000
D.	Administration	29,771
E.	Contingency	118,480 1/
F.	Final Design Allowance	130,439 2/
G.	Total	$ 2,619,300

1/ calculated on 5% of total construction costs and maximum grant regulations
2/ calculated based upon Table 2 of Appendix A the Design Allowance

As the revised eligible project cost is $2,619,300, the grant has been increased with the concurrence of the West Virginia Department of Natural Resources to an amount not to exceed $1,964,470. The original and one copy of the Assistance Amendment reflecting the increase in Federal obligation are enclosed. Please execute the amendment and return the original, within twenty-one days of your receipt, to Mr. Frederick G. Warren, Chief, Grants Management Section. The copy should be executed and retained for your files.

When the contracts have been awarded, one executed copy of the construction agreements, performance and payment bonds, and the Notices-to-Proceed should be promptly submitted to this office, and one similar set forwarded to the West Virginia Department of Natural Resources. Payments will not be made by this office for construction until our receipt of these items.

The Assistance Agreement for the project has as a condition the submission, prior to final inspection, of an acceptable plan for providing proper and efficient operation and maintenance of the facilities to be constructed. It is requested that three copies of this plan be submitted to the State Agency for approval as soon as possible in order that our review may be made prior to your request for final inspection.

In addition, you are requested to provide this office with the name and qualifications of the treatment plant operator prior to your request for a fifty (50) percent payment.

We are enclosing information sheets outlining the procedures to be followed in making contract modifications and for submitting partial payment requests.

Sincerely,

for Alvin R. Morris, Director
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDNR
Mr. Bernie Yonkosky, WDA
Keith, Langford, Harrington

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor
John M. Ranson
Cabinet Secretary

David C. Callaghan
Director
Ann A. Spaner
Deputy Director

RECEIVED
NOV 12 1993
B. H. J. PLANNING COMMISSION

F A X O G R A M

To: Kim Weaver
B H J Planning & Development Council
Fax # 614-282-1821

From: Rosalie Brodersen
Management Section

Subject: New Cumberland EPA grant C-540252-02

Date: November 8, 1993

A review of the above referenced project indicates a grant balance of $570,070 after payment #19 was processed.

Currently, the State has $2.9m in grant funds until the program is closed out. The basis for any additional funds cannot be made until bids are in hand and a financial review of the project has been made. Funds will be made available on a first come, first serve basis and will include a review of the average monthly user rate.

Should you have any questions, please call.

c: Mike Johnson, CAP

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

David C. Callaghan
Director

Ann A. Spaner
Deputy Director

RECEIVED
DEC 16 1993
B. H. J. PLANNING COMMISSION

December 10, 1993

Mr. John P. Harris, Mayor
City of New Cumberland
Post Office Box 505
New Cumberland, West Virginia 26047

Re: City of New Cumberland
C-540252-02

Dear Mr. Harris:

We have reviewed the draft Rule 42 exhibit and the latest project budget recently submitted to this office. Based upon the information shown and the projected average monthly sewer rate going from $13.80 to over $40.00, we are willing to increase the EPA grant level to the maximum extent depending upon availability of federal funds at the time of bid opening. The exact amount of the increase is hard to determine now, but it may be in the range of $500,000 to $600,000 based upon the project estimate provided. An exact amount can't be determined until bids are received and a Part B application is submitted.

Should you have any questions, please call.

Sincerely,

CONSTRUCTION ASSISTANCE

Mike Johnson

Mike Johnson, P.E.
Assistant Chief

MJ:k

cc: Mr. Larry Manypenny
Kim Weaver
Eli McCoy, Chief
File

DEPARTMENT OF COMMERCE, LABOR & ENVIRONMENTAL RESOURCES
DIVISION OF ENVIRONMENTAL PROTECTION
617 Broad Street
Charleston, WV 25301-1218

Gaston Caperton
Governor

John M. Ranson
Cabinet Secretary

David C. Callaghan
Director

Ann A. Spaner
Deputy Director

CERTIFIED LETTER

January 13, 1994

RECEIVED
JAN 27 1994
B. H. J. PLANNING COMMISSION

New Cumberland, City of
Post Office Box 505
New Cumberland, West Virginia 26047

Re: New Cumberland, City of
C-540252-02

Dear Grantee:

Five years ago, the U.S. Environmental Protection Agency mandated that all States administratively closeout all construction grants by September 30, 1995. At that time we had 47 grantees who had not yet started construction on their projects. Today, your existing grant award is one of 15 projects that still has some or all construction contracts not yet awarded. The EPA is aware that we will not meet the September 30, 1995 national goal of closing out all active construction grant projects in West Virginia. However, EPA has mandated that we put all remaining projects on one, final schedule for completion to be achieved as soon as possible beyond September 30, 1995.

Since administrative completion of any grant cannot be achieved until one year after initiation of operation and the construction itself typically takes one year, it is important that we establish an absolute deadline for starting construction. For your grant we have set this deadline of September 30, 1994, for starting construction on all remaining contracts contained in your existing grant award. Failure to meet this deadline will result in grant termination for all remaining federal funds. No time extensions will be granted. You should allow sufficient time (-120 days) for the bid advertisement process to occur prior to awarding contracts.

We have now put all 15 grantees on notice that construction must be initiated by a certain date. This will allow our office to administratively complete all remaining active construction grants projects no later than September 30, 1998, some three years beyond EPA's goal. The last federal appropriation for the construction grants program occurred in 1990 and the time has finally come to either construct these remaining projects or terminate the grants. At this time we have no other choice.

If your project has already advertised for or opened bids recently, then please make sure construction is initiated by the above mentioned date. If your project is currently proceeding according to schedule and will be advertising for bids soon, then do what you can to keep on schedule to insure construction is initiated by the above deadline. As always, our staff is available to assist you in getting your project to the construction stage. Please let us know if you have any questions on this matter.

Sincerely,

CONSTRUCTION ASSISTANCE

Mike Johnson

Mike Johnson, P.E.
Assistant Chief

MJ:k

cc: KLH
Region XI PDC
Lee Murphy, EPA
File

Harris, John P., Sr.
SCBG/Hancock

STATE OF WEST VIRGINIA
OFFICE OF THE GOVERNOR
CHARLESTON 25305

ARCH A. MOORE, JR.
GOVERNOR

February 20, 1987

The Honorable John P. Harris, Sr.
Mayor
City of New Cumberland
Jefferson Street
New Cumberland, West Virginia 26047

Dear Mayor Harris:

I am pleased to confirm my approval of your Small Cities Block Grant application in an amount up to $750,000 for the City of New Cumberland. These funds will enable you to construct a sewerage collection and treatment system.

In order to most effectively use the limited dollars available, I hereby commit $200,000 from our Fiscal Year 1986 allocation which will be immediately available to you. The remaining funds necessary to complete this project will be evaluated and committed in the coming year. I encourage you to immediately expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

My Community Development staff will contact you to complete the necessary contracts in order to proceed with your project.

It is with great pleasure that I am able to work with you to make this improvement a reality for the citizens of New Cumberland.

Sincerely,

Arch

Arch A. Moore, Jr.
Governor

AAMJr:jp

COMMUNITY DEVELOPMENT BLOCK GRANT

Mr. Anthony T. White of the West Virginia Development Office confirmed a balance of $154,816 remaining in the Community Development Block Grant as of November 15, 1993.

Karen Kim Weaver
Project Administrator