CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A

(West Virginia Infrastructure Fund)

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CITY OF RICHWOOD

COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND)

BOND ORDINANCE

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CITY OF RICHWOOD

BOND ORDINANCE

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WASTEWATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF RICHWOOD AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); 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 RICHWOOD:

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 31, Article 15A 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 Richwood (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Nicholas 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 wastewater portion of the existing public combined waterworks and sewerage system of the Issuer, consisting of the replacement of two major pumping stations, separation of storm and sanitary sewers, removal of several mains from flood impacted areas, and repairs of mains and manholes, together with all appurtenant facilities (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"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), which administers the West Virginia Infrastructure Fund (the "Infrastructure Fund") for the West Virginia Infrastructure and Jobs Development Council (the "Council") which the Authority administers pursuant to the Act, and a grant from the Council.

D. It is deemed necessary for the Issuer to issue its Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in the total aggregate principal amount of not more than $3,000,000 (the "Series 2009 A Bonds"), to be initially represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. The remaining costs of the Project shall be funded from the sources set forth in Section 2.01 hereof. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest, if any, upon the Series 2009 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 2009 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2009 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 2009 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 2009 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement (the "Loan Agreement") by and between the Issuer and the Authority on behalf of the Council, in form satisfactory to the respective parties, to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002, issued in the original aggregate principal amount of $682,314 (the "Series 2002 Bonds" or the "Prior Bonds")

The Series 2009 A Bonds shall be issued on a parity with the Prior Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2009 A Bonds, the Issuer will obtain (i) a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System.

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

I. The Issuer has complied with all requirements of West Virginia law and the Loan Agreement relating to authorization of the acquisition, construction and operation of the Project and the System and issuance of the Series 2009 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of convenience and necessity from the Public Service Commission of West Virginia by final order.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2009 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, collectively, Chapter 8, Article 20 and Chapter 31, Article 15A 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 2009 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 2009 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2009 A Bonds for all or a portion of the proceeds of the Series 2009 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 Ghosh Engineers, Inc., Charleston, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

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

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

"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 the grants committed to the Project

"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 Revenue" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualifies 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.

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

"Loan Agreement" means the loan agreement heretofore entered, or to be entered, into by and between the Issuer and the Authority on behalf of the Council, providing for the purchase of the Series 2009 A Bonds, 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 2009 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2009 A Bonds Reserve Account.

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

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

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

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

"Paying Agent" means the Commission or such other entity or authority as may be designated as a Paying Agent for the Series 2009 A Bonds by the Issuer in the Supplemental Resolution with the written consent of the Authority and the Council.

"Prior Bonds" means the Series 2002 Bonds.

"Prior Ordinances" means the ordinance of the Issuer authorizing the Series 2002 Bonds.

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

(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.

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

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

"Reserve Accounts" means, collectively, the respective Reserve Accounts established for the Series 2009 A Bonds and the Prior Bonds.

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

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

"Series 2002 Bonds" means the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002 issued in the original aggregate principal amount of $682,314.

"Series 2009 A Bonds" means the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, authorized by this Ordinance.

"Series 2009 A Bonds Construction Trust Fund" means the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2009 A Bonds Reserve Account" means the Series 2009 A Bonds Reserve Account established in the Series 2009 A Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2009 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 2009 A Bonds in the then current or any succeeding year.

"Series 2009 A Bonds Sinking Fund" means the Series 2009 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds established for the Series 2009 A Bonds and the Prior 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 2009 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2009 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means the existing combined waterworks and sewerage system of the Issuer, as expanded and improved by the Project, and includes the complete waterworks and sewerage system of the Issuer and all waterworks and sewerage facilities owned by the Issuer and all facilities and other property of every nature, real or personal, now or hereafter owned, held or used in connection with the combined waterworks and sewerage system; and shall also include any and all additions, extensions, improvements, properties or other facilities at any time acquired or constructed for the combined waterworks and sewerage system after the completion of the Project.

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

"West Virginia Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Chapter 31, Article 15A, Section 9 of the West Virginia Code of 1931, as amended and in effect on the date of enactment hereof.

Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and 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 the Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project at an estimated cost of not to exceed $3,000,000, which will be paid from proceeds of the Series 2009 A Bonds, 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 2009 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 in an amount compatible with the financing plan submitted to the Council and the Authority.

The cost of the project is estimated not to exceed $3,000,000 of which not more than $3,000,000 will be obtained from the proceeds of the 2009 A Bonds, approximately $500,000 will be obtained from a grant from the Council and $1,500,000 will be obtained from a Small Cities Block Grant.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of paying 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 2009 A Bonds of the Issuer. The Series 2009 A Bonds shall be issued as a single bond, designated "Combined Waterworks and Sewerage System Revenue Bond, Series 2009 A (West Virginia Infrastructure Fund)", in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2009 A Bonds remaining after funding of the Series 2009 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2009 A Bonds, if any, shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund established by Section 5.01 hereof.

Section 3.02. Terms of Bonds. The Series 2009 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable 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 2009 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2009 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2009 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 2009 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2009 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2009 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 Recorder. In case any one or more of the officers who shall have signed or sealed the

Series 2009 A Bonds shall cease to be such officer of the Issuer before the Series 2009 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2009 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2009 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof, shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2009 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2009 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2009 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2009 A Bonds remain outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain books for the registration and transfer of such Bonds.

The registered Series 2009 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2009 A Bonds or transferring the registered Series 2009 A Bonds are exercised, all Series 2009 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2009 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2009 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2009 A Bonds during the

period commencing on the 15th day of the month next preceding an interest payment date on the Series 2009 A Bonds or, in the case of any proposed redemption of Series 2009 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2009 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 2009 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of the Series 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 A Bonds or the interest thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2009 A Bonds and the Prior Bonds and to make all other payments hereinafter set forth, are hereby irrevocably pledged to such payments as they become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2009 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2009 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 2009 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 2009 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 2009 A Bonds.

Section 3.10. Form of Series 2009 A Bonds. The text of the Series 2009 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 2009 A BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RICHWOOD
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-____ $_____

KNOW ALL MEN BY THESE PRESENTS: That on this ___ day of _____, 2009, the CITY OF RICHWOOD, a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, 200__, to and including _____ 1, 20___ as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no 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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated _____, 2009.

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 wastewater portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) 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 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the

"Act"), and a Bond Ordinance duly enacted by the Issuer on _____, 2009, and a Supplemental Resolution duly adopted by the Issuer on _____, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $682,314 (THE "SERIES 2002 BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay 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, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with, or subordinate to, the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the registrar (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 monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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 RICHWOOD has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the date first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: _____, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Loan Agreement. The Series 2009 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 Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Loan Agreement and all schedules and exhibits attached thereto are hereby approved and ratified and incorporated into this Bond Legislation.

Section 3.12. Filing of Amended Schedule. Upon completion of the acquisition and construction of the Project, the Issuer will file with the Council and the Authority a schedule for the Series 2009 A Bonds, the form of which will be provided by the Authority and the Council, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

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

(3) Series 2009 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with (or continued if previously established by the Prior Ordinances) 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 2002 Bonds Sinking Fund (established by the Prior Ordinances);

(2) Series 2002 Bonds Reserve Account (established by the Prior Ordinances);

(3) Series 2009 A Bonds Sinking Fund; and

(4) Series 2009 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and in the Prior Ordinances and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinances. 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, each month, transfer from the Revenue Fund to the Operation and Maintenance Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) the Commission the amounts required by Prior Ordinances to pay principal on the Series 2002 Bonds; and (ii) simultaneously remit to the Commission,

commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2009 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2009 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to (i) the Commission the amounts required by the Prior Ordinances to be deposited in the Reserve Account for the Series 2002 Bonds; and (ii) the Commission, commencing 3 months prior to the first date of payment of principal of the Series 2009 A Bonds, if not fully funded upon issuance of the Series 2009 A Bonds, for deposit in the Series 2009 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2009 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2009 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 2009 A Bonds Reserve Requirement.

(4) The Issuer shall next, on the first day of each month, from the monies remaining in the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month (as previously set forth in the Prior Ordinances and not in addition thereto), exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such 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 monies from the Renewal and Replacement Fund.

Monies in the Series 2009 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2009 A Bonds as the same shall become due. Monies in the Series 2009 A Bonds Reserve Account shall be used only for the purpose of paying

principal of and interest, if any, on the Series 2009 A Bonds as the same shall come due, when other monies in the Series 2009 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 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 2009 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2009 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2009 A Bonds Reserve Account which result in a reduction in the balance of the Series 2009 A Bonds Reserve Account to below the Series 2009 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2009 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2009 A Bonds Sinking Fund, or the Series 2009 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2009 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest, if any, to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and Series 2009 A 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 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account created hereunder, and all amounts required for said accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. All remittances made by the Issuer to the Commission shall clearly identify the fund or account into which each amount is to be deposited. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2009 A Bonds Sinking Fund and the Series 2009 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

B. 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.

C. The Issuer shall on the first day of each month (if such day is not a business day, then the next succeeding business day) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2009 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.

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

E. The monies in excess of the maximum amounts insured by FDIC in all funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Government Obligations or by other Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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 the Net Revenues shall be applied to such deficiencies before being applied to any other payments hereunder.

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

ARTICLE VI

APPLICATION OF BOND PROCEEDS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2009 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. Next, from the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2009 A Bonds Reserve Account.

B. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2009 A Bonds, such monies shall be deposited with the Depository Bank in the Series 2009 A Bonds Construction Trust Fund and applied solely to payment of the Costs of the Project in the manner set forth in Section 6.02 hereof and until so expended, are hereby pledged as additional security for the Series 2009 A Bonds.

C. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2009 A Bonds shall be expended as directed by the Council.

Section 6.02. Disbursements of Bond Proceeds. The Issuer shall each month provide the Council with a requisition for the costs incurred for the Project, together with such documentation as the Council shall require. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements of the proceeds of the Series 2009 A Bonds from the Series 2009 A Bonds Construction Trust Fund shall be made only after submission to, and approval from, the Council of a certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

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

(2) 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;

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

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

Pending such application, monies in the Series 2009 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

The Issuer shall expend all proceeds of the Series 2009 A Bonds within 3 years of the date of issuance of the Council's bonds, the proceeds of which were used to make the loan to the Issuer, if applicable.

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 2009 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 2009 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 2009 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2009 A Bonds shall not be nor constitute a corporate 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 2009 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2009 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of the debt service of the Series 2009 A Bonds shall be secured by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Prior Bonds and the Series 2009 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charge , with all requisite appeal periods having expired without successful appeal, and the Issuer shall supply an opinion of counsel to such effect. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement, and the Issuer shall supply a certificate of certified public accountant to such effect. The initial schedule of rates and charges for the services of the facilities of the System shall be as set forth in the water rate ordinance duly enacted on November 1, 2007, and the sewer rate ordinance duly enacted on May 1, 2008, as amended by Recommended Decision entered on dated February 27, 2009, which became Final Order on March 19, 2009 by the Public Service Commission of West Virginia in Case No. 08-0944-S-MA, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2009 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in

compliance with the Loan Agreement. In the event the schedule of rates, fees and charges initially established for the System in connection with the Series 2009 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Loan Agreement.

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

So long as the Series 2009 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the Council, the System may not be sold, mortgaged, leased or otherwise disposed of except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding in accordance with Article X hereof. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2009 A Bonds, immediately be remitted to the Commission for deposit in the Series 2009 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 immediately apply such proceeds to the payment of principal of and interest on the Series 2009 A Bonds. Any balance remaining after the payment of all the Series 2009 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, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Revenue Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and the Governing Body may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property, aggregating during such Fiscal Year in excess of $10,000 and not in excess of $50,000, shall be deposited in the Renewal and Replacement Fund.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same

Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders, or their duly authorized representatives, of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.07 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 2009 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2009 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2009 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 and the Council 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. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinances shall be applicable. In addition, no additional Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2009 A Bonds pursuant to this Ordinance, without the prior written consent of the Authority and the Council and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinances).

No such Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of additions extensions, improvements or betterments to the System or refunding any outstanding Bonds, or both such purposes.

So long as the Series 2002 Bonds and the Series 2009 A Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the Recorder a written statement by Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustment hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such additional Parity Bonds, plus the estimated average increased annual Net Revenues to be

received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall 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 additional Parity Bonds theretofore issued pursuant to the provisions contained in the Prior Ordinances and this Bond Legislation then Outstanding; and

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

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

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

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

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

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

Section 7.08. Books; Records and Audit. The Issuer shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the Council 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 Council 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 Council or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times following completion of construction of the Project and commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Council and the Authority, or any other original purchaser of the Series 2009 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2009 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.

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 in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2009 A Bonds and shall submit said report to the Authority and the Council, or any other original purchaser of the Series 2009 A Bonds. Such audit report submitted to the Authority and the Council shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service requirements.

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

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

Section 7.09. Rates. So long as the Prior Bonds are outstanding, the Issuer will maintain rates as required in the Prior Ordinances. Prior to the issuance of the Series 2009 A Bonds, rates or charges for the use of the services and facilities of the System will be fixed and established, all in the manner and form required by law, and a copy of such rates and charges so fixed and established shall at all times be kept on file in the office of the Recorder of the Issuer, which copy will be open to inspection by all interested parties. The schedule or schedules of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds and accounts created hereunder. Such schedule or schedules of rates and charges shall be revised from time to time, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule or schedules of rates or charges from time to

time in effect shall be sufficient, together with other revenues of the System, (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 2009 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2009 A Bonds including the Prior Bonds; provided that, in the event that, an amount equal to or in excess of the Reserve Requirement is on deposit in the Series 2009 A Bonds Reserve Account and any reserve accounts for obligations on a parity with, or subordinate to, the Series 2009 A Bonds are funded at least at the requirement therefor, such sum need only equal 110% of the maximum amount required in any year for payment of principal of and interest on the Series 2009 A Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Series 2009 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.

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

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the Council 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 Council or to any Holder of any Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her within 30 days of adoption thereof and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and on behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the acquisition and construction of the Project and for 2 years following the completion of the Project, the Issuer shall each month complete a "Monthly Financial Report," a form of which is attached to the Loan Agreement, and forward a copy of such report to the Authority and the Council 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 Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council is sufficient to pay the costs of acquisition and construction of the Project, and all permits required by federal and state laws for construction of the Project have been obtained.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the Council covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such engineer shall certify to the Council, 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 shall employ qualified operating personnel properly certified by the State 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 20 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 Board further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of the System or the water system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water system is not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a similar termination agreement with the provider of such water, subject to any required

approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders thereof.

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 2009 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of 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 as to every officer, member and employee of the Issuer having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the Council. 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 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 System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling

or building where there is such gravity flow or transportation by such other method approved by the State Department of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 20-day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.17. Completion 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 and the West Virginia Infrastructure and Jobs Development Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for the issuance of the Series 2009 A Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Loan Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Loan Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer will provide the Council with copies of all documents submitted to the Authority. The Issuer agrees to comply with all applicable laws, rules and regulations issued by the Authority, the Council 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. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2009 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 2009 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.20. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2009 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the Council for written approval. The Issuer shall obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the Council before expending any proceeds of the Series 2009 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENT OF FUNDS

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

Any investment shall be held in and at all times deemed a part of the fund or account in which such monies were originally held, and the interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. The investments held for any fund or account shall be valued at the lower of cost or then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including the value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held in the "Consolidated Fund." The Commission 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. Certificate as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2009 A Bonds as a condition to issuance of the Series 2009 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2009 A Bonds as may be necessary in order to maintain the status of the Series 2009 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds which would cause any bonds, the interest, if any, on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority or the Council, as the case may be, from which the proceeds of the Series 2009 A Bonds are derived, to lose their status as tax-exempt bonds;

and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority or the Council, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2009 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2009 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2009 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its respective part relating to the Series 2009 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2009 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of the Series 2009 A Bonds may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2009 A Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Series 2009 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2009 A Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2009 A Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a 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

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid, to the Holders of the Series 2009 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2009 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2009 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2009 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2009 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2009 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of the Series 2009 A Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2009 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest, if any, on the Series 2009 A Bonds from gross income of the holders thereof.

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

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2009 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. All ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that, in the event of any conflict between this Ordinance and the Prior Ordinances, the Prior Ordinances shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the adoption of this Ordinance do exist, have happened, have been performed and have been taken

in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the Recorder and members of the Governing Body were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

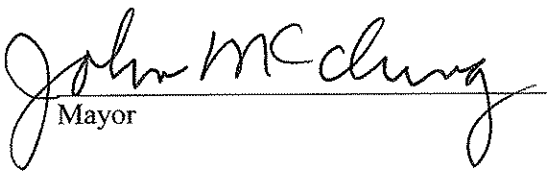
Section 11.07. Effective Date. This Ordinance shall take effect immediately following public hearing and final reading hereof.

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Nicholas Chronicle*, a newspaper published and of general circulation in the City of Richwood, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2009 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Passed on First Reading: July 2, 2009

Passed on Second Reading: July 16, 2009

Passed on Final Reading
Following Public Hearing: July 30, 2009



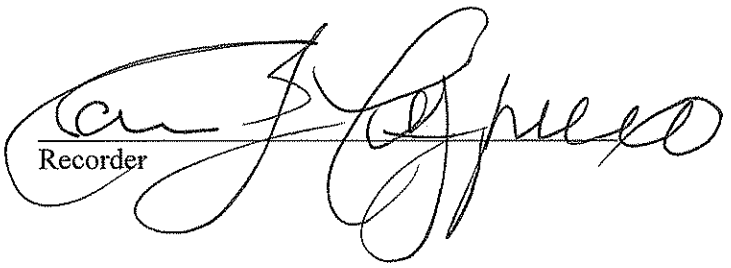
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF RICHWOOD on the 30th day of July, 2009.

Dated: September 2, 2009.

[SEAL]



Recorder

08.13.09
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CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

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 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF RICHWOOD; 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; APPROVING A CONFORMED BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the council (the "Governing Body") of the City of Richwood (the "Issuer") has duly and officially adopted and enacted a bond ordinance, effective July 30, 2009 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WASTEWATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF RICHWOOD AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN

AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, in the aggregate principal amount not to exceed $3,000,000 (the "Bonds" or the Series 2009 A Bonds"), and has authorized the execution and delivery of a loan agreement relating to the Bonds, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), all in accordance with Chapter 8, Article 20 and Chapter 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Loan Agreement and the exact principal amount, date, maturity date, redemption provision, interest rate, interest and principal payment dates, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Loan Agreement be approved and 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 RICHWOOD:

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 2009 A (West Virginia Infrastructure Fund), of the Issuer, originally represented by a single Bond, numbered AR-1, in the principal amount of $1,308,155. The

Bonds shall be dated the date of delivery thereof, shall finally mature September 1, 2049, and shall bear no interest. The principal of the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including September 1, 2049, and in the amounts as set forth in the "Schedule Y" attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds shall be subject to redemption upon the written consent of the Authority and the Council, and upon payment of a 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, ratify and accept the Loan Agreement, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Loan Agreement and in the applications to the Council 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 The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar"), for the Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

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

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

Section 7. Series 2009 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2009 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2009 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Bonds shall be deposited in or credited to the Series 2009 A Bonds Construction Trust Fund as received from the Council from time to time for payment of costs of the Project, including, without limitation, costs of issuance of the Bonds and related costs.

Section 10. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents, agreements, instruments 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 September 2, 2009, to the Authority pursuant to the Loan Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Bonds 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 12. The Issuer does hereby approve and authorize all contracts relating to the financing, acquisition and construction of the Project.

Section 13. The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

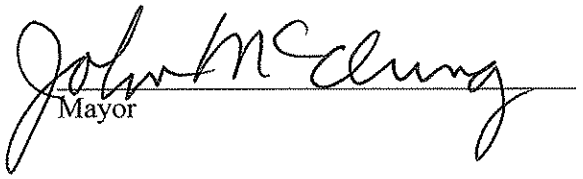
Section 14 The Issuer shall perform an annual maintenance audit which maintenance audit shall be submitted to the Authority and the Public Service Commission of West Virginia.

Section 15. The Issuer hereby determines to invest all monies 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 monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Series 2009 A Bonds Sinking Fund, including the Series 2009 A Bonds Reserve Account therein, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 16. The Issuer shall serve the additional customers at the location(s) as set forth in Certificate of Engineer. The Issuer shall not reduce the amount of additional customers served by the project without the prior written approval of the Board of the Water Development Authority (the "Authority"). Following completion of the Project the Issuer shall certify to the Authority the number of customers added to the System.

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

Adopted this 20th day of August, 2009.



Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Richwood on the 20th day of August, 2009.

Dated: September 2, 2009.

[SEAL]

Recorder

08.14.09
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IC-1
(08/09)

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"), acting on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council"), and the governmental agency designated below (the "Governmental Agency").

TOWN OF RICHWOOD
(2001S-577a)

(Governmental Agency)

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Chapter 31, Article 15A of the Code of West Virginia, 1931, as amended (the "Act"), the Authority is empowered upon request of the Council to make loans to governmental agencies for the acquisition or construction of projects by such governmental agencies, 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 acquire, construct, improve, operate and maintain a project, as defined by the Act, and to finance the cost of acquisition and construction of 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 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 the Act and having available sufficient funds therefor, the Council has authorized the Authority 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 money in the Infrastructure Fund, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Council's 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," "cost," "Council," "governmental agency," "project," "waste water facility" and "water facility" have the definitions and meanings ascribed to them in the Act.

1.2 "Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds, acting in its administrative capacity pursuant to Section 10 of the Act and upon authorization from the Council.

1.3 "Consulting Engineers" means the professional engineer, licensed by the State, designated in the Application and any qualified successor thereto; provided, however, when a Loan is made for a Project financed, in part, by the Office of Abandoned Mine Lands, "Consulting Engineers" shall mean the West Virginia Department of Environmental Protection, or any successor thereto.

1.4 "Infrastructure Fund" means the West Virginia Infrastructure Fund established in accordance with Section 9 of the Act.

1.5 "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.

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

1.7 "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, all in accordance with the provisions of this Loan Agreement.

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

1.9 "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.

1.10 "Project" means the 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.

1.11 "System" means the 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.

1.12 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 Governmental Agency by the Consulting Engineers, the Authority and Council having found, to the extent applicable, that the Project is consistent with the Act.

2.2 Subject to the terms, conditions and provisions of this Loan Agreement and 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 or any interest therein is approved by the Authority and Council.

2.4 The Governmental Agency agrees that the Authority and the Council and their 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 the Council and their duly authorized agents and representatives shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities as may be reasonably necessary to accomplish all of the powers and rights of the Authority and the Council 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 and the Council, acting by and through their directors or their 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 and the Council such documents and information as they 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 the Council and their 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 and shall verify or have verified such bonds prior to commencement of construction.

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 Council and the Authority and shall verify or have verified such insurance prior to commencement of construction. 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 are outstanding, business interruption insurance if available at a reasonable cost.

2.9 The Governmental Agency shall provide and maintain competent and adequate engineering services satisfactory to the Council and 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 engineer shall certify to the Authority, the Council 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 shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Governmental Agency shall employ qualified operating personnel properly certified by the State 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 Council, 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 acquisition or construction of the Project and for two years following the completion of acquisition or construction of the Project, shall each month complete a Monthly Financial Report, the form of which is attached hereto as Exhibit C and incorporated herein by reference, and forward a copy by the 10th of each month to the Authority and Council.

2.13 The Governmental Agency shall serve the additional customers at the location(s) as set forth in Schedule X. The Governmental Agency shall not reduce the amount of additional customers served by the project without the prior written approval of the WDA Board. Following completion of the Project the Governmental Agency shall certify to the Authority the number of customers added to the System.

2.14 The Governmental Agency shall perform an annual maintenance audit which maintenance audit shall be submitted to the WDA and the Public Service Commission of West Virginia.

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

3.1 The agreement of the Authority and Council to make the Loan is subject to the Governmental Agency's fulfillment, to the satisfaction of the Authority and the Council, 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 into contracts for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application; provided that, if the Loan will refund an interim construction financing, the 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 and the Council shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit A;

(d) 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 and the Council shall have received a certificate of the Consulting Engineers to such effect;

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, to such effect;

(f) The Governmental Agency shall have obtained any and all approvals for the issuance of the Local Bonds required by State law, and the Authority and the Council 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 of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and the Council 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 and the Council, to such effect;

(h) Such rates and charges for the System shall be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof, and the Authority and the Council shall have received a certificate of the accountant for the Governmental Agency, or such other person or firm experienced in the finances of governmental agencies and satisfactory to the Authority and the Council, to such effect; and

(i) 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 projects and satisfactory to the Authority and the Council, to such effect, such certificate to be in form and substance satisfactory to the Authority and the Council, and evidence satisfactory to the Authority and the Council 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, the Council 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, the Council 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 or such later date as is agreed to in writing by the Council.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Council for loans from the Infrastructure Fund to finance projects and that the obligation of the Authority to make any such loan is subject to the Council's authorization and the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing. The Governmental Agency specifically recognizes that the Authority will not purchase the Local Bonds unless and until sufficient funds are available in the Infrastructure Fund to purchase all the Local Bonds and that, prior to execution of this Loan Agreement, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

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 adopted or enacted, contain provisions and covenants in substantially the form as follows, unless the specific provision or covenant is modified or waived by the Council:

(a) That the gross revenues of the System shall always be used for purposes of the System. Such gross revenues shall 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 (which, with an approving opinion of bond counsel to the Governmental Agency, may be with a letter of credit or surety) in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the gross or net revenues of the System, as more fully set forth in Schedule X attached hereto and in the Local Act;

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

(iii) That the Governmental Agency shall 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 Council and 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 and with the prior written consent of the Authority and the Council; 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 the Authority 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 and

the Council, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Governmental Agency's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

(xii) That the Governmental Agency shall annually adopt a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding fiscal year and shall submit a copy of such budget to the Authority and the Council 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, 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) and/or (b) be used to pay (or redeem) bond anticipation notes or other interim financing 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 and the Council, 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 may not redeem any Local Bonds by it without the written consent of the Authority and the Council and otherwise in compliance with this Loan Agreement;

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

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

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

(xix) That the Governmental Agency shall take any and all action, or shall refrain from taking any action regarding the use of the proceeds of the Local Bonds, as shall be deemed necessary by the Authority to maintain the exclusion from gross income for federal income tax purposes of interest on the State's general obligation bonds or any bonds secured by the Local Bonds;

(xx) That the Governmental Agency shall have obtained the certificate of the Consulting Engineer in the form attached hereto as Exhibit A, to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted to the Authority and the Council, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and the Council 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;

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

(xxii) 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 Internal Revenue Code of 1986, as amended) from time to time as the Authority may request;

(xxiii) That the Governmental Agency shall submit all proposed change orders to the Council for written approval. The Governmental Agency shall obtain the written approval of the Council before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule B attached to the certificate of the Consulting Engineer. The Governmental Agency shall obtain the written approval of the Council before making any changes to the final Schedule B and also before expending any proceeds of the Local Bonds available due to bid/construction/project underruns;

(xxiv) That the Governmental Agency shall list the funding provided by the Authority and the Council in any press release, publication, program bulletin,

sign or other public communication that references the Project, including but not limited to any program document distributed in conjunction with any groundbreaking or dedication of the Project; and

(xxv) That, unless it qualifies for an exception, the Governmental Agency shall comply with all the requirements of Chapter 21, Article 1C of the Code of West Virginia, 1931, as amended (the "West Virginia Jobs Act") and shall require its contractors and subcontractors to comply with the West Virginia Jobs Act. The Governmental Agency shall provide the Council and the Authority with a certificate stating that (I) the Governmental Agency will comply with all the requirements of the West Virginia Jobs Act; (II) the Governmental Agency has included the provisions of the West Virginia Jobs Act in each contract and subcontract for the Project; (III) the Governmental Agency has received or will receive, prior to entering into contracts or subcontracts, from each contractor or subcontractor a certificate demonstrating compliance with Section 4 of the West Virginia Jobs Act or waiver certificates from the West Virginia Division of Labor ("DOL"); and (IV) the Governmental Agency will file with the DOL and the Council copies of the waiver certificates and certified payrolls or comparable documents that include the number of employees, the county and state wherein the employees reside and their occupation, following the procedures established by the DOL. The monthly requisitions submitted to the Council shall also certify that the Governmental Agency is monitoring compliance by its contractors and subcontractors and that the required information has been submitted.

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, validity, 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 and the Council.

4.3 The principal of the Loan shall be repaid by the Governmental Agency on the days and in the years provided in Schedule X hereto. Interest payments on the Loan shall be made by the Governmental Agency on a quarterly basis as provided in said Schedule X.

4.4 The Loan shall bear interest from the date and 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.

4.5 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.

4.6 The Governmental Agency agrees to expend the net proceeds of the Local Bonds for the Project within 3 years of the issuance of the bonds which are the source of money used to purchase the Local Bonds, unless otherwise agreed to by the Council.

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 and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

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

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

5.4 The 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 the Act and State law, including, without limitation, the right to an appointment of a receiver.

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby warrants and represents that all information provided to the Authority and the Council 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 the Council 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 the Council 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 the Act or this Loan Agreement.

6.2 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.

6.3 Notwithstanding Section 6.2, 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.

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

6.5 The Governmental Agency hereby agrees to file with the Authority and the Council upon completion of acquisition and construction of the Project a schedule in substantially the form of Amended Schedule B 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, if any, may be 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 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority and the Council.

7.3 The Authority shall take all actions required by the Council in making and enforcing this Loan Agreement.

7.4 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.

7.5 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.

7.6 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.

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

7.8 The Authority acknowledges that certain terms and requirements in this Loan Agreement may not be applicable when the Project is financed in part by the West Virginia Department of Environmental Protection, Office of Abandoned Mine Lands and under that circumstance those terms and requirements are specifically waived or modified as agreed to by the Authority and set forth in the Local Act.

7.9 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.

7.10 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 or such later date as is agreed to in writing by the Council if the Governmental Agency has failed to deliver the Local Bonds to the Authority;

(ii) termination by the Authority and the Council pursuant to Section 6.1 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, acting on behalf of the Council.

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.

TOWN OF RICHWOOD

(SEAL)

Attest:

Its: Recorder

By:
Its: Mayor
Date: September 2, 2009

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

Attest:

Its: Secretary-Treasurer

By:
Its: Executive Director
Date: September 2, 2009

{C1583280.1}

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 as follows:

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

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

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

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of _____,

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

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

[SEAL]

_____

By: _____
West Virginia License No. _____

Esq.] and delete "my firm has ascertained that".

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

EXHIBIT B

OPINION OF BOND COUNSEL FOR GOVERNMENTAL AGENCY

[To Be Dated as of Date of Loan Closing]

West Virginia Infrastructure and
Jobs Development Council
300 Summers Street, Suite 980
Charleston, West Virginia 25301

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

Ladies and Gentlemen:

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

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

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

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

to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

1. The Loan Agreement has been duly authorized by and executed on behalf of the 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 the Council and cannot be amended so as to affect adversely the rights of the Authority or the Council or diminish the obligations of the Governmental Agency without the consent of the Authority and the Council.

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

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

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

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

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

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

Very truly yours,

EXHIBIT C

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

Item 4 Provide the amount deposited into the **Renewal and Replacement Fund** each month. This amount is equal to 2.5% of Gross Revenues minus the total reserve account payments included in Item 3. If Gross Revenues are $1,200, then $30 (2.5% of $1,200), LESS the amount of all reserve account payments in Item 3 should be deposited into the Renewal and Replacement Fund. The money in the Renewal and Replacement Fund should be kept separate and apart from all other funds of the Governmental Agency.

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

EXHIBIT D

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:	
Interest	$
Principal	$
Total:	$
Reserve Account:	$

Witness my signature this ____ day of_____.

[Name of Governmental Agency]

By: _____
Authorized Officer

Enclosure: copy of check(s)

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $1,308,155
Purchase Price of Local Bonds $1,308,155

The Local Bonds shall bear no interest. Commencing March 1, 2011, principal on the Local Bonds is payable quarterly. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

The Governmental Agency shall authorize the Commission to electronically debit its monthly payments. The Commission will make quarterly payments to the Authority at such address as is given to the Commission in writing by the Authority.

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

The Governmental Agency may prepay the Local Bonds in full at any time at the price of par but only with the Council's written consent. The Governmental Agency shall request approval from the Authority and Council in writing of any proposed debt which will be issued by the Governmental Agency on a parity with the Local Bonds which request must be filed at least 60 days prior to the intended date of issuance.

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

(i) Town of Richwood Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002, issued in the original aggregate principal amount of $682,314.

Number of New Customers to Be Served: 0
Location: N/A

SCHEDULE Y
DEBT SERVICE SCHEDULE

Town of Richwood
40 Years from Closing Date
0% Interest Rate

Dated Date	9/2/09	
Delivery Date	9/2/09	

Period Ending	Principal	Interest	Debt Service
9/2/09			
3/1/11	8,440		8,440
6/1/11	8,440		8,440
9/1/11	8,440		8,440
12/1/11	8,440		8,440
3/1/12	8,440		8,440
6/1/12	8,440		8,440
9/1/12	8,440		8,440
12/1/12	8,440		8,440
3/1/13	8,440		8,440
6/1/13	8,440		8,440
9/1/13	8,440		8,440
12/1/13	8,440		8,440
3/1/14	8,440		8,440
6/1/14	8,440		8,440
9/1/14	8,440		8,440
12/1/14	8,440		8,440
3/1/15	8,440		8,440
6/1/15	8,440		8,440
9/1/15	8,440		8,440
12/1/15	8,440		8,440
3/1/16	8,440		8,440
6/1/16	8,440		8,440
9/1/16	8,440		8,440
12/1/16	8,440		8,440
3/1/17	8,440		8,440
6/1/17	8,440		8,440
9/1/17	8,440		8,440
12/1/17	8,440		8,440
3/1/18	8,440		8,440
6/1/18	8,440		8,440
9/1/18	8,440		8,440
12/1/18	8,440		8,440
3/1/19	8,440		8,440
6/1/19	8,440		8,440
9/1/19	8,440		8,440
12/1/19	8,440		8,440
3/1/20	8,440		8,440
6/1/20	8,440		8,440
9/1/20	8,440		8,440
12/1/20	8,440		8,440
3/1/21	8,440		8,440
6/1/21	8,440		8,440
9/1/21	8,440		8,440
12/1/21	8,440		8,440

Town of Richwood

40 Years from Closing Date

0% Interest Rate

Period Ending	Principal	Interest	Debt Service
3/1/22	8,440		8,440
6/1/22	8,440		8,440
9/1/22	8,440		8,440
12/1/22	8,440		8,440
3/1/23	8,440		8,440
6/1/23	8,440		8,440
9/1/23	8,440		8,440
12/1/23	8,440		8,440
3/1/24	8,440		8,440
6/1/24	8,440		8,440
9/1/24	8,440		8,440
12/1/24	8,440		8,440
3/1/25	8,440		8,440
6/1/25	8,440		8,440
9/1/25	8,440		8,440
12/1/25	8,440		8,440
3/1/26	8,440		8,440
6/1/26	8,440		8,440
9/1/26	8,440		8,440
12/1/26	8,440		8,440
3/1/27	8,440		8,440
6/1/27	8,440		8,440
9/1/27	8,440		8,440
12/1/27	8,440		8,440
3/1/28	8,440		8,440
6/1/28	8,440		8,440
9/1/28	8,440		8,440
12/1/28	8,440		8,440
3/1/29	8,440		8,440
6/1/29	8,440		8,440
9/1/29	8,440		8,440
12/1/29	8,440		8,440
3/1/30	8,440		8,440
6/1/30	8,440		8,440
9/1/30	8,440		8,440
12/1/30	8,440		8,440
3/1/31	8,440		8,440
6/1/31	8,440		8,440
9/1/31	8,440		8,440
12/1/31	8,440		8,440
3/1/32	8,440		8,440
6/1/32	8,440		8,440
9/1/32	8,440		8,440
12/1/32	8,440		8,440
3/1/33	8,440		8,440
6/1/33	8,440		8,440
9/1/33	8,440		8,440
12/1/33	8,440		8,440
3/1/34	8,440		8,440

Town of Richwood

40 Years from Closing Date

0% Interest Rate

Period Ending	Principal	Interest	Debt Service
6/1/34	8,440		8,440
9/1/34	8,440		8,440
12/1/34	8,440		8,440
3/1/35	8,440		8,440
6/1/35	8,440		8,440
9/1/35	8,440		8,440
12/1/35	8,440		8,440
3/1/36	8,440		8,440
6/1/36	8,440		8,440
9/1/36	8,440		8,440
12/1/36	8,440		8,440
3/1/37	8,440		8,440
6/1/37	8,440		8,440
9/1/37	8,440		8,440
12/1/37	8,440		8,440
3/1/38	8,440		8,440
6/1/38	8,439		8,439
9/1/38	8,439		8,439
12/1/38	8,439		8,439
3/1/39	8,439		8,439
6/1/39	8,439		8,439
9/1/39	8,439		8,439
12/1/39	8,439		8,439
3/1/40	8,439		8,439
6/1/40	8,439		8,439
9/1/40	8,439		8,439
12/1/40	8,439		8,439
3/1/41	8,439		8,439
6/1/41	8,439		8,439
9/1/41	8,439		8,439
12/1/41	8,439		8,439
3/1/42	8,439		8,439
6/1/42	8,439		8,439
9/1/42	8,439		8,439
12/1/42	8,439		8,439
3/1/43	8,439		8,439
6/1/43	8,439		8,439
9/1/43	8,439		8,439
12/1/43	8,439		8,439
3/1/44	8,439		8,439
6/1/44	8,439		8,439
9/1/44	8,439		8,439
12/1/44	8,439		8,439
3/1/45	8,439		8,439
6/1/45	8,439		8,439
9/1/45	8,439		8,439
12/1/45	8,439		8,439
3/1/46	8,439		8,439
6/1/46	8,439		8,439

Town of Richwood

40 Years from Closing Date

0% Interest Rate

Period Ending	Principal	Interest	Debt Service
9/1/46	8,439		8,439
12/1/46	8,439		8,439
3/1/47	8,439		8,439
6/1/47	8,439		8,439
9/1/47	8,439		8,439
12/1/47	8,439		8,439
3/1/48	8,439		8,439
6/1/48	8,439		8,439
9/1/48	8,439		8,439
12/1/48	8,439		8,439
3/1/49	8,439		8,439
6/1/49	8,439		8,439
9/1/49	8,440		8,440
	1,308,155		**1,308,155**

SCHEDULE Z

None.

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

PUBLIC SERVICE COMMISSION OF WEST VIRGINIA

Case No.: 08-1318-S-CN

CITY OF RICHWOOD

Application for a certificate of convenience and necessity to upgrade existing sewer system, including replacing two major pump stations, separating storm sewers from sanitary sewer system, removing several mains and manholes in Richwood, Nicholas County, and for approval of financing.

STATE OF WEST VIRGINIA
COUNTY OF KANAWHA, TO-WIT:

AFFIDAVIT

I, Todd Dingess, CPA, after making an oath of affirmation to tell the truth, say that, I have reviewed the Recommended Decision of the Public Service Commission of West Virginia in Case No. 08-1318-S-CN dated February 27, 2009 approving a $500,000 West Virginia Infrastructure and Jobs Development Council grant, a $1,500,000 Small Cities Block Grant and a $1,000,000 West Virginia Infrastructure and Jobs Development Council loan with 0% interest for a term of 40 years and, based upon all the information that has been provided to me, to date, I am of the opinion that the rates and charges for the City (i) are not affected by the additional $308,155 West Virginia Infrastructure and Jobs Development Council loan with 0% interest for a term of 40 years committed to the Project to cover the costs of a bid overrun; and (ii) will be sufficient to provide revenues which, together with other revenues of the System, will allow me to provide the CPA certification required for the issuance of the Bonds.

This Affidavit is executed on the 12th day of August, 2009.

Todd Dingess, CPA
Member, Smith Cochran & Hicks, PLLC

Taken, subscribed and sworn to before me this 12th day of August, 2009.

My commission expires on 12/13/15.

Notary Public

[SEAL]

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BETH A. VanBIBBER
SMITH, COCHRAN & HICKS, P.L.L.C.
405 CAPITOL STREET, SUITE 906
CHARLESTON, WV 25301
My commission expires December 13, 2015

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

3/19/2009

Entered: February 27, 2009

CASE NO. 08-0944-S-MA

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

CASE NO. 08-1318-S-CN

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Application for a certificate of convenience and necessity to upgrade existing sewer system, including replacing two major pump stations, separating storm sewers from sanitary sewer system, removing several mains and manholes in Richwood, Nicholas County, and for approval of financing.

RECOMMENDED DECISION

PROCEDURE

Case No. 08-0944-S-MA

On May 6, 2008, the City of Richwood (Richwood), a municipal corporation, Richwood, Nicholas County, adopted an ordinance increasing its rates and charges to provide sewer service to its customers inside and outside its corporate boundaries, to become effective June 22, 2008. Richwood published a notice of these rates, and, pursuant thereto, on or about June 6, 2008, John Sterling Pettengill submitted a petition to the Public Service Commission protesting Richwood's May 6, 2008 rate ordinance, alleging discrimination to its customers. Pursuant to the protest and pursuant to *West Virginia Code (Code)* §24-2-4b, by the June 9, 2008 Commission Order Suspending Rates and Referring to Administrative Law Judge (Order), the Commission invoked its jurisdiction over the municipal appeal. The Commission made Richwood a Respondent to this proceeding and, pending investigation, hearing and decision in this matter, suspended the aforesaid rate ordinance and deferred using the rates and charges stated in the rate ordinance until 12:01 a.m., October 20, 2008, unless otherwise ordered by the Commission, to enable the Commission to examine and investigate the supporting data filed with the rate ordinance and to provide time for Commission Staff to make reports concerning the matters involved in this proceeding. Also, the Order referred this matter to the

Division of Administrative Law Judges for decision on or before September 4, 2008, effectively 46 days prior to the end of the statutory suspension period. Finally, the Order directed Commission Staff to file its report on or before August 6, 2008.

On July 11, 2008, Melissa K. Marland, Chief Administrative Law Judge, issued a Procedural Order appointing Deputy Chief Administrative Law Judge Ronnie Z. McCann (ALJ), to review the grievances raised by the petitioners in this proceeding, to conduct a hearing and to issue a recommended decision on the matters involved in this proceeding.

Responding to all of the above, by the July 11, 2008 Order Requiring Publication, the ALJ adopted a procedural schedule to process and resolve this municipal appeal proceeding, including a Friday, August 8, 2008 hearing date. Richwood was required to publish a specified Notice of Hearing as a Class II legal advertisement in a newspaper published and generally circulated in Nicholas County. The second publication was to be made no later than seven (7) days prior to the hearing in this matter. The July 11, 2008 Order also directed that Richwood file a publication affidavit at the hearing indicating compliance with this requirement.

On Monday, August 4, 2008, Richwood submitted a motion to toll the statutory deadline by 90 days; to enter an order approving rates for Richwood on an interim basis, based on its going-level cost of service; and to consolidate this municipal appeal proceeding with a certificate case being filed on August 4, 2008, thereby deferring the entry of an order approving final rates in this municipal appeal proceeding until the additional cost of service required by the certificate project was known and analyzed by Commission Staff.

On Tuesday, August 5, 2008, the ALJ received an electronic mail from Robert R. Rodecker, counsel for Richwood, indicating that the Notice of Hearing had not been published, even though Richwood had requested that the local newspaper publish the Notice of Hearing as directed in the July 11, 2008 Order.

By the August 6, 2008 Order Canceling Hearing, the ALJ canceled the procedural schedule adopted by the July 11, 2008 Order, including the Friday, August 8, 2008 hearing date, indicating that he would reschedule the hearing once the Commission ruled on Richwood's motions.

By Commission Order entered on August 11, 2008, the Commission tolled the statutory suspension period until 12:01 a.m., January 30, 2009, and extended the decision due date until December 17, 2008, approximately 44 days prior to the statutory suspension period, for the ALJ to enter a final recommended decision dealing with all matters joined in the municipal appeal. The Commission did not consolidate the municipal appeal and the certificate application, indicating that the Commission would establish a decision due date for the certificate application by a separate order. The Commission did not establish a separate decision due date for entry of a recommended decision dealing with going-level or interim rates pending action on the certificate application, but admonished the ALJ to make a decision on interim or "Phase I" rates on an expedited basis.

Responding to all of the above, by the August 11, 2008 Order Adopting New Procedural Schedule and Requiring Publication, the ALJ adopted a new procedural schedule, including a Friday, August 22, 2008 hearing date, to process and resolve the interim rate issue herein. The August 11, 2008 Order also directed that Richwood publish the Notice of Hearing as a Class II legal advertisement. The second publication was to be made prior to the scheduled hearing date and Richwood was to file a publication affidavit at the hearing indicating compliance with this notice requirement.

On August 22, 2008, the ALJ convened the hearing as scheduled. Richwood appeared at the hearing by counsel, Robert R. Rodecker, Esquire. Commission Staff appeared by Staff Attorney Cassius H. Toon, Esquire. John Sterling Pettengill[1], Ph. D., appeared in person *pro se*. Richwood presented the testimony of one witness and presented one exhibit; the Intervenor testified on his own behalf and presented one exhibit; and Commission Staff presented one exhibit, i.e., the Staff Report, based on a test year ending on June 30, 2007.

On August 26, 2008, the reporter submitted a 29-page transcript and a one-page certificate that the transcript is a true and accurate record of the August 22, 2008 hearing. The transcript of the August 22, 2008 hearing will be designated as "Tr., Vol. I."

The ALJ previously noted that none of the parties had addressed the question raised by the Commission for all rate cases in Case No. 07-0175-PWD-19A, *Claywood Park Public Service District* (*Claywood Park* case), Commission Order entered August 19, 2008, i.e., that Staff's methodology for calculating a reasonable cash flow surplus by multiplying the operation and maintenance expenses, including taxes, by 1/12, is not the Commission's accepted methodology. In Conclusion of Law No. 6, in the *Claywood Park* case, the Commission held:

> The rates for a publicly-owned utility such [as] Claywood Park Public Service District should be designed to produce sufficient, but not more than sufficient, cash to pay operating expenses, taxes, principal and interest on debt, deposits into restricted reserves required by debt agreements, and, after making those payments, result in a reasonable level of cash flow for ongoing normal capital additions.

The Commission also held, in Conclusion of Law No. 7, that:

> The cash flow allowed for a publicly-owned utility for ongoing normal capital additions should not be in addition to cash flow paid into a renewal and replacement fund that is available for funding capital additions. Instead, the cash flow available for the

---

[1]The Commission's Rules of Practice and Procedure define a protestant as an individual who is not a party to the proceeding, while an intervenor is a party. (See, Procedural Rule 5). Although Mr. Pettengill did not formally request intervenor status, he was treated as a party by the undersigned and the other parties, i.e., filing pleadings and exhibits and cross-examining witnesses. Accordingly, it is appropriate to formally grant him intervenor status. Additionally, Mr. Pettengill's exhibits will be renamed as Intervenor Exhibits 1-3.

renewal and replacement fund plus the remaining cash or surplus should, in total, be sufficient to pay for ongoing normal capital additions.

The Commission added that the calculation of normal ongoing capital additions should be based on a reasonable historical average of capital additions funded from internal cash flow, although the parties should be able to present alternative methods to calculate normal ongoing capital additions if the party advocating such alternative method can show a valid reason to deviate from the Commission-prescribed method.

Pursuant to the above, by the September 19, 2008 Order Requiring Staff Filing, the ALJ directed that, on or before September 26, 2008, Commission Staff address the issues presented by the *Claywood Park* case and submit a supplemental cash flow analysis and Staff-recommended rates which comply with the principles of the *Claywood Park* case. The September 19, 2008 Order indicated that the other parties may also address this issue, in writing, on or before September 26, 2008, and the parties may respond to those filings no later than October 3, 2008.

On September 26, 2008, Staff Attorney Lisa L. Wansley submitted the Further Final Joint Staff Memorandum, attaching the September 26, 2008 letter from Utilities Analyst Troy Eggleton and Utilities Manager Geert Bakker, Water and Wastewater Division, and Technical Analyst Joseph Marakovits, Engineering Division. Staff presented additional analysis of the Staff-recommended surplus in light of the *Claywood Park* case. Staff related that Annual Reports for Richwood were available only for the years ending June 30, 2006, and June 30, 2007. No plant additions were made during those years. Staff opined, however, that Richwood should make plant additions totaling $37,500, i.e., $2,500 for its treatment facility; $5,000 for office supplies and equipment; $5,000 for vehicles; $15,000 for line replacement; and $10,000 for manhole replacement. Staff previously recommended a $36,326 cash flow surplus. Now it recommended a $37,500 cash flow surplus, which Staff opined would not change the Staff-recommended going-level or interim rates. The September 26, 2008 filing hereby is received as Staff Post-Hearing Exhibit No. 1.

On September 26, 2008, Richwood indicated that it would not be filing anything related to any change in Richwood's surplus in relation to the requirements of the *Claywood Park* case.

On October 1, 2008, Mr. Pettengill submitted a letter objecting to Staff's September 26, 2008 response, opining that Staff's response did not address Richwood's cash on hand in March 2008 of $186,000. Mr. Pettengill argued that Richwood should have to spend all of its reserve before any surplus is allowed.

Also on October 1, 2008, Richwood moved the Commission to extend the tolling of the statutory suspension period, extend the ALJ's decision due date and approve the Phase I or interim rates immediately.

On October 3, 2008, Richwood submitted a response to Staff's and Mr. Pettengill's filings. Richwood opined that it was neither necessary nor appropriate to address the issues raised by the *Claywood Park* case at this time, since the Phase I rates are just temporary or interim rates subject to

revision and refund. Richwood argued that applying the requirements stated in the *Claywood Park* case would violate the *Administrative Procedures Act* (APA) and run contrary to the Court's ruling in *Chesapeake and Potomac Telephone Company of West Virginia v. Public Service Commission of West Virginia*, 300 S.E. 2d 607 (1982), that the principle of *stare decisis* does not normally apply to Commission rulings. Richwood argued that, in order to establish a policy such as the Commission has established in *Claywood Park*, the Commission must adopt a rule, as defined by the APA.

On October 3, 2008, Staff Attorney Wansley submitted a letter agreeing with Richwood's October 1, 2008 motion to toll.

Responding to all of the above, by the October 23, 2008 Interim Recommended Decision, the ALJ set aside the rate ordinance adopted by the City of Richwood on May 6, 2008, and approved the Staff-recommended Phase I rates and charges on an emergency interim basis, subject to refund should the final rates and charges approved in this proceeding be less than the interim rates and subject to revision should additional information and analysis performed by Commission Staff justify such revision.

Case No. 08-1318-S-CN

On August 4, 2008, Richwood filed an application with the Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to upgrade its existing sewer system, including replacing two major pump stations, separating the storm sewers from the sanitary sewer system and removing several mains and manholes in Richwood, Nicholas County. Richwood also requested approval of financing for the project.

On August 4, 2008, the Commission required that Richwood publish the Notice of Filing one time in a newspaper in Nicholas County, providing a 30-day protest period. The Notice of Filing also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. On August 21, 2008, Richwood submitted a publication affidavit showing that, on August 14, 2008, the Notice of Filing was published as directed in *The Nicholas Chronicle*, a newspaper published and generally circulated in Nicholas County. The application has been protested.

By the August 13, 2008 Referral Order, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before December 17, 2008, if no protest was filed, and by March 2, 2009, if the matter was protested.

On September 8, 2008, Staff Attorney Wansley submitted the Initial Joint Staff Memorandum, attaching the September 8, 2008 Initial Memorandum from Mr. Eggleton, Mr. Bakker and Mr. Marakovits, indicating that, once it had completed its investigation, Commission Staff would submit its final substantive recommendation. Staff reported that Richwood has estimated that the project will cost approximately $3,000,000, to be financed with a $500,000 grant from the West Virginia

Infrastructure and Jobs Development Council (IJDC), a $1,500,000 Small Cities Block (SCB) grant and a $1,000,000 IJDC loan with zero interest for a term of 40 years.

Consolidation

By Commission Order entered on October 20, 2008, as corrected, the Commission consolidated Case Nos. 08-0944-S-MA and 08-1318-S-CN; tolled the statutory suspension period in Case No. 08-0944-S-MA until 12:01 a.m., April 30, 2009; granted Staff until December 2, 2008, to file its report regarding the Phase II rates; and granted the ALJ until March 2, 2009, to render a final written recommended decision in this consolidated matter.

By the Interim Recommended Decision entered on October 23, 2008, as noted previously, the ALJ approved interim rates, subject to refund should the final rates approved by the Commission be less than the approved interim rates.

By the October 24, 2008 Order Requiring Publication, the ALJ adopted a procedural schedule, including a December 10, 2008 hearing date, and directed that Richwood publish a specified Notice of Hearing as a Class II legal advertisement in a newspaper published and generally circulated in Nicholas County. By the Further Order issued on October 24, 2008, the ALJ, noting that, through inadvertence, the October 23, 2008 Interim Recommended Decision failed to direct Richwood to publish the approved interim rates, directed that Richwood publish the interim rates.

On November 14, 2008, Richwood submitted a publication affidavit showing that it had published the interim rates on November 6 and 13, 2008, in *The Nicholas Chronicle*. On November 21, 2008, Richwood submitted a publication affidavit showing that it had published the Notice of Hearing on November 13 and 20, 2008 in *The Nicholas Chronicle*.

On December 2, 2008, Staff Attorney Wansley submitted the Final Joint Staff Memorandum, attaching the November 26, 2008 Final Internal Memorandum from Mr. Eggleton and Technical Analyst Marakovits. Together, these Memoranda comprise Commission Staff's final substantive recommendation in this consolidated proceeding.

On December 5, 2008, Richwood submitted a letter from its counsel opining that Rule 10.3.d. of the Commission's *Procedural Rules*, dealing with notice requirements where rates are changed in certificate cases, does not apply in this situation, since Richwood is not obtaining a rate increase in the certificate case, but is seeking the rate increase only in the municipal appeal case, i.e., Case No. 08-0944-S-MA.

On December 10, 2008, the ALJ convened the hearing as scheduled. Richwood appeared at the hearing by counsel, Mr. Rodecker, Esquire; Commission Staff appeared by counsel, Staff Attorney Wansley; and the Intervenor, John Sterling Pettengill, appeared in person, *pro se*. No one else appeared at the hearing. Staff presented the testimony of two witnesses and Mr. Pettengill presented his own testimony; Mr. Pettengill presented two exhibits and Commission Staff presented one exhibit.

On December 23, 2008, the court reporter submitted a 71-page transcript and a one-page certificate that the transcript is a true and accurate record of the December 10, 2008 hearing. The transcript of the December 10, 2008 hearing will be referred to as "Tr., Vol. II."

Although the ALJ gave the parties the opportunity, the parties filed no post-hearing proposed findings of fact, conclusions of law or other written legal arguments pursuant to *West Virginia Code* §24-1-9(b).

EVIDENCE

Richwood's Mayor, John McClung, testified that Richwood had deposited $100,000 in a certificate of deposit (CD), which was discussed at one of Richwood's regular meetings of its City Council. Mayor McClung stated that nothing was hidden or concealed from Commission Staff. He concurred that Richwood needed to make many repairs, which is the purpose of the CD and the purpose of the pending certificate case. Richwood agrees with Staff's recommendation for the Phase I rates. (Tr., Vol. I, pp. 26-28). Richwood Exhibit No. 1 is a publication affidavit indicating that the Notice of Hearing was published on August 14 and 21, 2008, in *The Nicholas Chronicle*, a newspaper published and generally circulated in Nicholas County. (Richwood Exhibit No. 1).

Prior to the parties presenting any evidence at the December 10, 2008 hearing, Richwood stipulated to Commission Staff's final substantive recommendation in Case Nos. 08-0944-S-MA and 08-1318-S-CN, including the Staff-recommended final rates and to all of Staff's recommendations in the certificate case. (Tr., Vol. II, pp. 7-8; Staff Exhibit No. 2).

The first witness who testified was John Sterling Pettengill. Mr. Pettengill identified a document he prepared, received as Intervenor Exhibit No. 1. This document stated that Mr. Pettengill accepted the Staff-recommended Phase I rates, except for Staff's reduction of an allowance for leaks and the fact that Richwood was concealing approximately $100,000 from Staff. Mr. Pettengill concurred with Staff's recommendation to omit Richwood's multiple occupancy rule, but asked that the Commission make an affirmative ruling that multiple charges for the same meter are discriminatory. Mr. Pettengill objected to adopting the Phase II rates until the project is built. Mr. Pettengill indicated that he received simultaneous bachelors degrees in math and economics from the University of Michigan in 1971 and a doctor of philosophy in economics from Massachusetts Institute of Technology in 1975. Mr. Pettengill believes that Staff has not properly considered Richwood's problems with leaks. He opined that Richwood had a balance of $186,979 as of February or March 2008. Mr. Pettengill believes that Richwood is double-billing his landlord. Mr. Pettengill opined that Richwood's death rate is much higher than normal, due to sewage leaks. Mr. Pettengill also argued that any rate structure that contains a minimum bill is discriminatory. Mr. Pettengill strongly disagreed with Staff's use of the allocation factors based on the 2001 *West Virginia-American Water Company* rate case. Mr. Pettengill predicted that many large banks were on the brink of failure. He recommended that Richwood deposit its money in more than one bank to ensure its safety under the FDIC insurance coverage limitations of $100,000. He disputed Staff's finding that Richwood only had approximately $75,000 in cash. (Tr., Vol. I, pp. 10-13; Intervenor Exhibit No. 1).

Mr. Pettengill believes that Richwood needs a rate increase, but believes that Staff does not have all of the financial facts correct in its report, since Richwood has concealed some of its funds. Mr. Pettengill again emphasized that Richwood is polluting the soil and the river. He opined that about 100 persons per year die in Richwood, which he believes has a population of about 1,500. He believes that Richwood should be forced to spend all of its savings before getting a surplus in a rate case. He again objected to a rate structure that includes a minimum bill. He believes that everyone should pay a sewer bill based on the amount of water they use and that a minimum bill based on 2,000 gallons usage discriminates against those who conserve and use less water. Mr. Pettengill recommended that Richwood start using a cost accounting method that can become the basis for rates based on cost. (Tr., Vol. I, pp. 13-24).

Mr. Pettengill argued that Richwood should spend any existing amounts in savings accounts before it receives a rate increase. He also argued that Richwood should give additional notice under *Procedural Rule* 10.3.d., since it is seeking a rate increase in a certificate case. Mr. Pettengill identified a group of documents received into evidence as Intervenor Exhibit No. 2. This Exhibit included a copy of a publication made by Richwood in Case No. 08-0944-S-MA, i.e., the June 10, 2008 Further Commission Order Suspending Rates and Referring to Administrative Law Judge; a copy of a newspaper article noting that Richwood's water operations had $190,000 in certificates of deposit; a copy of the newspaper publication of the approved interim rates; and some notes made by Mr. Pettengill purporting to report violations by Richwood. (Tr., Vol. II, pp. 8-15; Intervenor Exhibit No. 2).

Mr. Pettengill opined that Richwood had tried to conceal the proposed rate increase as much as possible. He also opined that very few of Richwood's customers even know what rates Richwood charges. He believes that publication notices should not be in such small type in newspapers. Mr. Pettengill attempted to bring Richwood's water rates into this consolidated proceeding. He believes that politics plays a role in how Richwood has tried to conceal from the public how it operates its sewer system and how it obtains higher rates. Mr. Pettengill believes that 65% of Richwood's customers received a rate decrease due to his actions, but they do not even know it. Mr. Pettengill apparently attempted to inject his own politics into this proceeding saying, "So, if the majority of the population was notified that I got them to pay less than they would have otherwise, they might be kinder to me and support the candidates who I'm trying to promote. So I say it's a suppression for political reasons not to mail this out." (Tr., Vol. II, pp. 15-17).

Mr. Pettengill suggested that the Staff-recommended rates should have been published. He questioned whether the Staff-recommended rates satisfied the requirements of the *Claywood Park* case. In particular, Mr. Pettengill believes that Richwood's sewer operation is concealing a large savings account containing at least $100,000. He believes that this savings account should be exhausted before the Commission considers approving the rate ordinance. He also disagreed with the test year used by Staff, opining that it was outdated. (Tr., Vol. II, pp. 17-28; 33-34).

Mr. Pettengill opined that Richwood is violating rules by not adopting a CSO budget. He also believes that Staff made an arithmetic error in its report regarding the cost of 3,000 linear feet of sewer main, i.e., Staff stated that it would cost $50 per foot and concluded that the total would be

$15,000. Mr. Pettengill stated that the report should have stated that the cost would be $150,000, not $15,000. (Tr., Vol. II, pp. 28-33).

Mr. Pettengill opined that the Staff-recommended rates and those proposed by Richwood are discriminatory because the rates per 1,000 gallons for large users are smaller than the rates per 1,000 gallons for small users. He opined that it costs the same to treat sewage from a large user as it does to treat the sewage from a small user. He opined that large users, which require larger pipes, more likely caused more damage to the treatment facility because those larger lines would carry more sewage to the treatment plant and be more likely to clog filters, damage pumps and otherwise place a larger burden on the treatment plant. He pointed out that Staff agreed that the rates for the larger customers should be more, but was increasing the rates gradually to soften the blow to that class of customers. Mr. Pettengill opined that Richwood should charge the same rate per 1,000 gallons of water used for every customer. Also, he believes that the minimum bill is discriminatory, since it causes someone who uses less than 1,000 gallons of water per month to have to pay the same sewer bill as someone who uses 2,000 gallons per month. Finally, with regard to discriminatory rates, he believes that the leak adjustment rate is too small at only $0.81 per 1,000 gallons. With regard to small users and large users, he suggested that people who have lawns and gardens use much more water than someone who has no lawn or garden, which makes the Staff-recommended rates discriminate against anyone who does not have a lawn or garden. He reasoned that water used to water a lawn and water that leaks amount to the same thing, i.e., neither are introduced into the sewage treatment system. (Tr., Vol. II, pp. 41-43).

Mr. Pettengill identified a group of documents, received as Intervenor Exhibit No. 3, including a public notice for review of a proposed flood plain development, which he believes shows that the project may not properly address the issue of raw sewage flowing into the river. The Exhibit also included a copy of the Notice of Filing in Case No. 08-1318-S-CN and a copy of a newspaper article about Richwood's water utility. Mr. Pettengill noted that a concurrent case is pending before the United States Court of Appeals in Richmond, Virginia, which he believes is related to the outcome of this case. Mr. Pettengill opined that the project does not follow the flood plain development procedures. He opined that the project may be necessary but not convenient. Pertaining to the sewer line along Oakford Avenue, he acknowledged that something needs to be done to keep water from running into the sanitary sewer system, but he believes that the project does not address this problem in the correct manner. He suggested that Richwood should investigate a less expensive alternative to the Oakford Avenue line so that water would be diverted further downstream before it empties into the river. (Tr., Vol. II, pp. 54-62; Intervenor Exhibit No. 3).

Mr. Pettengill opined that Collins Hardwood should have to pay for replacing the sewer lines on its land, since its activities have caused the lines to break. He believes that Richwood should sue Collins Hardwood to recover the cost of the damage it has caused to Richwood's sewer lines. Mr. Pettengill denied that his protests have delayed the implementation of the proposed project. He opined that one of the grinder pumps described in the project is not needed. Mr. Pettengill objected to relocating a portion of the sewer main that does not lie in the flood plain and is not leaking. He believes that the proposed new river crossings are necessary. He believes that the new pump station should be built at the same location of the existing one. He does not believe that any of the sewer line

should be located in the flood plain. He believes that federal and/or state regulations state that, when an alternative to locating a utility in a flood plain exists, the alterative location should be used. (Tr., Vol. II, pp. 62-70).

Staff Exhibit No. 1 is the Staff Report based on the fiscal year ending on June 30, 2007. Staff reported that Richwood's ordinance is proposed in two steps, with Phase I addressing the going-level needs and Phase II addressing the needs once the project is built. At going-level, Richwood experience a $26,473 cash flow deficit. The Staff-recommended Phase I rates would provide Richwood with a $26,798 cash flow surplus after meeting all operation and maintenance (O&M) expenses and covering Richwood's current debt service requirements. Staff allocated costs to Richwood's water operations at 50% and to its sewer operations at 50%. At going-level, Richwood's total available cash would be $327,284. The Staff-recommended total available cash for Phase I is $382,594, an increase of $55,310, or about 17%. Staff noted that Richwood's Annual Report for 2007 does not balance. Staff recommended that Richwood take all steps necessary to make sure that future annual reports balance and that they are accurate and complete. Staff used 1/12 of O&M expenses plus taxes to calculate the Staff-recommended surplus. While Richwood's bond ordinance requires a debt service coverage factor of 115%, the Staff-recommended Phase I rates provide a 269.72% coverage factor. Staff reported that it is recommending rates that will continue to provide subsidies across customer classes, preferring that Richwood gradually move toward rates that are cost-based. Staff modified its customer class cost of service study to accommodate this recommendation, i.e., commercial customers would have received a significantly higher increase if the cost of service study was followed to the letter. Under the Staff-recommended Phase I rates, a minimum bill based on 2,000 gallons would decrease by $2.58, or about 12%, per month. A customer using 3,000 gallons would experience a 6.59% increase; a customer using 4,500 gallons would experience a 14.52% increase; and the increase becomes greater as more water is used, i.e., a customer using 500,000 gallons would experience a 140.08% increase. (Staff Exhibit No. 1).

The November 26, 2008 Final Internal Memorandum was received as Staff Exhibit No. 2. Staff reported that the project construction would cost approximately $2,523,800, although it had not yet been bid. The cost per customer is approximately $3,045. Since the project consists of corrective work to the existing sewage collection system, no alternatives were evaluated. The purpose of the project is to eliminate as much pollution as possible in Richwood's combined sewer overflow (CSO) system to bring Richwood's systtem into compliance with its National Pollutant Discharge Elimination System (NPDES) permit. Most of Richwood's collection system is very old and needs to be replaced, having outlived its useful life. The project will replace broken lines and eliminate much inflow and infiltration (I&I). The two existing pump stations will be replaced and relocated to an area above the 100-year flood plain. The project will eliminate some of the lines and connections that permit storm water to enter the sanitary sewer system, which will prevent future surcharges to the sanitary sewer system. The project is designed to minimize the adverse effect on the environment caused by Richwood's CSO system and to comply with Richwood's NPEDS permit. (Staff Exhibit No. 2).

Commission Staff also addressed the many concerns raised by the Intervenor regarding the project. Addressing Mr. Pettengill's concerns, Staff asserted that the proposed new storm sewer along

Oakford Avenue is absolutely necessary for Richwood to comply with its NPDES permit; pursuing legal action against a local lumber company to make the lumber company pay for all sewer work done on the lumber company's property would only delay Richwood's attempt to comply with its NPDES permit; the project has eliminated one proposed new grinder pump after determining that sewage would flow by gravity in that area; all of the proposed line repairs and replacements are necessary and must be done for Richwood to comply with its NPDES permit; and the project will include building a new river crossing. (Staff Exhibit No. 2).

The West Virginia Office of Environmental Health Services (OEHS) has issued Permit No. 17,857 for this project. The project is not expected to result in increased operation and maintenance (O&M) expenses and may actually reduce O&M expenses slightly due to elimination of much of the I&I. Since Annual Reports for Richwood for the years 2003, 2004 and 2005 were unavailable and since Richwood's 2006 and 2007 Annual Reports show $0 spent on capital improvements, Staff has imputed annual average capital additions of $37,500, based on the condition and size of Richwood's system. Staff noted that, in addition to the project-related repairs and replacements, Richwood still needed to make many repairs and replacements to its system, including its treatment facility, office supplies and equipment, vehicles and its collection system, that are not included in the project. Staff recommended that the Commission direct Richwood to place $25,000 in a separate escrow fund to be used only for collection system improvements and that Richwood be able to use this fund only after petitioning for and obtaining separate Commission approval. Staff stated that the approximately $3,000,000 project, to be financed with a $500,000 IJDC grant, a $1,500,000 SCB grant and a $1,000,000 IJDC loan with zero interest for a term of 40 years, would increase debt service by $29,161, from $34,546 at going-level, to $64,237, including a reserve of $4,907 and depreciation reserve of $10,270. Staff has recommended a $26,798 cash flow surplus after the project is completed, which will result in a 185.56% debt service coverage ratio. Staff recommended that Richwood closely monitor its rates and collections to ensure that it continues to have adequate finances to properly operate its system and meet the bondholders' requirements. Staff recommended that the Commission grant the certificate application; approve the financing; approve the Phase 2 rates, which represent a 7.8% across-the-board increase over the Phase 1 (approved interim) rates; require Richwood to obtain separate Commission approval should the scope or the financing for the project change, except that any changes that do not affect rates need only be certified by a certified public accountant as not affecting rates; require Richwood to submit the engineer's certified bid tabulations as soon as they are available; and require Richwood to submit a certificate of substantial completion for each construction contract associated with the project as soon as they become available. (Staff Exhibit No. 2).

Commission Staff called Technical Analyst Joseph Marakovits to testify. Mr. Marakovits identified the November 26, 2008 Final Internal Memorandum, received as Staff Exhibit No. 2. Mr. Marakovits agreed with Mr. Pettengill's suggested correction of Staff Exhibit No. 2, i.e., the cost for 3,000 linear feet of sewer line should be $150,000, not $15,000. Mr. Marakovits made this correction to Staff Exhibit No. 2. However, this typographical error only occurred in the narrative of the exhibit and was not used in Staff's calculations. Mr. Marakovits opined that the calculations, including the Staff-recommended rates, are correct. (Tr., Vol. II, pp. 35-38; Staff Exhibit No. 2).

Mr. Marakovits explained that the Commission does not specify the locations of sewer lines. Rather, in a certificate case, the Commission approves or disapproves of the need for a project and determines whether the cost justifies the project in terms of rates. It is up to the utility, relying upon its own project engineer, to determine the specifics about the location of its system. (Tr., Vol. II, pp. 38-43).

Mr. Marakovits acknowledged that the grinder pump objected to by Mr. Pettengill had been deleted from the project. (Tr., Vol. II, pp. 63-64).

Finally, Staff presented the testimony of Geert Bakker. Mr. Bakker explained that, during the designing of the rate structure for the approved interim rates, Staff utilized a customer class cost of service study to ensure that no customer class subsidized another customer class. The approved interim rates are based on cost. The final rates now recommended by Staff rely upon that same cost of service study and amount to an across-the-board increase over the interim rates to generate sufficient revenue to cover the added costs related to the project, such as increased debt service. Mr. Bakker explained, however, that the Staff-recommended rates do not follow exactly the cost of service study, i.e., Commission policy dictates that, in any given rate case, the increase for any given class cannot exceed more than twice the total increase. He opined, for example, if the total increase in revenues was 10%, no one customer class could receive rates which represent an increase for that class of more than 20%. This is why Staff has recommended a rate structure that would not increase the higher users' rates as much as indicated by the cost of service study. Staff has gradually increased the rates of some customer classes, with an intention of increasing those rates more in a subsequent rate proceeding. However, he opined that the Staff-recommended rate design is sound and based primarily on the cost to serve each customer class. Mr. Bakker opined that practically all rates approved by the Commission discriminate between customers, i.e., some users pay more per 1,000 gallons than others, but the goal is to not discriminate between customer classes to the point where one class is subsidizing another. He believes that the Staff-recommended rate design is proper. (Tr., Vol. II, pp. 43-45).

DISCUSSION

Since the purpose of the project is chiefly to replace old worn out and leaking sewer lines, the ALJ holds that the project obviously is needed. The objections by Mr. Pettengill were fully answered and addressed adequately by Commission Staff and are not sufficient to deny the certificate application. The OEHS has issued a permit indicating that Richwood's project is needed to abate a major health issue. Richwood needs to build the project to comply with its NPDES permit. For these reasons, the ALJ holds that the public convenience and necessity require the project. It is also reasonable to approve the financing for the project.

As for the so-called Phase II rates, i.e., final rates that will become effective upon substantial completion of the project, Staff has addressed the initial concerns of the ALJ related to the *Claywood Park* case and the concerns about not strictly following the cost of service study in designing the rates. Staff has presented a viable alternative to the *Claywood Park* principles, since the data anticipated by the *Claywood Park* case are not available in this case. Staff has attempted to reconstruct a five-

year average of what the plant additions should have been. Apparently, Richwood neglected its physical plant for many years and the project will address many of the results of this neglect. However, Staff has recommended that enough surplus be included to enable Richwood to make other needed plant additions, basing its estimate on the condition of Richwood's physical plant and its size. This may not be an exact way to determine the need for plant additions, but appears to be a reasonable alternative in this case. As for the deviation from the cost of service study, Staff has suggested that it is unreasonable to increase the rates of any customer class more than twice the total effective rate increase. This approach to gradualism is reasonable and will be approved. For these reasons, the Staff-recommended Phase I rates will be approved as final rates until the project is substantially complete and the Staff-recommended Phase II rates will be approved for service after the project is substantially complete, since they will generate sufficient, but not more than sufficient, revenues to reasonably cover the O&M expenses and the debt service requirements after the project is completed and will generate a cash flow surplus which corresponds to Staff's best estimate of how much Richwood needs to spend on capital additions annually.

FINDINGS OF FACT

1. The City of Richwood adopted an ordinance on May 6, 2008, increasing its rates and charges to provide sewer service to its customers inside and outside its corporate boundaries, to become effective June 22, 2008. (See, June 9, 2008 Order).

2. Richwood filed an application with the Commission under *Code* §24-2-11 for a certificate of public convenience and necessity to upgrade its existing sewer system, including replacing two major pump stations, separating the storm sewers from the sanitary sewer system and removing several mains and manholes in Richwood, Nicholas County. Richwood also requested approval of financing for the project. (See, August 4, 2008 application).

3. Richwood's proposed rates consist of two steps, with Phase I addressing the going-level needs and Phase II addressing the needs once the project is built. At going-level, Richwood is experiencing a $26,473 cash flow deficit. The Staff-recommended Phase I rates would provide Richwood with a $26,798 cash flow surplus after meeting all O&M expenses and covering Richwood's current debt service requirements. (See, Staff Exhibit No. 1).

4. Staff allocated 50% of the joint costs to Richwood's water operations and 50% to its sewer operations. (See, Staff Exhibit No. 1).

5. At going-level, Richwood's total available cash is $327,284. The Staff-recommended total available cash for Phase I is $382,594, an increase of $55,310, or about 17%. (See, Staff Exhibit No. 1).

6. Staff initially used the now-prohibited 1/12 of O&M expenses plus taxes methodology to calculate the Staff-recommended surplus. (See, Staff Exhibit No. 1).

7. Staff has recommended rates that will continue to provide subsidies across customer classes, preferring that Richwood gradually move toward rates that are cost-based. Staff modified its customer class cost of service study to accommodate this recommendation, i.e., commercial customers would have received a significantly higher increase if the cost of service study was followed to the letter. Under the Staff-recommended Phase I rates, a minimum bill based on 2,000 gallons would decrease by $2.58, or about 12%, per month, compared to the rates in effect prior to the approved interim rates. A customer using 3,000 gallons would experience a 6.59% increase; a customer using 4,500 gallons would experience a 14.52% increase; and the increase becomes greater as more water is used, i.e., a customer using 500,000 gallons would experience a 140.08% increase. (See, Staff Exhibit No. 1).

8. Annual reports for Richwood were available only for the years ending June 30, 2006, and June 30, 2007. No plant additions were made during those years. Commission Staff recommended that Richwood make plant additions totaling $37,500, i.e., $2,500 for its treatment facility; $5,000 for office supplies and equipment; $5,000 for vehicles; $15,000 for line replacement; and $10,000 for manhole replacement. Staff recommended a $37,500 cash surplus, $9,528 of which is included in Richwood's renewal and replacement reserve. (See, Staff Post-Hearing Exhibit No. 1).

9. Richwood agrees with Staff's recommendation for final Phase I rates. (See, Tr., Vol. I, pp. 26-28).

10. The project consists of corrective work to the existing sewage collection system, so no alternatives were evaluated. The purpose of the project is to eliminate as much pollution as possible in Richwood's CSO system to bring Richwood's system into compliance with its NPDES permit. Most of Richwood's collection system is very old and needs to be replaced, having outlived its useful life. The project will replace broken lines and eliminate much of the existing inflow and infiltration. The two existing pump stations will be replaced and relocated to an area above the 100-year flood plain. The project will eliminate some of the lines and connections that permit storm water to enter the sanitary sewer system, which will prevent future sewage surcharges in the sanitary sewer system. The project is designed to minimize the adverse effect on the environment by Richwood's CSO system and to comply with Richwood's NPEDS permit. (See, Staff Exhibit No. 2).

11. The proposed new storm sewer along Oakford Avenue should allow Richwood to comply with its NPDES permit; pursuing legal action against a local lumber company to make the lumber company pay for all sewer work done on the lumber company's property would only delay Richwood's attempt to comply with its NPDES permit; one proposed new grinder pump has been eliminated after determining that sewage would flow by gravity in that area; the proposed line repairs and replacements were included to allow Richwood to comply with its NPDES permit; and the project will include building a new river crossing. (See, Staff Exhibit No. 2).

12. The OEHS has issued Permit No. 17,857 for this project. The project is not expected to result in increased O&M expenses and may actually reduce O&M expenses slightly due to elimination of much of the I&I. (See, Staff Exhibit No. 2).

13. Since Annual Reports for Richwood for the years 2003, 2004 and 2005 were unavailable and since Richwood's 2006 and 2007 Annual Reports show $0 spent on capital improvements, Commission Staff imputed average annual capital additions of $37,500, based on the condition and size of Richwood's system. In addition to the project-related repairs and replacements, Richwood still needs to make many repairs and replacements to its system, including its treatment facility, office supplies and equipment, vehicles and its collection system, that are not included in the project. (See, Staff Exhibit No. 2).

14. The project is estimated to cost approximately $3,000,000, to be financed with a $500,000 IJDC grant, a $1,500,000 SCB grant and a $1,000,000 IJDC loan with zero interest for a term of 40 years. Debt service will increase by $29,161, from $34,546 to $64,237, including a reserve of $4,907 and depreciation reserve of $10,270. The financing has been committed. The Staff recommended $26,798 cash flow surplus, after the project is completed, will result in a 185.56% debt service coverage ratio. (See, Staff Exhibit No. 2).

15. Commission Staff recommended that the Commission grant the certificate application; approve the financing; and approve the Phase II rates, which represent a 7.8% across-the-board increase over the Phase 1 (approved interim) rates. (See, Staff Exhibit No. 2).

16. The Intervenor, John Pettengill, accepted the Staff-recommended Phase I rates, except for Staff's reduction of an allowance for leaks and his belief that Richwood was concealing approximately $100,000 from Staff. (See, Tr., Vol. I, pp. 10-13; Intervenor Exhibit No. 1).

17. While Mr. Pettengill believes that Richwood should spend any existing amounts in savings accounts before it receives a rate increase, he produced no evidence that any such amounts exist that were not included in Staff's analysis. (See, Tr., Vol. II, pp. 8-15).

18. Richwood is not seeking a rate increase in a certificate case, i.e., it is seeking a rate increase in a separate proceeding. (See, Case No. 08-0944-S-MA).

19. Mr. Pettengill offered no convincing evidence that Richwood has tried to conceal the proposed rate increase from the public. (See, Tr., Vol. II, pp. 15-17).

20. Staff agreed with Mr. Pettengill's suggested correction of Staff Exhibit No. 2, i.e., the cost for 3,000 linear feet of sewer line should be $150,000, not $15,000. Mr. Marakovits made this correction to Staff Exhibit No. 2. However, this typographical error only occurred in the narrative of the exhibit and was not used in Staff's calculations. (See. Tr., Vol. II, pp. 35-38; Staff Exhibit No. 2).

21. The Commission does not specify the locations of sewer lines. Rather, in a certificate case, the Commission determines if a project is needed and determines whether the cost justifies the project in terms of rates. It is up to the utility, relying upon its own project engineer, to determine the specifics about the location of its system. (See, Tr., Vol. II, pp. 38-43).

22. While designing the rate structure for the approved interim rates, Staff utilized a customer class cost of service study to ensure that no customer class subsidized another customer class. The approved interim rates are based primarily on cost. The final rates recommended by Staff, to be used after the project is substantially complete, rely upon that same cost of service study and amount to an across-the-board increase over the interim rates to generate sufficient revenue to cover the added costs related to the project, such as increased debt service. The Staff-recommended rates do not follow exactly the cost of service study to avoid rate shock to certain customer classes. Staff has gradually increased the rates of some customer classes, with an intention of increasing those rates more in a subsequent rate proceeding. The Staff-recommended rate design is based primarily on the cost to serve each customer class. (Tr., Vol. II, pp. 43-45).

CONCLUSIONS OF LAW

1. The Staff-recommended Phase I rates are sufficient, but not more than sufficient, to cover Richwood's going-level O&M expenses and debt service requirements, while providing a reasonable amount for plant additions of approximately $36,326, consisting of approximately $9,528 in Richwood's renewal and replacement reserve and a cash flow surplus of approximately $26,798.

2. The objections and charges raised by Mr. Pettengill in both the municipal appeal and the certificate application were not substantiated.

3. It is reasonable to approve the Staff-recommended Phase I rates as the final rates to be charged by Richwood until the project is substantially complete.

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

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

6. The Staff-recommended Phase II rates for Richwood, to become effective upon substantial completion of the project, are sufficient, but not more than sufficient, to support the proposed project and should be approved.

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

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on August 4, 2008, by the City of Richwood, pursuant to *Code* §24-2-11, to upgrade its existing sewer system, including replacing two major pump stations,

separating the storm sewers from the sanitary sewer system and removing several mains and manholes in Richwood, Nicholas County, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a $500,000 West Virginia Infrastructure and Jobs Development Council grant, a $1,500,000 Small Cities Block grant and a $1,000,000 West Virginia Infrastructure and Jobs Development Council loan with zero interest for a term of 40 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Phase I rates approved by the October 23, 2008 Interim Recommended Decision, final on November 12, 2008, as set forth in Appendix A, attached hereto, be, and hereby are, approved as the final Phase I sewer rates for use by the City of Richwood until the project certificated herein is substantially complete.

IT IS FURTHER ORDERED that, within 30 days of this Recommended Decision becoming final, the City of Richwood file with the Commission an original and at least five copies of a proper tariff setting forth the final Phase I rates hereby approved.

IT IS FURTHER ORDERED that the Phase II rates and charges, attached hereto as Appendix B, be, and hereby are, approved for all service rendered by the City of Richwood on and after the date that the project is certified as substantially complete.

IT IS FURTHER ORDERED that, within thirty (30) days of the date of substantial completion of the project, the City of Richwood file an original and at least five (5) copies of a proper tariff setting forth the rates and charges hereby approved as Phase II rates.

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

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

IT IS FURTHER ORDERED that the City of Richwood notify the Commission when the project engineer has performed the substantial completion inspection.

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

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

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Recommended Decision upon the Commission by hand delivery and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

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

Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
080944ah.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 08-0944-S-MA

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

APPROVED PHASE I RATES

AVAILABILITY

Available within the entire territory served.

APPLICABILITY

Applicable to general domestic, commercial, industrial and sale for resale water service.

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	$9.50 per M gallon
Next	3,500 gallons used per month	$6.39 per M gallon
Next	5,000 gallons used per month	$6.01 per M gallon
Next	20,000 gallons used per month	$4.50 per M gallon
Next	50,000 gallons used per month	$4.00 per M gallon
All Over	80,500 gallons used per month	$2.00 per M gallon

MINIMUM CHARGE

No bill shall be rendered for less than $19.00 per month for 2,000 gallons.

FLOW MEASUREMENT

In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premise is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building, or premises uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and cannot enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water Board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

CONNECTION FEE

A connection fee of three hundred dollars ($300.00) shall be charged for all new connections onto the sewage system. No connection is to be made until this fee is paid per tariff rules.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

DELAYED PAYMENT PENALTY

The above schedule is net. On all amounts not paid in full when due, 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.

LEAK ADJUSTMENT

$0.81 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such unusual consumption above customer's historical average usage.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 08-0944-S-MA

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

APPROVED PHASE II RATES

AVAILABILITY

Available within the entire territory served.

APPLICABILITY

Applicable to general domestic, commercial, industrial and sale for resale water service.

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	$10.24 per M gallon
Next	3,500 gallons used per month	$ 6.89 per M gallon
Next	5,000 gallons used per month	$ 6.48 per M gallon
Next	20,000 gallons used per month	$ 4.85 per M gallon
Next	50,000 gallons used per month	$ 4.31 per M gallon
All Over	80,500 gallons used per month	$ 2.16 per M gallon

MINIMUM CHARGE

No bill shall be rendered for less than $20.48 per month for 2,000 gallons.

FLOW MEASUREMENT

In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premise is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building, or premises uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and cannot enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water Board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

CONNECTION FEE

A connection fee of three hundred dollars ($300.00) shall be charged for all new connections onto the sewage system. No connection is to be made until this fee is paid per tariff rules.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

DELAYED PAYMENT PENALTY

The above schedule is net. On all amounts not paid in full when due, 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.

LEAK ADJUSTMENT

$0.81 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such unusual consumption above customer's historical average usage.

LAW OFFICES
ROBERT R. RODECKER
BB&T SQUARE
300 SUMMERS STREET, SUITE 1230
POST OFFICE BOX 3713
CHARLESTON, WEST VIRGINIA 25337

ROBERT R. RODECKER
rodecker@wvdsl.net

JAMES V. KELSH
OF COUNSEL
kelshlaw@yahoo.com

AREA CODE 304
343-1654

FACSIMILE
343-1657

August 21, 2008

RECEIVED
08 AUG 21 PM 12:53
W VA PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

Ms. Sandra Squire
Executive Secretary
Public Service Commission
201 Brooks Street
Charleston, West Virginia 25301

RE: CASE NO. 08-1318-S-CN
CITY OF RICHWOOD, a municipal utility,
Nicholas County, West Virginia

Dear Ms. Squire:

Pursuant to the August 4, 2008 Notice of Filing Order entered in the above-referenced proceeding, enclosed herein please find the original and twelve (12) copies of an Affidavit evidencing publication of the Notice in *The Nicholas Chronicle* on August 14, 2008. With the submission of the enclosed Affidavit, all publication requirements set forth in the Order have been met.

A copy of this filing is today being served upon Staff Attorney Lisa Wansley.

Sincerely,

Robert R. Rodecker
WV State Bar No. 3145

bg
enclosures
cc: Honorable John McClung
Paul Ghosh, P.E.
Alice King, Region 4

The Nicholas Chronicle a division of Nicholas County Publishing Company Inc.

I, Raymond W. Corbin, News Editor of The Nicholas Chronicle, a weekly newspaper published at Summersville in the County of Nicholas, and the State of West Virginia, do certify that the hereto attached Legal Advertisement - Law Office of Robert R. Rodecker, P.O. Box 3713, Charleston, WV 25337: PUBLIC NOTICE OF FILING FOR THE CITY OF RICHWOOD, WEST VIRGINIA: CASE NO. 08-1318-S-CN appeared in said newspaper for 1 week, on the 14th day of August, 2008.

Given under my hand this 14th day of August, 2008.

By Raymond W. Corbin, News Editor.

Fee for publication:
767 words @ $.12 per word, for a total cost of $92.04.
The foregoing instrument was acknowledged before me this the 14th day of August, 2008.

Matthew R. Yeager
Notary Public

My commission expires July 7, 2018.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MATTHEW R. YEAGER
THE NICHOLAS CHRONICLE
718 BROAD STREET
SUMMERSVILLE, WV 26651
My commission expires July 7, 2018

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered by the Public Service Commission of West Virginia, in the City of Charleston on the 4th day of August, 2008.

CASE NO. 08-1318-S-CN

CITY OF RICHWOOD, a municipal utility,

Nicholas County, West Virginia

Application for a certificate of convenience and necessity for the upgrade of its existing sewer system including the replacement of two major pumping stations, separation of storm and sanitary sewers, removal of several mains from flood impacted areas, and repair of mains and manholes in Richwood, Nicholas County, and for approval of financing related thereto.

NOTICE OF FILING

WHEREAS, on August 4, 2008, the City of Richwood, a municipal utility, filed an application, duly verified, for a certificate of convenience and necessity for the upgrade of its existing sewer system, including the replacement of two (2) major pumping stations, separation of storm and sanitary sewers, removal of several mains from flood impacted areas, and repairs of mains and manholes, to bring it into conformity with West Virginia Division of Environmental Protection requirements. The City's application further seeks approval of the financing of the project. The application is on file with and available for public inspection at the Public Service Commission, 201 Brooks Street, in Charleston, West Virginia.

WHEREAS, the City estimates that the total construction costs for the proposed project is $3,000,000.00, to be funded through a West Virginia Infrastructure and Development Council ("WVIJDC") grant in the amount of $500,000.00, a $1,000,000.00 WVIJDC loan for a term of 40 years at an interest rate of 0%, and a Small Cities Block Grant in the amount of $1,500,000.00.

WHEREAS, on May 8, 2008, the City adopted an Ordinance increasing its sewer rates in two phases. Phase II of the increased rates was adopted to cover the City's debt service associated with the proposed sewer system upgrade project. As a result of a protest filed with it, the Public Service Commission has invoked jurisdiction, in Case No. 08-0944-S-MA, over the proposed sewer rate increase and will ultimately determine the rates to be charged to the sewer customers of the City as a result of this upgrade project.

The City of Richwood has no sewer resale customers.

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

IT IS FURTHER ORDERED that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application based on the evidence submitted with said application and its review thereof.

FOR THE COMMISSION

Sandra Squire

Executive Secretary

8/14 1t

WEST VIRGINIA
Infrastructure & Jobs Development Council

Gov. Joe Manchin, III
Chairman

Kenneth Lowe, Jr.
Public Member

Dwight Calhoun
Public Member

David "Bones" McComas
Public Member

Ron Justice
Public Member

Angela K. Chestnut, P.E.
Executive Director

Barbara J. Pauley
Administrative Secretary

August 11, 2009

The Honorable John McClung
Mayor, City of Richwood
6 White Avenue
Richwood, WV 26261

Re: City of Richwood (Phase I)
2001S-577a – Bid Overrun
(Action Required by September 15, 2009)

Dear Mayor McClung:

The West Virginia Infrastructure and Jobs Development Council (Infrastructure Council), at its August 5, 2009, meeting voted to offer a binding commitment to the City of Richwood (City) for a $308,155 Infrastructure Fund loan (0%, 40 yrs) (Loan) to cover a bid overrun on the Phase I Collection System Improvements Project (Project). This Project will separate storm and sanitary sewers, rehabilitate sanitary sewers and upgrade the lift station to comply with the DEP Order. All conditions of the August 31, 2006, binding commitment remain in effect. The Loan will be subject to the terms set forth on the revised Schedule A attached hereto and incorporated herein by reference.

If the City has any questions regarding this commitment, please contact Angela K. Chestnut at 304-558-4607 (X201).

Sincerely,

Kenneth Lowe, Jr.

KL:bjp

Attachment

cc: Mike Johnson, DEP *(via e-mail)*
Region IV Planning & Development Council *(via e-mail)*
Ghosh Engineers, Inc. *(via e-mail)*
Samme Gee, Esq., Jackson Kelly *(via e-mail)*

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

City of Richwood

By: _____

Its: _____

Date: _____

WEST VIRGINIA INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL

City of Richwood
Sewer Project 2001S-577a

SCHEDULE A

A.	Approximate Amount:	$ 1,000,000 308,155	Loan Additional Loan
B.	Loan: $1,308,155		
	1. Maturity Date:		40 years from date of closing.
	2. Interest Rate:		0%
	3. Loan Advancement Date(s):		Monthly, upon receipt of proper requisition.
	4. Debt Service Commencement:		The first quarter following completion of construction, which date must be identified prior to closing.
	5. Special Conditions:		None
C.	Grant: $500,000		
	1. Grant Advancement Date(s):		Monthly, upon receipt of proper requisition and after advancement of all Loan funding.
	2. Special Conditions:		None
D.	Other Funding: SCBG		$1,500,000
E.	Total Project Cost:		$3,308,155
F.	Proposed User Rates:		Approximately $34.26 / 4000 gallons

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

August 31, 2006

The Honorable Bob Henry Baber
Mayor, City of Richwood
6 White Avenue
Richwood, West Virginia 26261

Re: City of Richwood
Binding Commitment
Wastewater Project 2001S-5771

Dear Mayor Baber:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") provides this binding offer of an Infrastructure Fund loan of approximately $1,000,000 (the "Loan") and an Infrastructure Fund grant of approximately$500,000 (the "Grant") to the City of Richwood (the "City") for above referenced wastewater project. (Project). The Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Loan and Grant will be subject to the terms set forth on Schedule A attached hereto and incorporated herein by reference. The final Loan and Grant amount will be established after the City has received acceptable bids for the Project. The Infrastructure Council will set aside a portion of the Infrastructure Fund to make the Loan upon the City's compliance with the program requirements.

This commitment is contingent upon the Project meeting the following schedule:

a. Submit Plans and Specifications to the Bureau for Public Health by October 1, 2006.
b. File Certificate Case with the Public Service Commission no later than December 1, 2006.
c. Advertise for bids no later than June 1, 2007.
(The City must receive authority from the Infrastructure Council before bidding the project.)

The Infrastructure Council reserves the right to withdraw this Loan and Grant commitment if any of the above schedule dates are not met. The Infrastructure Council may, when justified circumstances occur, offer to modify the schedule. Any decision to modify the schedule is at the sole discretion of the Infrastructure Council.

If the City becomes aware that it will not meet one or more of the above schedule dates, the City should immediately notify the Infrastructure Council of this fact and the circumstances which have caused or will cause the City to be unable to meet the schedule. In addition, please immediately notify the Infrastructure Council if any of the other dates on the attached schedule have or will not be met.

The Infrastructure Council will enter into Loan and Grant agreements with the City following receipt of the completed Schedule B, a final, nonappealable order from the Public Service Commission authorizing construction of the Project, evidence of binding commitments for other funding, evidence of all permits, evidence of acceptable bids; and any other documents requested by the Infrastructure Council.

No statements or representations made before or after the issuance of this commitment by any person or member of the Infrastructure Council shall be construed as a valid alteration or extend this commitment, as all such amendments or alterations shall only be made in writing after approval by the Infrastructure Council.

If the City has any questions regarding this commitment, please contact the above-referenced telephone number.

Sincerely,

Mark Phillips

MP/jb
Attachments
cc: Debbie Legg, WVDO
Region IV Planning & Development Council
Ghosh Engineers, Inc.

NOTE: This letter is sent in triplicate. Please acknowledge receipt and immediately return two copies to the Infrastructure Council.

City of [illegible]

By: [illegible]

Its: [illegible]

Date: [illegible]

WEST VIRGINIA INFRASTRUCTURE & [illegible] COUNCIL

[illegible]
ject 2001S-577a
5

SCHEDULE

A. Approximate Amount: $1,000,000 Loan

B. Loan: $1,000,000

1. Maturity Date: 40 ye[illegible] from [illegible]

2. Interest Rate: 0%

3. Loan Advancement Date(s) Mont[illegible] upo[illegible] requisition

4. Debt Service Commencement: The [illegible] qua[illegible] which [illegible]e ru[illegible] npletion of construction, ior to closing.

5. Special Conditions: None

C. Grant: $ 500,000

1. Grant Advancement Date(s): Mont[illegible] up[illegible] comp[illegible] ade[illegible] er requisition and after C loan funding.

2. Special Conditions: None

NOTICE: The terms set forth above are subject to [illegible]ang[illegible] [illegible]ipt of construction bids.

D. Other Funding Sources:
SCBG $1,5[illegible]0

E. Total Project Cost: $3,00[illegible]0

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
Tim Stranko
Morgantown
Dave McComas
Prichard

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

July 14, 2006

The Honorable Bob Henry Baber
Mayor, City of Richwood
6 White Avenue
Richwood, West Virginia 26261

Re: City of Richwood
Sewer Project 2001S-577a

Dear Mayor Baber:

The West Virginia Infrastructure and Jobs Development Council, at its July 12, 2006 meeting, determined that the City of Richwood (the "City") should utilize a $1,500,000 Small Cities Block Grant and voted to offer a binding commitment for an Infrastructure Fund loan of $1,000,000 (0%, 40 yrs) and an Infrastructure Fund grant of $500,000 to finance this $3,000,000 Phase I project. This project consists of some separation of storm and sanitary sewers, rehabilitation of sanitary sewers and upgrade of the lift station to comply with DEP order.

In order to receive the proposed binding commitment the City must adhere to a certain project schedule. Please contact Jeff Brady at 558-4607 by **August 31, 2006** to establish the necessary schedule and finalize the proposed binding commitment.

Sincerely,

Mark Prince

cc: Mike Johnson, DEP
Debbie Legg, WVDO
Tracey Rowan, SCBG
Region IV Planning & Development Council
Ghosh Engineers, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

March 2, 2005

The Honorable Bob Henry Baber
Mayor, City of Richwood
6 White Avenue
Richwood, West Virginia 26261

Re: City of Richwood (Phase I)
Sewer Project 2001S-577a

Dear Mayor Baber:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Richwood's (the "City") revised preliminary application regarding its proposed Phase I project to separate storm and sanitary sewers, rehabilitate sanitary sewers and upgrade the lift station (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Infrastructure Council determined the City pursue a $1,500,000 Small Cities Block Grant to fund this $3,000,000 project. Please contact the WV Development Office at 558-4010 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

The Infrastructure Council also determined that the City may be eligible for an Infrastructure Fund loan of $1,000,000 and an Infrastructure Fund grant of $500,000 to fund this project pending the City's readiness to proceed and availability of funds in the Infrastructure Fund. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, DEP (w/o enclosure)
Debbie Legg, WVDO (w/o enclosure)
Region IV Planning & Development Council
Ghosh Engineers, Inc.

West Virginia Infrastructure & Jobs Development Council

Public Members:
Mark Prince
Hurricane
Dwight Calhoun
Petersburg
C. R. "Rennie" Hill, III
Beckley
Tim Stranko
Morgantown

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

Katy Mallory, PE
Executive Secretary

Katy.Mallory@verizon.net

March 2, 2005

The Honorable Bob Henry Baber
Mayor, City of Richwood
6 White Avenue
Richwood, West Virginia 26261

Re: City of Richwood (Phase II)
Sewer Project 2001S-577b

Dear Mayor Baber:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the City of Richwood's (the "City") revised preliminary application regarding its proposed Phase II project to upgrade the existing wastewater treatment plant (the "Project").

Based on the findings of the Sewer Technical Review Committee, the Infrastructure Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the revised preliminary application, the Infrastructure Council determined the City pursue a $3,200,000 Clean Water State Revolving Fund loan to fund this $5,200,000 project. Please contact the WV Department of Environmental Protection office at 926-0495 for specific information on the steps the City needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

The Infrastructure Council also determined that the City may be eligible for an Infrastructure Fund grant of $2,000,000 to fund this project pending the City's readiness to proceed and availability of funds in the Infrastructure Fund. **This letter is not a commitment letter of Infrastructure Funds.** The Project will be placed on the Infrastructure Council's pending list of projects.

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

Sincerely,

Mark Prince

Enclosure
cc: Mike Johnson, DEP (w/o enclosure)
Region IV Planning & Development Council
Ghosh Engineers, Inc.

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CROSS-RECEIPT FOR BOND AND BOND PROCEEDS

On this 2nd day of September, 2009, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Richwood (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the entire original issue of $1,308,155 principal amount of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer (the "Bonds"), issued as a single, fully registered Bond, numbered AR-1, and dated September 2, 2009.

2. At the time of such receipt of the Bonds upon original issuance, the Bonds had been executed by the Mayor and the Recorder of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Bonds, of the sum of $24,500, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer by the Authority on behalf of the West Virginia Infrastructure and Jobs Development Council as acquisition and construction of the Project progresses.

[Remainder of Page Intentionally Blank]

Dated as of the day and year first above written.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Authorized Representative

CITY OF RICHWOOD

By: _____
Its: Mayor

08.13.09
756770.00001

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

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

Ladies and Gentlemen:

On this 2nd day of September, 2009, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Richwood Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), in the principal amount of $1,308,155, dated September 2, 2009 (the "Bonds"), executed by the Mayor and the Recorder of the City of Richwood (the "Issuer"), and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on July 30, 2009, and a Supplemental Resolution duly adopted by the Issuer on August 20, 2009 (collectively, the "Bond Legislation");

(2) A copy of the Bond Legislation authorizing the above-captioned Bond issue, duly certified by the Recorder of the Issuer;

(3) Executed counterparts of the loan agreement dated September 2, 2009 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council; and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $24,500, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the date first written above.

CITY OF RICHWOOD

By: John McClung
Its: Mayor

08.13.09
756770.00001

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RICHWOOD
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS,
SERIES 2009 A
(WEST VIRGINIA INFRASTRUCTURE FUND)

No. AR-1 $1,308,155

KNOW ALL MEN BY THESE PRESENTS: That on this 2nd day of September, 2009, the CITY OF RICHWOOD, a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of ONE MILLION THREE HUNDRED EIGHT THOUSAND ONE HUNDRED FIFTY-FIVE DOLLARS ($1,308,155), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including September 1, 2049 as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference.

This Bond shall bear no 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 the West Virginia Infrastructure and Jobs Development Council (the "Council"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and between the Issuer and the Authority on behalf of the Council, dated September 2, 2009.

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 wastewater portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) 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 31, Article 15A of the West Virginia Code of 1931, as amended (collectively, the "Act"), and a Bond Ordinance duly enacted by the Issuer on July 30, 2009, and a Supplemental Resolution duly adopted by the Issuer on August 20, 2009 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of

additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA SRF PROGRAM), DATED DECEMBER 18, 2002, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $682,314 (THE "SERIES 2002 BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Prior Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2009 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay 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, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2009 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds, and all other obligations secured by a lien on or payable from such revenues on a parity with, or subordinate to, the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2009 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with, or subordinate to, the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the registrar (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 monies, until so applied, in favor of the registered owner of this Bond.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the Issuer, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the Net Revenues of the System has been pledged to and will be set aside into said special fund by the Issuer for the prompt payment of the principal of 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 RICHWOOD has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated as of the date first written above.

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2009 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: September 2, 2009.

THE HUNTINGTON NATIONAL BANK,
as Registrar

SPECIMEN

Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $24,500	September 2, 2009	(19)	
(2)		(20)	
(3)		(21)	
(4)		(22)	
(5)		(23)	
(6)		(24)	
(7)		(25)	
(8)		(26)	
(9)		(27)	
(10)		(28)	
(11)		(29)	
(12)		(30)	
(13)		(31)	
(14)		(32)	
(15)		(33)	
(16)		(34)	
(17)		(35)	
(18)		(36)	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

BOND DEBT SERVICE

Town of Richwood

40 Years from Closing Date

0% Interest Rate

Dated Date	9/2/2009
Delivery Date	9/2/2009

Period Ending	Principal	Interest	Debt Service
9/2/2009			
3/1/2011	8,440		8,440
6/1/2011	8,440		8,440
9/1/2011	8,440		8,440
12/1/2011	8,440		8,440
3/1/2012	8,440		8,440
6/1/2012	8,440		8,440
9/1/2012	8,440		8,440
12/1/2012	8,440		8,440
3/1/2013	8,440		8,440
6/1/2013	8,440		8,440
9/1/2013	8,440		8,440
12/1/2013	8,440		8,440
3/1/2014	8,440		8,440
6/1/2014	8,440		8,440
9/1/2014	8,440		8,440
12/1/2014	8,440		8,440
3/1/2015	8,440		8,440
6/1/2015	8,440		8,440
9/1/2015	8,440		8,440
12/1/2015	8,440		8,440
3/1/2016	8,440		8,440
6/1/2016	8,440		8,440
9/1/2016	8,440		8,440
12/1/2016	8,440		8,440
3/1/2017	8,440		8,440
6/1/2017	8,440		8,440
9/1/2017	8,440		8,440
12/1/2017	8,440		8,440
3/1/2018	8,440		8,440
6/1/2018	8,440		8,440
9/1/2018	8,440		8,440
12/1/2018	8,440		8,440
3/1/2019	8,440		8,440
6/1/2019	8,440		8,440
9/1/2019	8,440		8,440
12/1/2019	8,440		8,440
3/1/2020	8,440		8,440
6/1/2020	8,440		8,440
9/1/2020	8,440		8,440
12/1/2020	8,440		8,440
3/1/2021	8,440		8,440
6/1/2021	8,440		8,440
9/1/2021	8,440		8,440
12/1/2021	8,440		8,440

BOND DEBT SERVICE

Town of Richwood

40 Years from Closing Date

0% Interest Rate

Period Ending	Principal	Interest	Debt Service
3/1/2022	8,440		8,440
6/1/2022	8,440		8,440
9/1/2022	8,440		8,440
12/1/2022	8,440		8,440
3/1/2023	8,440		8,440
6/1/2023	8,440		8,440
9/1/2023	8,440		8,440
12/1/2023	8,440		8,440
3/1/2024	8,440		8,440
6/1/2024	8,440		8,440
9/1/2024	8,440		8,440
12/1/2024	8,440		8,440
3/1/2025	8,440		8,440
6/1/2025	8,440		8,440
9/1/2025	8,440		8,440
12/1/2025	8,440		8,440
3/1/2026	8,440		8,440
6/1/2026	8,440		8,440
9/1/2026	8,440		8,440
12/1/2026	8,440		8,440
3/1/2027	8,440		8,440
6/1/2027	8,440		8,440
9/1/2027	8,440		8,440
12/1/2027	8,440		8,440
3/1/2028	8,440		8,440
6/1/2028	8,440		8,440
9/1/2028	8,440		8,440
12/1/2028	8,440		8,440
3/1/2029	8,440		8,440
6/1/2029	8,440		8,440
9/1/2029	8,440		8,440
12/1/2029	8,440		8,440
3/1/2030	8,440		8,440
6/1/2030	8,440		8,440
9/1/2030	8,440		8,440
12/1/2030	8,440		8,440
3/1/2031	8,440		8,440
6/1/2031	8,440		8,440
9/1/2031	8,440		8,440
12/1/2031	8,440		8,440
3/1/2032	8,440		8,440
6/1/2032	8,440		8,440
9/1/2032	8,440		8,440
12/1/2032	8,440		8,440
3/1/2033	8,440		8,440
6/1/2033	8,440		8,440
9/1/2033	8,440		8,440
12/1/2033	8,440		8,440
3/1/2034	8,440		8,440

BOND DEBT SERVICE

Town of Richwood
40 Years from Closing Date
0% Interest Rate

Period Ending	Principal	Interest	Debt Service
6/1/2034	8,440		8,440
9/1/2034	8,440		8,440
12/1/2034	8,440		8,440
3/1/2035	8,440		8,440
6/1/2035	8,440		8,440
9/1/2035	8,440		8,440
12/1/2035	8,440		8,440
3/1/2036	8,440		8,440
6/1/2036	8,440		8,440
9/1/2036	8,440		8,440
12/1/2036	8,440		8,440
3/1/2037	8,440		8,440
6/1/2037	8,440		8,440
9/1/2037	8,440		8,440
12/1/2037	8,440		8,440
3/1/2038	8,440		8,440
6/1/2038	8,439		8,439
9/1/2038	8,439		8,439
12/1/2038	8,439		8,439
3/1/2039	8,439		8,439
6/1/2039	8,439		8,439
9/1/2039	8,439		8,439
12/1/2039	8,439		8,439
3/1/2040	8,439		8,439
6/1/2040	8,439		8,439
9/1/2040	8,439		8,439
12/1/2040	8,439		8,439
3/1/2041	8,439		8,439
6/1/2041	8,439		8,439
9/1/2041	8,439		8,439
12/1/2041	8,439		8,439
3/1/2042	8,439		8,439
6/1/2042	8,439		8,439
9/1/2042	8,439		8,439
12/1/2042	8,439		8,439
3/1/2043	8,439		8,439
6/1/2043	8,439		8,439
9/1/2043	8,439		8,439
12/1/2043	8,439		8,439
3/1/2044	8,439		8,439
6/1/2044	8,439		8,439
9/1/2044	8,439		8,439
12/1/2044	8,439		8,439
3/1/2045	8,439		8,439
6/1/2045	8,439		8,439
9/1/2045	8,439		8,439
12/1/2045	8,439		8,439
3/1/2046	8,439		8,439
6/1/2046	8,439		8,439

BOND DEBT SERVICE

Town of Richwood
40 Years from Closing Date
0% Interest Rate

Period Ending	Principal	Interest	Debt Service
9/1/2046	8,439		8,439
12/1/2046	8,439		8,439
3/1/2047	8,439		8,439
6/1/2047	8,439		8,439
9/1/2047	8,439		8,439
12/1/2047	8,439		8,439
3/1/2048	8,439		8,439
6/1/2048	8,439		8,439
9/1/2048	8,439		8,439
12/1/2048	8,439		8,439
3/1/2049	8,439		8,439
6/1/2049	8,439		8,439
9/1/2049	8,440		8,440
	1,308,155		1,308,155

(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:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

September 2, 2009

City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

City of Richwood
Richwood, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Richwood (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $1,308,155 Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), 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 2, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2011, to and including September 1, 2049, 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 31, Article 15A 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 wastewater portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

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Huntington, WV • Columbus, OH

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We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on July 30, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 20, 2009 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Loan Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Loan Agreement when used herein.

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

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

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

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 Net Revenues of the System referred to in the Bond Legislation and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002, issued in the original aggregate principal amount of $682,314,(the "Prior Bonds"). The Issuer has obtained the written consent of the holders of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds.

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.

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

08.14.09
756770.00001

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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P.O. Box 1588
Charleston, WV 25326-1588
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www.steptoe-johnson.com

Writer's Contact Information

September 2, 2009

City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

City of Richwood
Richwood, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

We are counsel to the City of Richwood in Nicholas County, West Virginia (the "Issuer"), in connection with the above-captioned bond issue. As such counsel, we have examined copies of the approving opinion of Steptoe & Johnson, as bond counsel, a loan agreement dated September 2, 2009, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council"), a Bond Ordinance duly enacted by the Issuer on July 30, 2009, as supplemented by a Supplemental Resolution duly adopted by the Issuer on August 20, 2009 (collectively, the "Bond Legislation"), and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

We are of the opinion that:

1. The Issuer has been duly created and is validly existing as a municipal corporation and political subdivision of the State of West Virginia, and the Mayor, Recorder and members of the council of the Issuer have been duly and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act on behalf of the Issuer in their respective capacities.

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

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

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

5. The Issuer has received all permits, licenses, approvals, exemptions, consents, registrations, certificates and authorizations required by law for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Bureau for Public Health, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of ordinances prescribing such rates and charges. The time for appeal of such rate ordinances has expired prior to the date hereof without any appeal.

6. To the best of our knowledge, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement, the Bond Legislation, the acquisition and construction of the Project, the operation of the System, the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

7. Prior to the execution of construction contracts by the Issuer, we will verify that all successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy and will will review the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, and verify that such surety bonds and policies (i) are in compliance with the contracts; (ii) are adequate in form, substance and amount to protect the various interests of the Issuer; (iii) have been executed by duly authorized representatives of the proper parties; (iv) meet the requirements of the Act, the Bond Legislation and the Loan Agreement; and (v) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

STEPTOE & JOHNSON PLLC

LAW OFFICES

ROBERT R. RODECKER

BB&T SQUARE

300 SUMMERS STREET, SUITE 1230

POST OFFICE BOX 3713

CHARLESTON, WEST VIRGINIA 25337

ROBERT R. RODECKER
rodecker@wvdsl.net

JAMES V. KELSH
OF COUNSEL
kelshlaw@yahoo.com

AREA CODE 304
343-1654

FACSIMILE
343-1657

September 2, 2009

City of Richwood
Richwood, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure and Jobs Development Council
Charleston, West Virginia

Steptoe and Johnson PLLC
Charleston, West Virginia

City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

Ladies and Gentlemen:

I am special counsel to the City of Richwood in Nicholas County, West Virginia (the "Issuer"). As such counsel, I have represented the Issuer before the Public Service Commission of West Virginia in connection with the issuance of the above-referenced bonds, and the acquisition and construction of the Project. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Loan Agreement when used herein.

I am of the opinion that:

The Issuer has received all orders, certificates and authorizations from the Public Service Commission of West Virginia necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the implementation of rates and charges, and the Issuer has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges. The Issuer has received a Recommended Decision of the Public Service Commission of West Virginia dated February 27, 2009 which became Final Order on March 19, 2009 in Case No. 08-1318-S-CN, and an Affidavit of CPA dated August 12, 2009 among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Order has expired prior to the date hereof.

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

Very truly yours,

Robert R. Rodecker, Esquire

08.14.09
756770.00001

HARLEY E. STOLLINGS
ATTORNEY AT LAW
710 Broad Street
Summersville, W. Va. 26651

Phone: (304) 872-7330

Fax: (304) 872-7322

TITLE OPINION

March 26, 2009

Angela Chestnut, P.E.
West Virginia Infrastructure and
Jobs Development Council
300 Summers Street
Charleston, WV 25301

Re: City of Richwood
Wastewater Line Project
#2001 S-5771

Dear Ms. Chestnut:

I represent the City of Richwood, West Virginia, with regard to a proposed project intended to upgrade the wastewater system in the city limits and provide this final title opinion on behalf of the city to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council ("the Council"), with regard to the Infrastructure Fund financing sought and proposed for the project.

I hereby certify the following:

1. I am of the opinion that the City of Richwood is a municipal corporation duly created and existing under the laws of the State of West Virginia and is such is vested with and possessed of all the powers and authority granted to municipalities to engage in the installation, operation, maintenance of sanitary sewage systems by the provisions of West Virginia Code §8-20-1, et seq., and other sections of the West Virginia Code, subject to the approval and consent of the West Virginia Division of Environmental Protection of the said State.

2. I have investigated and ascertained the location of and am familiar with the legal description of the necessary sites, and line routes, including surface parcels, easements, and/or rights of way required for the Project as described and set forth in the plans for the Project prepared by Ghosh Engineers, the consulting and design engineers for the Project.

3. I have examined the records and documents of record in the Office of the Clerk of the County Commission of Nicholas County, West Virginia, the county in with the necessary site components of the Project are to be located, to the extent in my opinion sufficient to assure undisturbed use and possession of said site components for the purpose of construction, operation and maintenance of the facilities to be constructed, for their estimated life. Legal title, including as appropriate surface title, easements and/or rights of way, to each of the properties listed below have been acquired through negotiated agreements:

MAP/PARCEL	OWNER
10/50.6	Gerald Hackney
10/50.10	Joseph D'Arco
10/50.11	Elsie Stanley
11/99,101,102,103	Nicholas County Board of Education
11/100	Abraham Khuri
11/104	W.Va. State Armory Board
11/105	Nicholas County Commission
11/105	Park Board of City of Richwood
6/116	Collins Hardwood
6/116	W.Va. Economic Development Authority
10/50.2	Kyle Garris
10/50.3,.4,.5	T. Micheal and Julie Hewitt
10/50.7	Gary and Mary Hewitt
10/50.8	Bernard and Linda Lindsey
10/50.9	Susan Fay and Susan Fay Revocable Trust
10/50.13	White Family Trust and Kathryn Lane
10/50.14	Robert and Maria Dooley
10/50.16	Nicholas County Empowerment Corp.
10/80	Richwood Area Community Hospital
10/92	J. Walter and Patricia Copley

11/151	Mark Bartlett and Tracy Beckner
11/156	Lee Booten, et al
14/52	Laurel Creek Hardwoods

4. Right of way agreements which have been acquired with respect to the parcels listed in section 4 above have been duly recorded in the aforesaid clerk's office in order to protect the legal title the facilities and the interests of the municipality.

5. The Circuit Court of Nicholas County has granted a right of entry and eminent domain proceedings are ongoing with respect to the following parcels:

MAP/PARCEL	OWNER
11/25, 26	Victor Digregorio and Cornell DiGregorio

The opinions set forth hereinabove are subject to any legal rights of any person or entity that may not be of record in the Office of the Clerk of the County Commission of Nicholas County, to such facts as would be revealed by accurate survey or visual inspection or observation of the premises, to the correctness of the indices of the records of the County Commission of Nicholas County, West Virginia, and of the records themselves. Further, all opinions are subject to the correctness of the plans prepared by the consulting and design engineer.

Harley E. Stollings
Attorney at Law
710 Broad Street
Summersville, WV 26651
State Bar ID # 3618
304-872-7330

pc: Alice King

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 2nd day of September, 2009, we, the undersigned MAYOR and RECORDER of the City of Richwood in Nicholas County, West Virginia (the "Issuer"), and the undersigned COUNSEL TO THE ISSUER, hereby certify in connection with the City of Richwood Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof (the "Bonds" or the "Series 2009 A Bonds"), as follows:

1, TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as in the Bond Ordinance of the Issuer duly enacted July 30, 2009, and the Supplemental Resolution duly adopted August 20, 2009 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Gross Revenues, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer

taken with respect to the issuance or sale of the Bonds, the pledge or application of the Gross Revenues or any other moneys or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the pledge or application of moneys and security or the collection of the Gross Revenues.

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

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Loan Agreement, and the Issuer has met all conditions prescribed in the bond purchase agreement (the "Loan Agreement") entered into by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2009 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002, issued in the original aggregate principal amount of $682,314 (the "Series 2002 Bonds" or the "Prior Bonds")

The Series 2009 A Bonds shall be issued on a parity with the Prior Bonds, with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds are met; and (ii) the written consent of the Holders of the Prior Bonds to the issuance of the Series 2009 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the terms and provisions of the Prior Ordinances and no default exists with respect to the Prior Bonds.

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

Bond Ordinance

Supplemental Resolution

Loan Agreement

Public Service Commission Order

Infrastructure Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Water Rate Ordinance and Sewer Rate Ordinance

Minutes on Adoption and Enactment of Rate Ordinances

Affidavits of Publication of Rate Ordinances and Notice of Public Hearing

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

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

Consent of WDA to Issuance of Series 2009 A Bonds

Prior Bond Ordinances and Supplemental Resolutions

Evidence of Insurance

Infrastructure Council Grant Agreement

Evidence of Small Cities Block Grant

Bureau for Public Health and NPDES Permits

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "City of Richwood." The Issuer is a municipal corporation in Nicholas 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, a Recorder and 8 councilmembers, all duly elected, 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
John McClung, Mayor	May 21, 2008	June 30, 2012
James Fitzpatrick, Recorder	May 21, 2008	June 30, 2010
Frank White, Councilmember	July 1, 2006	June 30, 2010
Gary King, Councilmember	July 1, 2008	June 30, 2012
Bill Heltzel, Councilmember	July 1, 2006	June 30, 2010
Rick Perez, Councilmember	July 1, 2006	June 30, 2010
James Vannoy, Councilmember	July 1, 2008	June 30, 2012
Kelly Comstock, Councilmember	July 1, 2008	June 30, 2010
Ernest Dearfield, Councilmember	July 1, 2006	June 30, 2010
Mike Little, Councilmember	July 1, 2006	June 30, 2010

The duly appointed and acting Counsel to the Issuer is Steptoe & Johnson PLLC, of Charleston, West Virginia; special PSC Counsel is Robert Rodecker, Esquire of Charleston, West Virginia.

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

8. MEETINGS, ETC.: All actions, ordinances, resolutions, orders and agreements taken by and entered into by or on behalf of the Issuer in any way connected with the issuance of the Bonds and the acquisition, construction, operation and financing of the Project or the System were authorized or adopted at regular or special meetings of the Governing Body of the Issuer duly and regularly called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes, including, particularly and without limitation, Chapter 6, Article 9A of the West Virginia Code of 1931, as amended, and a quorum of duly elected or appointed, as applicable, qualified and acting members of the Governing Body was present and acting at all times during all such meetings. All notices required to be posted and/or published were so posted and/or published.

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

10. LOAN AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Loan Agreement are true and correct in all material respects as if made on the date

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

11. RATES: The Issuer has duly enacted a water rate ordinance on November 1, 2007, setting forth the respective rates and charges for the services of the water portion of the System. The time for appeal of such water rate ordinance has expired prior to the date hereof without any appeal, and such rate ordinance is currently in effect.

The Issuer has duly enacted a sewer rate ordinance on May 1, 2008, as amended by Recommended Decision dated February 27, 2009, which became Final Order on March 19, 2009, by the Public Service Commission of West Virginia in Case No. 08-0944-S-MA, setting forth the respective rates and charges for the services of the sewer portion of the System. The time for appeal of such Order has expired prior to the date hereof without any appeal, and such rates established by the Order are currently in effect.

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

13. BOND PROCEEDS: On the date hereof, the Issuer received $24,500 from the Authority and the Council, being a portion of the principal amount of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *The Nicholas Chronicle*, a newspaper published and of general circulation in the City of Richwood, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of the Governing Body on the 30th day of July, 2009, at 7:00 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and

suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the Recommended Decision dated February 27, 2009, which became Final Order on March 19, 2009 of the Public Service Commission of West Virginia in Case No. 08-1318-S-CN, an affidavit of CPA dated August 12, 2009, among other things, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the Final Order has not expired prior to the date hereof. The time for appeal of such Order has expired prior to the date hereof without any appeal, and such Order remains in effect.

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

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

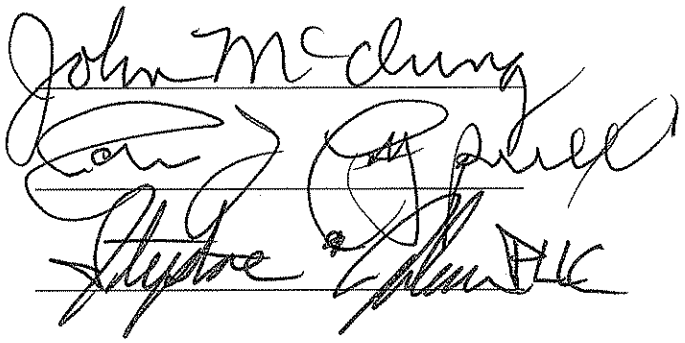
18. GRANT: On the date hereof, the grant from the Infrastructure and Jobs Development Council in the amount of $500,000 and the Small Cities Block Grant in the amount of $1,500,000 are in full force and effect.

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

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of the CITY OF RICHWOOD as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
	Mayor
	Recorder
	Counsel to Issuer
	Special PSC Counsel (Paragraph 15)

08.13.09
756770.00001

WITNESS our signatures and the official seal of the CITY OF RICHWOOD as of the date first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to Issuer
Salvatore R. Rodriguez	Special PSC Counsel (Paragraph 15)

08.13.09
756770.00001

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF ENGINEER

On this 2nd day of September, 2009, I, Paul Ghosh, Registered Professional Engineer, West Virginia License No. 7806, of Ghosh Engineering, Inc., Consulting Engineers, in Charleston, West Virginia, 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 wastewater portion of the existing public combined waterworks and sewerage system (the "System") of the City of Richwood (the "Issuer"), to be constructed primarily in Nicholas County, West Virginia, which acquisition and construction are being financed in part by the proceeds of the above-captioned bonds (the "Series 2009 A Bonds") of the Issuer. Capitalized terms used herein and not defined herein shall have the same meanings set forth in the Bond Ordinance enacted by the Issuer on July 30, 2009, and the Supplemental Resolution adopted by the Issuer on August 20, 2009, and the loan agreement (the "Loan Agreement"), dated September 2, 2009 (the "Loan Agreement"), by and between the Issuer and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Infrastructure and Jobs Development Council (the "Council").

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

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the Council and any change orders approved by the Issuer, the Council and 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, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing described in Schedule B, attached hereto as Exhibit A and the Issuer's counsel, Steptoe & Johnson PLLC, has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the Council and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all applicable permits required by the laws of the State of West

Virginia and the United States necessary for the acquisition and construction of the Project and the operation of the System; (ix) in reliance upon the certificate of Smith Cochran & Hicks, PLLC, as of the effective date thereof, the rates and charges for the System enacted by the Issuer will be sufficient to comply with the provisions of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on Deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the Council; and (xi) attached hereto as Exhibit A is the final amended "Schedule B - Final Total Cost of Project, Sources of Funds and Costs of Financing" for the Project.

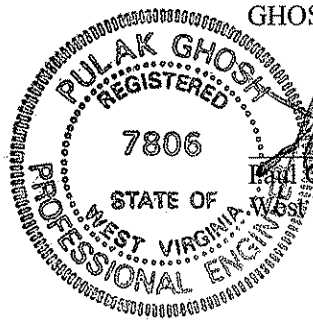
4. The Project will serve no new customers.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal as of the date first written above.

GHOSH ENGINEERING, INC.

[SEAL]



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

08.13.09
756770.00001

SCHEDULE B
City of Richwood

A. COST OF PROJECT	TOTAL	IJDC	SCBG
1 Construction	2,749,165.00	1,380,953.00	1,368,212.00
2 Technical Services			
a Basic	102,000.00	102,000.00	0.00
b. Additional Redesign	20,788.00	0.00	20,788.00
c. Resident Project Inspection	97,300.00	97,300.00	0.00
d Special services	39,900.00	39,900.00	0.00
3 Legal & Accounting			
a. Project & PSC :	50,000.00	0.00	50,000.00
b Accountant	10,000.00	0.00	10,000.00
4 Administrative (Region IV)	50,000.00	0.00	50,000.00
5 Sites & Other Lands	22,000.00	22,000.00	0.00
6 Other Costs			
a legal Ads	1,000.00	0.00	1,000.00
b Permits & Fees	2,500.00	2,500.00	0.00
7 Contingency	138,952.00	138,952.00	0.00
8 TOTAL of Lines 1 through 7	3,283,605.00	1,783,605.00	1,500,000.00
B COST OF FINANCING			
9 Funded Reserve	0.00	0.00	0.00
10 Registrar	500.00	500.00	0.00
11 Bond Counsel (S&J)	24,000.00	24,000.00	0.00
12 Cost of Financing	24,500.00	24,500.00	0.00
13 TOTAL PROJECT COST line 8 plus line 12	3,308,105.00	1,808,105.00	1,500,000.00
C SOURCES OF OTHER FUNDS			
14 Federal Grants SCBG	1,500,000.00		1,500,000.00
15 State Grants IJDC	500,000.00	500,000.00	
16 Other Grants			
17 TOTAL GRANTS Lines 14 through 16	2,000,000.00	500,000.00	1,500,000.00
18 Size of Bond Issue (Line 13 minus line 17)	1,308,105.00	1,308,105.00	0.00

Richwood

8/20/09
Date

Ghosh Engineers

8-31-09
Date

SCH
Smith, Cochran & Hicks, P.L.L.C.
Certified Public Accountants Oak Hill Charleston Montgomery
405 Capitol Street • Suite 908 • Charleston, WV 25301 • 304-345-1151 • Fax 304-346-6731

September 2, 2009

City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Infrastructure & Jobs Development Council
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges as set forth in the sewer rate ordinance of the City of Richwood (the "Issuer") enacted May 1, 2008, as amended by Recommended Decision dated February 27, 2009, which became Final Order on March 19, 2009 by the Public Service of West Virginia in Case number 08-0944-S-MA, and the water rate ordinance of the Issuer enacted November 1, 2007, and the projected operating expenses and the anticipated customer usage as furnished to me by Ghosh Engineers, Inc., it is my 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, will pay all operating expenses and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) (the "Bonds"), to be issued to the West Virginia Water Development Authority on the date hereof and all other obligations secured by or payable from the revenues of the System, including the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002, issued in the original aggregate principal amount of $682,314 (the "Prior Bonds").

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

Very truly yours,

Smith Cochran & Hicks

SMITH COCHRAN & HICKS, PLLC

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE AS TO USE OF PROCEEDS

On this 2nd day of September, 2009, the undersigned Mayor of the City of Richwood in Nicholas County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $1,308,155 Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated September 2, 2009 (the "Bonds" or the "Series 2009 A Bonds"), hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on July 30, 2009, as supplemented (the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 2, 2009, the date on which the Bonds are being physically delivered in exchange for a portion of the principal amount of the Series 2009 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2009 A Bonds were sold on September 2, 2009, to the Authority, pursuant to a Loan Agreement dated September 2, 2009, by and among the Issuer, the Authority and the Council, for an aggregate purchase price of $1,308,155 (100% of par), at which time, the Issuer received $24,500 from the Authority and the Council, being the first advance of the principal amount of the Series 2009 A Bonds. No accrued interest has been or will be paid on the Series 2009 A Bonds. The balance of

the principal amount of the Series 2009 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2009 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public combined waterworks and sewerage system of the Issuer (the "Project"), and (ii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2009 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before December 1, 2010. The acquisition and construction of the Project is expected to be completed by June 1, 2010.

8. The total cost of the Project is estimated at $3,308,155. Sources and uses of funds for the Project are as follows:

SOURCES

Proceeds of the Series 2009 A Bonds	$1,308,155
Infrastructure Council Grant	$500,000
Small Cities Block Grant	$1,500,000
Total Sources	$3,308,155

USES

Costs of Project	$3,283,655
Costs of Issuance	$24,500
Total Uses	$3,308,155

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2009 A Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2009 A Bonds Construction Trust Fund;

(4) Series 2009 A Bonds Sinking Fund; and

(5) Series 2009 A Bonds Reserve Account.

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

(1) From the proceeds of the Series 2009 A Bonds, there shall be deposited with the Commission in the Series 2009 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2009 A Bonds Reserve Account; and

(2) Next, from the proceeds of the Series 2009 A Bonds will be deposited in the Series 2009 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2009 A Bonds and related costs.

11. Moneys held in the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2009 A Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2009 A Bonds Sinking Fund and Series 2009 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2009 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

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

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

14. With the exception of the amount deposited in the Series 2009 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 15 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2009 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2009 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2009 A Bonds Reserve Account hold an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2009 A Bonds Reserve Account and the Series 2009 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

WITNESS my signature as of the date first written above.

CITY OF RICHWOOD

By: _____
Its: Mayor

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ACTS

OF THE

LEGISLATURE

OF

WEST VIRGINIA

REGULAR SESSION

1921

MUNICIPAL CHARTERS

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CHAPTER 21

(Senate Bill No. 77—Mr. Lewis.)

AN ACT to create the municipal corporation of the "City of Richwood," in the county of Nicholas, to grant a charter thereto, and to annul the charter of the "Town of Richwood."

[Passed March 23, 1921. In effect from passage. Approved by the Governor March 31, 1921.]

SEC.
1. The city of Richwood.
2. Boundaries of Richwood.
3. Boundaries of wards.
4. Municipal authorities.
5. Exercise of corporate powers.
6. Subordinate officers.
7. Eligibility of officers.
8. Election of officers.
9. Special regulations for the first election of members of council; selection of long and short term members from each ward.
10. Who are voters.
11. General elections.
12. Tie vote—how decided.
13. Contested elections.
14. Vacancy in office.
15. Appointment of additional officers and defining their duties and fixing compensation of such officers.
16. Bonds.
17. Oath of officers.
18. Tenure of office.
19. Ineligibility or failure to qualify.
20. Powers and duties of the mayor.
21. Powers and duties of recorder.
22. Quorum.
23. Record of minutes and ordinances.
24. Reading of minutes.
25. Who shall vote in council.
26. Meetings of the council.
27. To whom money of the city paid.
28. Duties and powers of council.
28-a. Additional duties and powers of council.
29. Licenses.
30. Mayor's docket.
31. Annual levy.
32. Annual assessment.
33. Assessor's books.
34. Liens for taxes.
35. Collection of taxes.
36. Condemnation of land for public use.
37. Bonding.
38. No indebtedness to be created for current expenses.
39. Support of poor and maintenance of roads and levies for same.
40. Making and maintaining sidewalks.
41. Paving.
42. Appointment of officers to hold first election hereunder.
43. When officers first elected to assume duties of office.
44. General provisions.
45. Existing ordinances.
46. Repeal of inconsistent ordinances and acts.

Be it enacted by the Legislature of West Virginia:

City of Richwood.

Section 1. That the inhabitants of that portion of Nicholas county, in the state of West Virginia, included in the boundaries described in section two of this act, be and they are hereby made a municipal corporation by the name of "City of Richwood", by which name they shall have perpetual succession and a common seal, and by which name they may sue and be sued, plead and be impleaded, contract and be contracted with, and purchase or otherwise acquire and hold real estate and personal property needed in the discharge of the functions of government conferred by this charter.

Boundaries.

Sec. 2. Beginning at the northeast corner of the present corporation of Richwood; thence N. 5-30 W. 540 feet to a stake,

which is the beginning corner of the city boundary line; thence S. 58-00 W. crossing the north fork of Cherry river 6145 feet to a stake; thence S. 84-30 W. 5585 feet to the center of the Fishing Rock on the north bank of Cherry river below drain; thence S. 20-00 E. crossing Cherry river 2640 feet to a stake; thence N. 84-30 E. 5300 feet to a stake; thence S. 30-00 E. 1139 feet to the upper end of a large long rock; thence N. 84-30 E. 5284 feet to a stake; thence N. 21-00 E. crossing the south fork of Cherry river 2689 feet to a stake; thence N. 23-00 W. 1850 feet to a stake; thence N. 37-00 W. 2518 feet to the beginning corner, containing 1090 acres, more or less.

Wards.

Sec. 3. The territory included in the said city shall be divided into four wards. Each ward shall be entitled to elect an equal number of councilmen, as provided in the fourth section of this act, and the wards shall be as follows:

The First Ward shall include all that part of the territory of said city within the following boundaries: Beginning at the wagon bridge across Cherry river at the south end of Oakford avenue; thence in a northerly direction with said avenue to the outer limits of the city; thence starting in an easterly direction and with four lines of said outer limits around to the South Fork of Cherry river; thence with and down said South Fork of Cherry river and Cherry river to the beginning.

The Second Ward shall include all that part of the territory of said city north of Cherry river not included in the first ward.

The Third Ward shall include all that part of the territory of said city included within the following boundaries: Beginning at the wagon bridge across Cherry river at the south end of Oakford avenue; thence with and down said river to the outer limits of said city; thence starting in a southerly direction and with the lines of said outer limits around to the Greenbrier road; thence with said road in a northerly direction to its intersection with Riverside Drive; thence with said Riverside Drive in an easterly direction to the beginning.

The Fourth Ward shall include all that part of the territory of said city south of Cherry river and west of the South Fork thereof not included in the third ward.

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Municipal Authorities.

Sec. 4. The municipal authorities of said city shall consist of a mayor, to be elected by the voters of the whole city, a recorder, to be elected by the voters of the whole city, and two councilmen from each ward, to be elected by the voters of such ward who together shall form a common council and who shall receive such compensation as the council shall from time to time determine, which compensation shall not be increased or diminished during their term of office, and in no event shall said compensation exceed fifty dollars per year.

Exercise of Corporate Powers.

Sec. 5. All the corporate powers and functions pertaining to said city shall be exercised by its common council, or under its authority, in the corporate name of the city, unless otherwise provided by state law or municipal ordinance.

Subordinate Officers.

Sec. 6. The mayor shall nominate, and, by and with the advice and consent of the council, shall appoint a superintendent of streets, a chief of police, a city attorney, an assessor, a collector, a treasurer, and all other officers whose offices may be established by an ordinance of the council, and such officers shall hold the respective offices to which they are appointed during the pleasure of the council and until their successors are appointed and qualified. These several officers, or any two or more of them, may be held by the same person, and such officers shall receive such compensation as the council may prescribe by ordinance, and the same shall not be increased or diminished during the term for which the appointment was made.

Eligibility of Officers.

Sec. 7. No person shall be eligible to the office of mayor, recorder, or councilman, unless at the time of his election he is legally entitled to vote in the city election for member of the common council, and was for the preceding year assessed with taxes upon property within the said city of the assessed value of five hundred dollars, and shall actually have paid the taxes so assessed. And no person shall be eligible to any subordinate office

under said city who is not at the time of his election or appointment entitled to vote for member of the common council.

Election of Officers.

Sec. 8. On the first Thursday in January, one thousand nine hundred and twenty-two, and every two years thereafter on the first Tuesday in June, there shall be elected by the qualified voters of said city, a mayor and recorder. The term of office of said mayor and said recorder, elected on the first Thursday in January, one thousand nine hundred and twenty-two, shall commence on the first day of February next after their election and end on the thirtieth day of June, one thousand nine hundred and twenty-four, or when their successors shall be elected and qualified; and the term of office of the mayor and recorder thereafter elected shall begin on the first day of July after their election and be for two years, ending on the thirtieth day of June.

Sec. 9. On the same day first above mentioned in the preceding section, two members of the council shall be elected in each ward of said city, who shall reside in the ward for which they are elected, and the candidate receiving the largest number of votes shall be elected for the term ending June thirtieth, one thousand nine hundred and twenty-four, and the candidate receiving the next highest number of votes shall be elected for the term ending June thirtieth, one thousand nine hundred and twenty-three, and shall hold their offices until their successors are elected and qualified; and on the first Tuesday in June in each succeeding year one member of the council shall be elected in each ward, whose term of office shall begin on the first day of July next succeeding his election, and continue for two years and until his successor is elected and qualified; but if any member of the council remove from the ward in which he was elected his office shall thereby become vacant, and the common council shall fill such vacancy by appointment until the next general election of some one residing in the ward who is eligible to the office. Each ward shall constitute an election precinct, and the council of the town of Richwood in office at the time of the passage of this act, shall establish a voting place in each ward, at which the first election above provided for shall be held, and thereafter the council of said city shall establish such voting

place in each ward, and at all elections for councilmen the councilmen shall be elected by wards. No voter shall be entitled to vote at any city election except in the ward in which he resides; and if any voter shall vote for any person for councilman who is not a resident of the ward in which he is voted for, such vote shall not be counted for such person or persons.

Who Are Voters.

Sec. 10. Every person residing in said city shall be entitled to vote for all officers elected under this act, but no person who is a minor or of unsound mind or a pauper, or who is under conviction of treason, felony, or bribery in an election, or who has not been a resident of this state for one year and of said city for six months, and is not a *bona fide* resident of the ward in which he offers to vote, shall be permitted to vote therein.

General Elections.

Sec. 11. All elections shall be held, conducted and the results thereof ascertained, certified, returned and determined, under the constitution and general laws of the state governing municipal elections, and shall conform as nearly as practicable to such

Tie Vote—How Decided.

Sec. 12. Whenever two or more persons shall receive an equal number of votes for mayor, recorder, or councilman, such tie shall be decided by the council in existence at the time the election is held.

Contested Elections.

Sec. 13. All contested elections shall be heard and determined by the common council and the contest shall be made and conducted in the same manner as provided for in contests for county and district officers, and the common council in their proceedings in such cases shall, as nearly as practicable conform with like proceedings of the county court in such cases.

Vacancy in Office.

Sec. 14. Whenever a vacancy from any cause shall occur in any elective office, the council shall by a majority vote of those present, fill such vacancy until the next general election, when a successor shall be elected to fill such vacancy.

Appointment of Additional Officers and Defining their Duties and Fixing Compensation of such Officers.

Sec. 15. The council shall also have authority to provide by ordinance for the appointment of such other officers as shall be necessary and proper to carry into full force and authority the power, capacity, jurisdiction and duties of said city which are or shall be vested therein, or in the council, or in the mayor or any other officer or body of officers thereof, and to grant to the officers so appointed the power necessary or proper for the purposes above mentioned. The council by ordinance shall define the duties of all officers so appointed or elected as aforesaid, and allow them reasonable compensation; which shall be payable as the council shall provide, which compensation shall not be increased or diminished during their term of office, and shall require and take from all of them whose duty it shall be to receive its funds, assets or property, or have charge of same, such bonds, obligations or other writing as they shall deem necessary or proper to insure the faithful performance of their several duties. The council shall have power and authority to remove from office any officer elected by the voters of said city for drunkenness, incompetency, misconduct or neglect of duty, or any non-feasance, misfeasance, or malfeasance in office, upon written charges preferred by a member of council or by any responsible citizen of said city; but only after reasonable notice to such officer, and a hearing of the charges preferred; and no such officer shall be removed except by a two-thirds vote of all the members of the council. Any officer appointed by the council may be removed by it at its pleasure. The chief of police shall have all power, rights, and privileges within the corporate limits of said city in regard to the arrest of persons, the collection of claims and the execution and return of process, that can be legally exercised by a constable of a district within this state; and may without having any warrant or other process therefor arrest any person who commits any offence against the laws of this state or infraction of the ordinances of said city, in his presence. He shall be *ex-officio* the keeper of the city jail and have charge of the city prisoners confined therein, and may confine any person arrested by him in the city jail until such time as the charges against such person can be inquired into by the mayor.

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thority to provide by her officers as shall force and authority of said city which ncil, or in the mayor eof, and to grant to y or proper for the rdinance shall define elected as aforesaid, ich shall be payable sation shall not be of office, and shall duty it shall be to ve charge of same, hey shall deem nec- mance of their sev- authority to remove said city for drunk- of duty, or any office, upon writ- or by any respon- asonable notice to rred; and no such ds vote of all the ed by the council ief of police shall e corporate limits the collection of cess, that can be within this state; process therefor st the laws of this , in his presence. and have charge nay confine any such time as the o by the mayor.

Any person fined by the mayor for infraction of any of the ordinances of the city may pay such fine to either the mayor or chief of police; and the said chief of police and his sureties shall be liable to all fines, penalties and forfeitures that a constable of a district is liable to for any failure or dereliction in his said office, to be recovered in the same manner and in the same courts that the said fines, penalties and forfeitures are now recovered against a district constable. It shall be the duty of the collector to collect the city taxes, licenses, levies, assessments and other such city claims as are placed in his hands for collection by the council, and he may distrain and sell therefor in like manner as a sheriff may distrain and sell for state taxes, and he shall in all other respects have the same powers as the sheriffs to enforce the payment and collection thereof.

Bonds.

Sec. 16. All bonds, obligations or other writings taken in pursuance of any provision of this act or under the provisions of any ordinance of said city, shall be made payable to the "City of Richwood", and the obligors therein and theirs heirs, executors, administrators and assigns, bound thereby, shall be subject to the same proceedings on such bonds, obligations or writings for enforcing the provisions and penalties thereof, by motion or otherwise, before any court of record or justice of the peace having jurisdiction thereof, held or acting in or for said Nicholas county or any district thereof or elsewhere, that the sheriff or collector of said county and his sureties are or shall be subject to on his bond taken for the performance of his duties in the payment of the county levies.

Oath of Officers.

Sec. 17. The mayor, recorder and councilmen and all other officers provided for in this act shall each, before entering upon the duties of his office, and within twenty days after his election or appointment, take the oath or affirmation prescribed by law for all officers in this state, and make oath or affirmation that he will truly, faithfully and impartially, to the best of his ability, discharge the duties of his office so long as he continues therein. Said oath or affirmation may be taken before any person authorized to administer oaths under the laws in force at the time the same

is taken or before the mayor or recorder of said city, but in any event a copy of said oath shall be filed with the recorder.

Tenure of Office.

Sec. 18. The mayor, recorder and councilmen, and all other elected officers, elected on the first Thursday in January, one thousand nine hundred and twenty-two, shall enter upon the duties of their offices upon the first day of February next after their election, or as soon thereafter as they have qualified, and all officers elected at any regular election thereafter shall enter upon the duties of their offices on the first day of July next after their election; and all appointed officers shall enter upon the duties of their offices as soon as they have qualified; and all officers shall remain in office until their successors are elected or appointed and qualified or until removed therefrom.

Ineligibility or Failure to Qualify.

Sec. 19. If any person elected to any office shall not be eligible thereto under the provisions of this act, or shall fail to qualify as herein required, the council shall declare his said office vacant, and proceed to fill the vacancy as required by this act.

Powers and Duties of the Mayor.

Sec. 20. The mayor shall be the chief executive officer of the city, and shall take care that the orders, by-laws, ordinances, acts and resolutions of the council thereof are faithfully executed. He shall be *ex-officio* a justice and conservator of the peace within the city, and shall within the same have, possess and exercise all the powers and perform all the duties vested by law in a justice of the peace, *except*, he shall have no jurisdiction in civil cases or causes of action arising out of the corporate limits of the city, unless the defendant resides or is found therein and process therein served upon him. He shall have the same power to issue attachments in a civil suit as a justice of his county has, but in such case he shall have no power to try the same, but such attachment shall be made returnable and heard before a justice of the peace of his county. Any warrant or other process issued by him may be executed at any place in the county. He shall have control of the police of the city and may appoint special officers whenever he deems it necessary, and may suspend any police officer

until the next regular meeting of the council. And it shall be his duty especially to see that the peace and good order of the city are preserved, and that persons and property therein are protected, and to this end he may arrest or cause the arrest and detention of all violators of the laws of this state and ordinances of the city, before issuing his warrant therefor, if the offence is committed in his presence. Any act committed inside the corporate limits of the city of Richwood and made a misdemeanor under the laws of the state shall be an offense against the laws of said city, and the mayor, in addition to the other powers herein granted, may try, convict and punish therefor; and in the absence of any specific ordinance relating thereto, may inflict the same penalties and collect the same fines for the benefit of said city as are prescribed by state laws for the same offense.

He shall have power to issue executions for all fines, penalties and costs imposed by him, and may include in such costs any expense necessarily incurred by the city for the support of the offender while in the custody of the officers of the city, or he may require the immediate payment of such fine and costs and in default of such payment he may commit the party in default to the jail of the county of Nicholas or other place of imprisonment used by said corporation, if there be one, until the fine or penalty and the costs be paid; but the term of imprisonment in such cases shall not exceed thirty days. And in all cases when a person is sentenced to imprisonment or to the payment of a fine of ten dollars or more (and in no case shall a judgment for a fine be for less than ten dollars if the defendant, his agent or attorney object to a less fine being imposed), such person shall be allowed an appeal from such decision to the circuit court of the county of Nicholas upon the execution of an appeal bond with security deemed sufficient by the mayor in a penalty sufficient to cover said fine and costs before the mayor, and the costs in the circuit court in case said judgment be affirmed, with condition that the person proposing to appeal will perform and satisfy any judgment which may be rendered against him by the circuit court on such appeal. If such appeal be taken the warrant of arrest, (if any), a transcript of the judgment, the appeal bond and other papers in the case, shall be forthwith delivered by the mayor to the clerk of the said court, and the court shall

proceed to try the case as upon indictment or presentment, and render such judgment, including costs, as the law and the evidence may require. The mayor shall from time to time recommend to the council such measures as he may deem needful for the welfare of the city. The expense of maintaining any person committed to the jail of the county by him, except it be to answer to an indictment, shall be paid by the city and taxed as costs against the defendant. The mayor before acting shall execute bond with good security in a penalty of not less than one thousand dollars, or in such additional penalty as the council may require, subject to the approval of the council, with the same conditions as required in bonds executed by a justice of the peace in chapter fifty of the code; and all the provisions of the said chapter relating to money received by a justice shall apply to like moneys received by the mayor.

Powers and Duties of Recorder.

Sec. 21. The city recorder shall keep an accurate record of the proceedings of the council, and have charge of and preserve the records of the city, and in case of the absence from the city or in case of the sickness or inability of the mayor to act, or during any vacancy in the office of mayor, he shall perform such duties of the mayor as pertained to him as chief executive of the city, and be vested with all powers necessary for the performance of such duties, but shall not be vested with any of the authority of the mayor pertaining to civil suits. He shall be a conservator of the peace within the city.

Quorum.

Sec. 22. The presence of a majority of the council shall be necessary to make a quorum for the transaction of business.

Record of Minutes and Ordinances.

Sec. 23. The council shall cause to be kept by the recorder in a well bound book to be called the "Minute Book", an accurate record of all its proceedings, ordinances, acts, orders, and resolutions, and in another to be called "Ordinance Book", accurate copies of all general ordinances adopted by the council; both of which shall be accurately indexed and open to the inspection of any one required to pay taxes in the city, or who may be other-

wise interested therein. All the oaths and bonds of officers in the town, and all papers of the council shall be endorsed, filed and accurately kept by the recorder. The bonds of officers shall be recorded in a well bound book to be called "Record of Bonds". The recorder shall perform such other duties as by ordinance of the council may be prescribed. The transcript of ordinances, acts, orders and resolutions certified by the recorder under the seal of the city shall be deemed *prima facie* correct when sought to be used in any court or before any justice.

Reading of Minutes.

Sec. 24. At each meeting of the council the proceedings of the last meeting shall be read and corrected, if erroneous, and signed by the presiding officer for the time being. Upon the call of any member the ayes and noes on any question shall be taken and recorded by the recorder in the "Minute Book". The call of the members for such vote shall be made alphabetically.

Who Shall Vote in Council.

Sec. 25. The mayor and recorder shall have votes as members of the council, and in case of a tie the presiding officer for the time being shall have the deciding vote.

Meetings of the Council.

Sec. 26. The regular meetings of the council shall be held at such times and such places in the city as they shall from time to time ordain and appoint; and it shall be lawful for the council by ordinance to vest in any officer of the city, or in any member or number of members of their own body, the authority to call special meetings and prescribe the mode in which notice of such meetings shall be given. If a majority of the members of council do not attend any regular or special meeting those in attendance shall have authority to compel the attendance of absent members under such reasonable penalties as they may think proper to impose; all questions put to a vote, except such matters as are herein otherwise provided for, shall be decided by a majority of the members present.

To Whom Money of the City Paid.

Sec. 27. All moneys belonging to the city shall be paid over to the city treasurer; and no money shall be paid out by him except as the same shall have been appropriated by the council and upon an order signed by the mayor and recorder, and not otherwise, except at the expiration of his term of office upon the order of the council signed by the mayor and recorder, he shall pay to his successor all the money remaining in his hands.

Duties and Powers of Council.

Sec. 28. The council of said city shall have full power and authority therein to lay off, vacate, close, open, alter, grade, curb, pave, and keep in good repair, the roads and streets, alleys, pavements, sidewalks, crosswalks, drains, sewers, and gutters therein, for the use of the citizens or the public and to improve and light the same, and keep them free from obstructions of every kind; to regulate the width and kind of pavements and sidewalks, footways, drains, and gutters, and cause the same to be kept in good order, free and clean by the owners and occupants of the real property next adjacent thereto; to establish and regulate markets, prescribe the time for holding the same, provide suitable and convenient buildings therefor, and prevent the forestalling of said markets; to regulate the sale of all food and drink products, milk, fresh meats, fish, and vegetables, and provide for the inspection of the same; to prevent injury or annoyance to the public or to individuals from anything dangerous, offensive or unwholesome; to prohibit or regulate slaughter-houses and soap factories within the city limits, or the exercise of any unhealthy or offensive business, trade or employment; to regulate or prohibit the erection or maintenance, in what council may deem on improper locality within the municipality, of any blacksmith shop, livery stable, cow house, cattle pen, poultry house, pig pen, privy, bill board, sign boards, gas or other engines, or the use of walls or walks for signs; to regulate or prohibit the distribution of hand bills, circulars and other advertisements of like kinds on the streets, roads, alleys and public places, or in private yards, buildings or other structures without first having procured the consent of the owner or occupier thereof; to abate all nuisances within the city limits or to compel the abatement or

removal thereof at the expense of the person causing the same, or by, or at the expense of the owner or occupant of the ground on which said nuisance is placed or found; to cause 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 such city, and as one means of prevention to provide for impounding or confining such animals and fowls at the expense of the owner thereof, and upon the failure of the owner to reclaim, for the sale thereof; to regulate or prohibit street carnivals or street fairs, or street parades, advertising exhibitions or other exhibitions thereon, or the exhibition of material or artificial curiosities; to regulate or prohibit the ringing of bells, blowing of steam whistles, or use of hand organs or other musical instruments of any annoying character or other music of itinerant performers in the streets, roads, parks or public places of the municipality; to license, regulate or prohibit auctioneering; to protect places of divine worship and to preserve order in and about the premises when and where such worship is held, and to prevent the desecration of the Sabbath day; to regulate the sale and keeping of gunpowder and other inflammable or dangerous substances; and to provide for the regular building of houses, or other structures, and to provide for the kind of material to be used in the construction thereof, and for making and maintaining of division fences by the owners of adjoining property; to grant franchises in accordance with the provisions of general laws relating to municipal corporations; to provide against danger or damage by fire, and to organize, equip and govern fire companies and hose companies as provided by general law; to restrain all felons and persons guilty of offenses against the state or the United States and deliver them over to the authority or court having jurisdiction of the offense whereof such person is accused; to establish a city board of health and invest it with the necessary power to attain its object; to quarantine against contagious and infectious diseases; to provide in or near the corporate limits of the municipality a cemetery or other place for the burial of the dead, and to regulate interments therein, and to guard and police the same, and to provide for the cremation and incineration of dead human bodies when from the nature of the malady or pestilence from

which death ensued, the municipal board of health may direct; to arrest, convict and punish for assault and battery, drunkenness, profane swearing, lewd and lascivious conduct or other representation, adultry, and fornication, and larceny, where the amount stolen is less than twenty dollars; to arrest, restrain and punish vagrants, beggars, tramps, common prostitutes and their associates; to arrest, convict and punish any person for keeping a house of ill-fame, or for leasing or letting to another person any house or other building for the purpose of being used or kept as a house of ill-fame, or knowingly permitting any house owned by him, or under his control, to be kept or used as a house of ill-fame, or loafiing, boarding or loitering in a house of ill-fame, or frequenting same.

Sec. 28-*a*. To arrest, convict, and punish any person for importing, printing, selling or distributing any book or other thing containing obscene language; to arrest, convict and punish any person for cruelty, unnecessarily or needlessly beating, torturing, mutilating, killing, overloading or overdriving, or wilfully depriving of necessary sustenance, any horse or other domestic animal; to arrest, convict and punish any person for gambling or keeping gaming tables, commonly called A. B. C. or E. O. table or faro bank or keno table, or table of like kind, under any denomination, whether the game or table be played with cards, dice, or otherwise, or shall be a partner, or concerned in interest, in keeping or exhibiting such table or bank, or keeping or maintaining any slot machine, gaming device, gaming house or place, or betting or gambling for money or anything of value; to arrest, convict and punish any person for unlawfully carrying about his person any revolver or other pistol, dirk, bowie knife, razor, slungshot, billy, metallic or other false knuckles, or any other dangerous or deadly weapon of like kind or character; to prohibit anything against good morals and common decency and to fix punishment therefor; to prevent the illegal manufacture, sale, storage and keeping in possession of intoxicating drinks, mixtures and preparations; to regulate the hanging of doors and the construction of stairways, elevators and fire escapes in theatres, churches, school buildings, factories, and other places where many persons are received at one time, and to require the construction of fire escapes in such buildings; to protect the persons of those residing or being in the city; to appoint, when necessary or advisable, a

police force, permanent or temporary, to assist the chief of police in the discharge of his duties, who when appointed shall have the same power and authority in and about the arrest of offenders as the chief of police; to build or purchase, or lease a suitable place of imprisonment within said city for the safe keeping or punishment of persons charged with or convicted of a violation of the ordinances of the city, or they may adopt the county jail of Nicholas county for that purpose; to purchase, lease or construct buildings to be occupied by the fire department and city officers and for public meetings; to purchase or condemn real estate on which to erect public buildings or for carrying on any of the functions authorized by this charter; to require any gas company or person furnishing gas for said city or the inhabitants thereof, to put in standard meters for the measurement thereof, and may appoint any person to inspect the meters and remove same if not standard and in good order; to prevent injury to any gas works, or any light or water works, or the pollution of any gas or water used or intended to be used by the public or any individual; to provide for and regulate the weighing of hay and coal kept for sale within said city, and to establish rates and charges for the weighing thereof; to create committees by ordinance 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 the revenue, for the city, for municipal purposes and to appropriate such revenue to its expenses; and generally to have power to take such measures as are deemed necessary or advisable to protect persons and property, public and private, within the city, to preserve peace, quiet and good order therein and to promote the health, safety, comfort and well being of the inhabitants thereof and to this end may arrest, convict and punish any person for the commission of any act inside the corporate limits of the city which is made a misdemeanor under the laws of the state, whether herein specifically mentioned or not.

The council shall have authority to pass all ordinances not repugnant to the constitution and laws of the United States, or of this state, which shall be necessary or proper to carry into effect all the orders, by-laws, ordinances, rules and regulations of the said council and all power and authority which is or shall be granted to or vested in the said city, or in the council, or in any officer or body of officers of said city, and to enforce any and all of

their ordinances by reasonable fines and penalties, and by imprisoning the offender or offenders, and upon failure to pay any fine or penalty imposed may compel the offender to labor without compensation at and upon any of the public works or improvements undertaken or to be undertaken by said city, or to labor at any work, which the said council may lawfully employ labor upon, at such a reasonable rate per diem as the council may fix, until any fine or fines and costs imposed upon any such offender by said city, have been fully paid and discharged, after deducting reasonable charges for support while in the custody of the officers of the city. And in all cases where a fine is imposed for an amount exceeding ten dollars and costs, or a person is sentenced to be imprisoned or to labor as aforesaid for a greater term than ten days, an appeal may be taken from such decision upon the same terms and conditions as appeals are taken from the judgment of a justice of this state. 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 city, or, in case of his absence or inability to act, by the recorder of said city, or if he be unable to act, then by any member of the council to be appointed by the council for that purpose; and for his services in trying cases, whether civil, criminal, or infractions against the ordinances of the city, the mayor shall be entitled to receive such fees as are paid to justices of the peace for similar services, but in cases of infraction of the ordinances of the city, the mayor shall not be paid such fees unless they are collected from the defendant; and in all such cases the chief of police shall be entitled to receive such fees as are paid to constables for similar services, except that for cases for the infraction of the ordinances of the city he shall not receive such fees unless collected from the defendant; *provided, further,* that the fee for making any arrest shall be one dollar, to be paid to the officer making the arrest, whether such officer be the chief of police or other officer, if collected from the defendant, but not otherwise.

Licenses.

Sec. 29. In addition to the powers above enumerated the said city council shall have the exclusive power and authority to require and grant licenses for anything to be done, carried on or exhibited within said city, for which a state license is now or may hereafter

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5 be required, for the keeping of hacks, carriages, carts, wagons,
6 drays and every description of wheeled vehicles for hire within
7 said city, or carrying passengers for hire in any such vehicle; to
8 license hawkers and peddlers within said city, and the keeping of
9 dogs and other animals within said city, and to subject the same
10 to such regulations as the interest of the city may require. Upon
11 all such licenses the council shall have power to levy and collect
12 a reasonable tax for the use of the city. The council may provide
13 for the killing of all dogs, the keeping of which is not so
14 licensed.

15 The council shall prescribe by ordinance the manner in which
16 licenses of all kinds shall be applied for and granted, and shall
17 require the payment of the tax thereon to be made to the collector
18 or treasurer before delivery to the person applying therefor.

19 All licenses, except for the keeping of dogs, shall be for such as
20 the council may determine, but no license shall extend beyond
21 the thirtieth day of June next after the beginning of the period
22 for which the same was granted.

23 Nothing in this section contained shall be construed to author-
24 ize the council of the city of Richwood to grant a license to any
25 person to carry about his person any revolver or other pistol, dirk,
26 bowie knife, slungshot, razor, billy, metallic or other false
27 knuckles, or any other dangerous or deadly weapon of like kind
28 or character.

Mayor's Docket.

Sec. 30. A well-bound book, indexed, to be denominated the
2 "Mayor's Docket", shall be kept in the office of the mayor in which
3 shall be noted each case brought before or tried by him, together
4 with the proceedings therein, including a statement of the com-
5 plaint, the warrant or summons, the return, the fact of appear-
6 ance, or non-appearance, the defense, the hearing, the judgment,
7 the costs, and in case the judgment be one of conviction the action
8 taken to enforce the same. The record of each case shall be signed
9 by the mayor and the original papers thereof, if no appeal be
10 taken, shall be kept together and preserved in his office.

Annual Levy.

Sec. 31. All the provisions of the general laws of the state of
2 West Virginia regulating the rate and manner of laying levies
3 for taxation in municipal corporations and providing penalties

for the illegal expenditures of public moneys, and the incurring of all illegal obligations and the laying of illegal levies by the tax-laying body, except as hereinafter provided, shall apply to the city of Richwood.

Annual Assessment.

Sec. 32. It shall be the duty of the assessor annually to make an assessment of the property within the city subject to taxation, substantially in the manner and form in which assessments are made by the assessors of the county and return the same to the council on or before the fifteenth day of August of each year, and for this purpose he shall have all the powers conferred by law upon county assessors. He shall list the number of dogs and other animals subject to a license tax in the city, showing which are male and which are female, and the names of the persons owning the same, which list shall be returned to the council at the same time his assessment books are returned. But in making his assessments on real and personal property he shall be governed by the assessment on real and personal property for state and county purposes for said year, and the value placed on said property shall not exceed the value of such assessment for county and state purposes. In order to aid the said assessor in ascertaining the property subject to taxation by said city, he shall have access to all books and public records of said Nicholas county without expense to him or said city and he shall have the same power and be subject to the same penalties in ascertaining and assessing the property and subjects of taxation in said city, as are granted and imposed on the county assessors throughout the state by general law; and the council shall have authority to prescribe by general ordinance such other rules and regulations as may be necessary to enable and require such assessor to ascertain and properly assess all property liable to be taxed by said city, so that such assessment and taxation shall be uniform and equal, and the council may enforce such rules and regulations by reasonable fines to be imposed on any one failing or refusing to comply therewith. The council shall have authority to correct mistakes, clerical errors and all other errors made by the assessor in the land and personal property books of the city, except the fixing valuations, in like manner, and under the same circumstances which would authorize a county court to correct errors in assessments for state

and county taxes, and to grant relief against such erroneous assessments in like manner as the county court.

Assessor's Books.

Sec. 33. The assessor shall make two copies of his assessment books each year and extend the taxes in each book and deliver the same when completed and sworn to, but not later than the first day of September, to the city council, one of which shall be retained in the office of the recorder and the other delivered to the city collector, taking his receipt therefor.

Liens for Taxes.

Sec. 34. There shall be a lien on the real estate within said city for the city taxes assessed thereon, and for all fines and penalties assessed to or imposed upon the owners thereof, by the authorities of said city, including expenses for making sidewalks and streets from the time the same are so assessed or imposed, which shall have priority over all other liens except taxes or dues due the United States and the lien for taxes due the state, county or district; and such lien may be enforced by the council in the manner provided by law for the enforcement of the lien for state and county taxes. If any real estate within said city shall be returned delinquent for non-payment of city taxes due thereon, a copy of said delinquent list shall be certified by the recorder to the auditor of this state and the same may be sold for city taxes, interest and commissions thereon in the same manner, at the same time and by the same officers as real estate is sold for state and county taxes; and a return of such sales made and a deed executed therefor, if not redeemed, in the same manner, by the same officer, and with like effect, as returns of sales of real estate sold for state and county taxes are made and deeds executed therefor to purchasers.

Collection of Taxes.

Sec. 35. It shall be the duty of the city collector when the extended copies of the assessor's books are completed to receive a copy thereof, receipting to the council for the same; and it shall be his duty to collect from the parties the entire amount of the taxes with which they are severally charged therein, and he may proceed to collect the same at any time after the first day of

September and may enforce payment thereof by levy upon the personal property, and sale thereof, of the person so charged with taxes at any time after the first day of December, next after said taxes are assessed; and shall allow a discount of one and one-half per cent. to all such persons as shall pay all their taxes on or before the last day of October of that year; said taxes shall be a lien upon the property upon which they are assessed from and after the time the assessor's books are completed, verified and returned to the city council, and he shall write the word "paid" in said book opposite the name of each person who pays the taxes assessed against him and shall also give to the person paying such taxes a receipt therefor; *provided, however,* that said collector may distrain at any time for any taxes assessed against a person who is about to remove or who has removed from said city after such taxes are assessed, and the books returned as aforesaid. He shall pay all taxes collected to the city treasurer, who shall also receive such other moneys of the city as he is authorized by this act to receive, and also all moneys ordered by the council to be paid to him, giving receipts therefor to the parties paying the same, and keeping an accurate, itemized account of all moneys received by him, and his books shall at all times be open to the inspection of the mayor, council, city recorder or any tax-payer of the city. The treasurer shall also make up a monthly statement of the money received by him and the amount paid out by him and to whom, showing the amount in his hands from all sources, and shall post the same in the mayor's office on the last day of each month. He shall pay out the money in his hands only upon the order of the city council upon orders signed by the mayor and recorder. He shall at or before the last meeting of the council in each year just before the expiration of the term of office of the mayor, and at such other times as the council may require, present to the council a full and complete statement of all the moneys with which he is chargeable or that have been received by him and not previously accounted for, and shall at the same time, in like manner, furnish a complete statement, by seperate items of all disbursements made by him during such period, with his vouchers evidencing the same. The collector shall receive all taxes upon licenses and receipt to the party paying the same by endorsement upon the permit granted by order of the council, or mayor, as the case may be. The treasurer shall receive upon all moneys com-

ing into his hands and paid out by him as his compensation for receiving and disbursing the same such sum as may be fixed by the council not to exceed one and one-half per cent. thereof. He shall upon the expiration of his term of office turn over to the council all books and other property in his possession belonging to the city except the money in his hands, which he shall turn over to his successor upon the order of the council, as hereinbefore provided; and shall, before entering upon the duties of his office, execute a bond with good security payable to the city in a penalty of not less than twenty thousand dollars, conditioned that he will faithfully discharge the duties of his office and account for and pay over as required by law and the orders, ordinances, rules and regulations of the council of said city, all money which shall come into his hands, which bond shall be subject to the approval of the council. He shall be chargeable with all the city taxes, levies and assessments and money of the city which shall come into his hands and shall account therefor.

Condemnation of Land for Public Use.

Sec. 36. The council shall have the right to institute and prosecute proceedings in the name of the city for condemnation of real estate, for streets, alleys, roads, drains, sewers, market grounds, city prisons, city halls, offices for city officials, city fire department, water works, electric light plant or other works, or purpose of public utility. Such proceedings shall conform to the provisions of chapter forty-two of the code of West Virginia and the expenses thereof shall be borne by the city, except in cases where it is proper under said chapter to charge expenses or any part thereof against the defendant. However, the right of condemnation shall not extend to any land north of Cherry river, west of Oakford avenue and south of the main line track of the B. & O. R. R., or to any land north of said river, east of Oakford avenue and south of the first alley south of Main street, and south of Main street, east of the end of said alley.

Bonding.

Sec. 37. The council of the said city shall have the right to bond the said city for the purpose of erecting public buildings for a city prison, city fire department and for use of city officials of said city or for any other permanent improvement not provided

for in section forty-one of this act, whenever the council thereof may deem the same necessary, but the aggregate indebtedness of the said city for all purposes shall never at any time exceed two and one-half per centum of the assessed valuation of the taxable property therein according to the last assessment next preceding said date, except as provided in section forty-one of this act; and the said council shall provide a fund for the payment of the interest annually on the said indebtedness so created and to pay the principal thereof within and not exceeding thirty-four years; *provided,* that no debt shall be contracted hereunder, unless all questions connected with the same be first submitted to a vote of the qualified voters of said city, and have received three-fifths of all votes cast for and against the same.

No Indebtedness to be Created for Current Expenses.

Sec. 38. The council of the said city shall not at any time or for any purpose create any indebtedness against the said city, except as provided in the next preceding section and in section forty-one of this act, exceeding the available assets of the said city for the current year; and if the said council shall create such indebtedness or issue orders on the said city for an amount exceeding the amount of money collected for that year for said city from all sources and the amount of money then in the treasury unappropriated, the members of said council shall be severally and jointly liable for the payment of the excess of such indebtedness or order over the amount of money applicable thereto, and the same may be recovered in any court having jurisdiction thereof.

Support of Poor and Maintenance of Roads and Levies for Same.

Sec. 39. The city shall support its own poor, and shall construct and maintain its own roads and streets; and by reason thereof shall not be required to pay any district poor levies for the support of the poor outside of the city limits, or any district road taxes for the construction and maintenance of roads outside the city limits.

In laying the annual levy the council may include therein a poll tax of not exceeding three dollars each year upon each person residing in said city who is above the age of twenty-one years and not over fifty years of age, which poll tax shall be used

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exclusively for the opening, improving and maintaining of the roads, streets and alleys of the city, and shall be designated as the "street tax".

In addition to the levy authorized by section thirty-one of this act the council shall have authority to annually levy a special tax of not exceeding two and one-half cents on each one hundred dollars valuation of the real and personal property of the city for the support and maintenance of the city's poor, which tax shall be used exclusively for that purpose, and shall be designated as the "poor tax".

Making and Maintaining Sidewalks.

Sec. 40. The council of said city shall have power to require the abutting land owners to put in and maintain such sidewalks as it shall from time to time deem proper, and it shall have the power to regulate the width thereof and designate the material out of which the same shall be built and maintained, and to establish the grade for the same, but when a grade therefor has once been established by the council the same shall not afterwards be changed at the expense of the abutting land owner; and in case the said abutting land owner shall fail or refuse to carry out any order of the council under this section in relation to such sidewalk, after being duly notified of the time and manner in which the same shall be done, the said council shall cause said work to be done and shall charge the same to the abutting land owner, and the same may be collected as taxes are collected and shall be a lien on the property abutting and may be enforced against the same as liens for taxes are enforced, or at the option of the council, the same may be enforced as the lien of a judgment is enforced against real estate.

Paving.

Sec. 41. The method of grading, paving, sewering and otherwise improving the streets and alleys of municipal corporations and paying for the same provided for in chapter eight of the acts of the legislature of West Virginia, of the extraordinary session of one thousand nine hundred and eight having been adopted by a vote of the people of the town of Richwood, as provided in said chapter, the same shall apply to the city of Richwood and the said chapter shall be in full force and effect therein in like manner

as if the same had been adopted by a vote of the people of the city of Richwood after the passage of this act, except as hereinafter provided.

Whenever it shall be deemed expedient by the council to grade curb, pave, sewer, macadamize or otherwise improve any of the principal streets or thoroughfares of the city outside of the chief commercial districts thereof, for which in the judgment of the council it would be unfair and improper to require the owners of the adjacent property to pay as provided in said chapter eight, and there are no funds in the city treasury or available out of which to pay for the same, the said council may enter its order reciting the facts aforesaid and definitely describing the improvement proposed and directing some competent engineer designated by it for the purpose to make an investigation and report to the council an estimate of the probable cost of the proposed improvement. If after said report is received and considered by the council it shall by a majority vote of the whole council approve of the proposed plan of improvement and decide that the said work should be undertaken by the city, the council shall submit to the legal voters of the city at a special election held for the purpose a proposition for the issue and sale of the bonds of the city to obtain money to carry on the proposed work. All the general laws of the state of West Virginia pertaining to the issue and sale of bonds by municipal corporations for purposes other than street improvement shall apply to and govern the said special election and the issue and sale of said bonds. And the said city may for the purpose of such road and street improvement issue its bonds in any amount, *provided* it does not by such issue and sale of such bonds cause the aggregate of its debt of every kind whatsoever to exceed five per centum of the value of the taxable property therein as ascertained by the last assessment for state and county levies previous to the issue of such bonds.

Appointment of Officers to Hold First Election Hereunder.

Sec. 42. The council in being in the town of Richwood at the time this act shall take effect shall provide places for voting in the several wards of the city and appoint commissioners residing in each ward to hold and conduct the first election hereinbefore provided to be held, and pass all proper ordinances to give this act full force and effect.

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give this act

When Officers First Elected to Assume Duties of Office.

Sec. 43. The mayor, recorder and councilmen elected on the first Thursday in January, one thousand nine hundred and twenty-two, as hereinbefore provided, shall assume the duties of their respective offices on the first day of February, one thousand nine hundred and twenty-two, or as soon thereafter as they have qualified; the mayor and recorder shall continue in office until the first day of July, one thousand nine hundred and twenty-four, and until their successors are elected and qualified, and the councilman from each ward receiving the largest number of votes shall continue in office until the first day of July, nineteen hundred and twenty-four, and the councilman from each ward receiving the next highest number of votes shall continue in office until the first day of July, one thousand nine hundred and twenty-three, and in each case until their successors are elected and qualified; the terms of all officers elected at any subsequent election shall begin on the date and continue as provided in sections eight and nine of this act.

General Provisions.

Sec. 44. All the general laws of the state of West Virginia pertaining to municipal corporations, so far as not in conflict with the provisions of this act, shall apply to the city of Richwood, and the said city of Richwood shall succeed to all the rights, powers and responsibilities and be vested with the title to all property of the town of Richwood as they exist the day preceding the day on which this act takes effect, and shall enjoy such rights, exercise such powers, and discharge such responsibilities in the same manner as the same should have been enjoyed, exercised and discharged if this act had not passed.

Existing Ordinances.

Sec. 45. All the ordinances, by-laws, resolutions and rules of the town of Richwood in force on the day preceding the passage of this act, which are not inconsistent therewith, shall be and remain in full force over the whole of said city of Richwood as established by this act until the same are amended or repealed by the council of said city, and the officers in office, in the town of Richwood, at the time this act takes effect, shall remain in office until their successors under this act are elected and qualified, as here-

inbefore provided; and after this act takes effect shall have jurisdiction over all the territory embraced in the boundary specified in this act, and shall perform all the duties of such respective officers under this act; but nothing in this act shall be construed or held to in any way effect or impair any of the bonds, obligations or indebtedness of the town of Richwood issued or contracted prior to the time this act takes effect, but on the contrary the said city of Richwood shall be liable for all the bonds, obligations, and indebtedness of the town of Richwood as though the same had been created in the name of the city of Richwood.

Repeal of Inconsistent Ordinances and Acts.

Sec. 46. All ordinances of the town of Richwood as they exist at the time of the passage of this act which are inconsistent therewith are hereby abrogated, and all acts and parts of acts inconsistent with any of the provisions of this act are hereby repealed.

CHAPTER 22

(House Bill No. 482—Mr. Wyatt.)

AN ACT to amend and re-enact section twenty-six of chapter fourteen of the acts of the legislature, one thousand nine hundred and five, at the regular session, relating to the incorporating of the town of Salem, and defining the powers of the city council thereof.

[Passed April 26, 1921. In effect from passage. Approved by the Governor May 2, 1921.]

SEC.
26. Council; power regarding roads, streets, etc.; to establish and regulate markets, etc.; additional powers and duties of.

Be it enacted by the Legislature of West Virginia:

That section twenty-six of chapter fourteen of the acts of the legislature, one thousand nine hundred and five, at the regular session, be amended and re-enacted so as to read as follows:

Section 26. The council of said city shall have power to lay off, vacate, close, open, alter, grade and keep in good repair the roads, streets, alleys, pavements, sidewalks, crosswalks, drains and gutters therein for the use of the citizens and the public, and to

CITY OF RICHWOOD

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

Pursuant to Chapter 6, Article 9A, Section 3 of the West Virginia Code, the Council of the City of Richwood does hereby adopt the following rules to make available, in advance, the date, time, place and agenda of all regularly scheduled meetings of the Council, and the date, time, place and purpose of all special meetings of the Council to the public and news media (except in the case of an emergency requiring immediate action) as follows:

1. Regular Meetings. A notice shall be posted and maintained by the ~~Recorder~~ Mayor at the front door or bulletin board of the City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the Recorder not less than three (3) business days before such regular meeting is to be held. The agenda listing the matters requiring official action that may be addressed at the meeting may be amended up to two (2) business days prior to the meeting. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

Mayor

2. Special Meetings. A notice shall be posted by the ~~Recorder~~ Mayor at the front door or bulletin board of the City Hall not less than two (2) business days before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council.

Adopted this 5th day of April, 2007

Bob Henry Babe
Mayor

ATTEST:

Recorder

motion Rose
2nd Murphy
6-0

CH884809.1

Doc ID: 002472150001 Type: MIS
Recorded: 06/02/2008 at 10:08:50 AM
Fee Amt: Page 1 of 1
Nicholas County Clerk
Wanda Hendrickson County Clerk
BK 11 PG 200

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF NICHOLAS, TO-WIT:

I, **JAMES FITZPATRICK**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of **Recorder for the City of Richwood**, to the best of my skill and judgment, **SO HELP ME GOD.**

JAMES FITZPATRICK

Subscribed and sworn to before me, in said County and State this 21st day of May, 2008.

THE HONORABLE GARY L. JOHNSON
JUDGE OF THE 29TH JUDICIAL CIRCUIT
NICHOLAS COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA, Nicholas County Commission Clerk's Office 06/02/2008. The foregoing Order together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste: Wanda Hendrickson Clerk

Doc ID: 002472160001 Type: MIS
Recorded: 06/02/2008 at 10:07:11 AM
Fee Amt: Page 1 of 1
Nicholas County Clerk
Wanda Mendrickson County Clerk
BK 11 PG 201

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF NICHOLAS, TO-WIT:

I, JOHN MCCLUNG, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of Mayor for the City of Richwood, to the best of my skill and judgment, SO HELP ME GOD.

JOHN MCCLUNG

Subscribed and sworn to before me, in said County and State this 21st day of May, 2008.

THE HONORABLE GARY L. JOHNSON
JUDGE OF THE 28TH JUDICIAL CIRCUIT
NICHOLAS COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA, Nicholas County Commission Clerk's Office 06/02/2008. The foregoing Order together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste: Wanda Mendrickson Clerk

Certificate

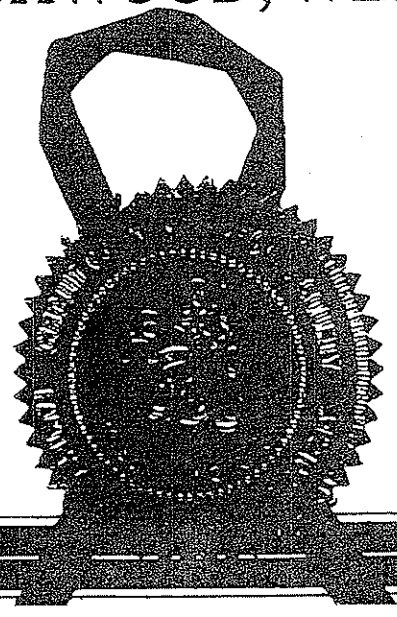
TO CERTIFY THAT

GARY KING

WAS DULY SWORN AS COUNCIL MEMBER, WARD IV
FOR THE
CITY OF RICHWOOD, WEST VIRGINIA.

JULY 1ST, 2008

Date



CLERK, CIRCUIT COURT,
NICHOLAS COUNTY,
SUMMERSVILLE, WEST VIRGINIA

Doc ID: 002472170001 Type: MIS
Recorded: 06/02/2008 at 10:07:25 AM
Fee Amt: Page 1 of 1
Nicholas County Clerk
Vanda Hendrickson County Clerk
BK 11 PG 202

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF NICHOLAS, TO-WIT:

I, **JAMES VANNOY**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of **Council Member for the City of Richwood, Ward 3**, to the best of my skill and judgment, **SO HELP ME GOD**.

James Vannoy
JAMES VANNOY

Subscribed and sworn to before me, in said County and State this 21st day of May, 2008.

THE HONORABLE GARY L. JOHNSON
JUDGE OF THE 28TH JUDICIAL CIRCUIT
NICHOLAS COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA, Nicholas County Commission Clerk's Office 06/02/2008. The foregoing Order together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste: Vanda Hendrickson Clerk

Doc ID: 002472140001 Type: MIS
Recorded: 06/02/2008 at 10:06:31 AM
Fee Amt: Page 1 of 1
Nicholas County Clerk
Wanda Hendrickson County Clerk
BK 11 PG 199

OATH OF OFFICE

STATE OF WEST VIRGINIA
COUNTY OF NICHOLAS, TO-WIT:

I, **MICHAEL LITTLE**, do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of **Council Member for the City of Richwood, Ward 1**, to the best of my skill and judgment, **SO HELP ME GOD**.

MICHAEL LITTLE

Subscribed and sworn to before me, in said County and State this 21st day of May, 2008.

THE HONORABLE GARY L. JOHNSON
JUDGE OF THE 28TH JUDICIAL CIRCUIT
NICHOLAS COUNTY, WEST VIRGINIA

STATE OF WEST VIRGINIA, Nicholas County Commission Clerk's Office 06/02/2008. The foregoing Order together with the certificate of its acknowledgment, was this day presented in said office and admitted to record.

Teste: Wanda Hendrickson Clerk

ORDW Richwood 07A

AN ORDINANCE AMENDING AND RE-ENACTING THE RATES OR CHARGES FOR WATER AND WATER SERVICES IN THE CITY OF RICHWOOD AND VACINITY, WEST VIRGINIA; INCREASING THE CURRENTLY EFFECTIVE RATES OR CHARGES FOR WATER AND WATER SERVICES, AND FOR PROVIDING FOR THE COLLECTION OF SUCH INCREASED RATES OR CHARGES

Whereas, in the judgment of the City Council of the City of Richwood, West Virginia, the public health, safety, comfort, and well being of the citizens of Richwood and vicinity demands that the proper operation and maintenance of the water treatment plant and the water distribution system be carried out in full compliance with existing regulations, now therefore:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF RICHWOOD

That the Rates, Rules, and Regulations for furnishing water at Richwood and vicinity, Nicholas County, West Virginia, issued on 17 August 1998, by the West Virginia Public Service Commission, as P.S.C. W. Va. No. 8 be amended as follows:

RECEIVED
2007 AUG 7 AM 8 26
W. VA. PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

RATE SCHEDULE

Increases, to become effective 17 December 2007, to the residential, commercial, and industrial rate schedules shall be made as follows:

	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	
1st 2000 gallons	$8.05	$8.65	$9.06	per 1000 gallons
Next 3000 gallons	$5.79	$6.29	$7.16	per 1000 gallons
Nest 5000 gallons	$4.52	$4.79	$5.41	per 1000 gallons
Next 20000 gallons	$4.02	$4.40	$4.52	per 1000 gallons
Next 50000 gallons	$3.78	$3.78	$3.90	per 1000 gallons
Next 80000 gallons	$3.02	$3.13	$3.28	per 1000 gallons
All other gallons	$2.31	$2.51	$2.71	per 1000 gallons

MINIMUM CHARGE

No bill shall be rendered for less than the calculated value for 2000 gallons or the assigned value for each size meter, **whichever is greater:**

5/8" meter	=	$16.09
¾" meter	=	$21.48
1" meter	=	$39.08
1 ¼" meter	=	$55.08
1 ½" meter	=	$73.89
2" meter	=	$136.34
3" meter	=	$318.08
4" meter	=	$565.49
6" meter	=	$1,235.06

PUBLIC FIRE PROTECTION

Each public fire hydrant, in service, shall be assessed a monthly fee of $7.00.

PRIVATE FIRE PROTECTION

Each private fire hydrant, in service, shall be assessed a monthly fee of $12.00.

Where connections, hydrants, sprinklers, and other devices on private property and maintained by the customer, and are not metered, the following monthly fees shall apply:

2" service line = $12.57
3" service line = $28.30
4" service line = $50.29
6" service line = $113.85
8" service line = $201.19
10" service line = $314.36
12" service line = $452.38

MULTIPLE OCCUPANCY

In apartment building or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge (calculated from 5/8" meter size) per unit or the entire building will be billed according to the size meter installed, **whichever is greater**. Hotels/motels shall pay according to actual usage or according to the size meter installed, **whichever is greater.**

RENTAL PROPERTY

All property owners must submit, to the Water Office, a monthly list of all rental properties, as well as the names of all persons occupying said property. Changes to this list will be updated immediately upon occurrence. Failure to comply will result in the property owner being held liable for any/all illegal usage, regardless of occupancy.

MOBILE HOME PARKS

Individual meters shall be installed at the lot line of each unit in all new mobile home parks. Existing mobile home parks shall be billed according to the size meters installed at each unit. The owner of the mobile home park shall be subject to the "RENTAL PROPERTY' specifications listed above.

CONNECTION FEE

A connection fee of $300.00 shall be charged for all new residential connections onto the water system. Commercial and/or industrial connections shall be charged in accordance with current requirements of the WV Public Service Commission. No connection is to be made until this fee is paid.

SECURITY DEPOSITS

A security deposit, equal to the "MINIMUM CHARGE" or $50.00, **whichever is greater,** shall be required from all new customers and from all existing customers that are disconnected for non-payment. This deposit, plus interest, shall be refunded to the customer after 1 year. In the event that a customer is disconnected for non-payment, this deposit shall be applied to said account, and must be refilled prior to restoration of service.

RESTORE FEE

A $15.00 fee shall be assessed each time a service is restored, after being shut off at the customer's request or after being shut off for non-payment.

TRANSFER FEE

A $15.00 fee shall be assessed each time a service is transferred to a different location.

TRANSIENT CUSTOMER POLICY

A security deposit, equal to the amount specified above, shall be maintained for each piece of property utilized by transient customers. This deposit must be renewed on a yearly basis, and will not be subject to refund or interest unless the property changes owners.

A restore fee, equal to the amount specified above, shall be assessed each time the service is activated.

Usage fees shall be prorated, using the current rate tariff, when occupancy is less than 15 days. When occupancy is greater than 15 days, the terms and conditions of the *existing rate tariff shall apply,* ***and no bill is to be rendered for less than the amount*** **specified under "MINIMUM CHARGE"**

LEAK ABATEMENT POLICY

A leak abatement policy, consistent with the requirements of the WV Public Service Commission, shall be maintained in the Water Office at all times.

The current production cost figures for each 1000 gallons of water shall be used to compute leaks that qualify under this policy.

PENALTIES

The about tariff is net. On all amounts not paid in full by the due date, a 10% penalty shall be added to the net amount owed. This penalty is not interest and is non-refundable.

REVIEW

This rate tariff shall be reviewed, by the Water Board, within 30 days of each new fiscal year. Recommendations regarding its content shall be made to Richwood's City Council as soon, thereafter, as possible.

ENACTMENT

This Ordinance shall become effective 45 days after adoption.

1st Reading 10-4-07 (DATE) — 1st Rose 7-0, 2nd Fitzpatrick

2nd Reading 10-18-07 (DATE) — 1st Fitzpatrick, 2nd Rose 6-0

3rd Reading 11-1-07 (DATE) — 1st Fitzpatrick, 2nd Helzer

Myles Caldwell
MYLES CALDWELL, MAYOR

John Shuttlesworth
JOHN SHUTTLESWORTH, RECORDER

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL

3/19/2009

Entered: February 27, 2009

CASE NO. 08-0944-S-MA

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

CASE NO. 08-1318-S-CN

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Application for a certificate of convenience and necessity to upgrade existing sewer system, including replacing two major pump stations, separating storm sewers from sanitary sewer system, removing several mains and manholes in Richwood, Nicholas County, and for approval of financing.

RECOMMENDED DECISION

PROCEDURE

Case No. 08-0944-S-MA

On May 6, 2008, the City of Richwood (Richwood), a municipal corporation, Richwood, Nicholas County, adopted an ordinance increasing its rates and charges to provide sewer service to its customers inside and outside its corporate boundaries, to become effective June 22, 2008. Richwood published a notice of these rates, and, pursuant thereto, on or about June 6, 2008, John Sterling Pettengill submitted a petition to the Public Service Commission protesting Richwood's May 6, 2008 rate ordinance, alleging discrimination to its customers. Pursuant to the protest and pursuant to *West Virginia Code (Code)* §24-2-4b, by the June 9, 2008 Commission Order Suspending Rates and Referring to Administrative Law Judge (Order), the Commission invoked its jurisdiction over the municipal appeal. The Commission made Richwood a Respondent to this proceeding and, pending investigation, hearing and decision in this matter, suspended the aforesaid rate ordinance and deferred using the rates and charges stated in the rate ordinance until 12:01 a.m., October 20, 2008, unless otherwise ordered by the Commission, to enable the Commission to examine and investigate the supporting data filed with the rate ordinance and to provide time for Commission Staff to make reports concerning the matters involved in this proceeding. Also, the Order referred this matter to the

Division of Administrative Law Judges for decision on or before September 4, 2008, effectively 46 days prior to the end of the statutory suspension period. Finally, the Order directed Commission Staff to file its report on or before August 6, 2008.

On July 11, 2008, Melissa K. Marland, Chief Administrative Law Judge, issued a Procedural Order appointing Deputy Chief Administrative Law Judge Ronnie Z. McCann (ALJ), to review the grievances raised by the petitioners in this proceeding, to conduct a hearing and to issue a recommended decision on the matters involved in this proceeding.

Responding to all of the above, by the July 11, 2008 Order Requiring Publication, the ALJ adopted a procedural schedule to process and resolve this municipal appeal proceeding, including a Friday, August 8, 2008 hearing date. Richwood was required to publish a specified Notice of Hearing as a Class II legal advertisement in a newspaper published and generally circulated in Nicholas County. The second publication was to be made no later than seven (7) days prior to the hearing in this matter. The July 11, 2008 Order also directed that Richwood file a publication affidavit at the hearing indicating compliance with this requirement.

On Monday, August 4, 2008, Richwood submitted a motion to toll the statutory deadline by 90 days; to enter an order approving rates for Richwood on an interim basis, based on its going-level cost of service; and to consolidate this municipal appeal proceeding with a certificate case being filed on August 4, 2008, thereby deferring the entry of an order approving final rates in this municipal appeal proceeding until the additional cost of service required by the certificate project was known and analyzed by Commission Staff.

On Tuesday, August 5, 2008, the ALJ received an electronic mail from Robert R. Rodecker, counsel for Richwood, indicating that the Notice of Hearing had not been published, even though Richwood had requested that the local newspaper publish the Notice of Hearing as directed in the July 11, 2008 Order.

By the August 6, 2008 Order Canceling Hearing, the ALJ canceled the procedural schedule adopted by the July 11, 2008 Order, including the Friday, August 8, 2008 hearing date, indicating that he would reschedule the hearing once the Commission ruled on Richwood's motions.

By Commission Order entered on August 11, 2008, the Commission tolled the statutory suspension period until 12:01 a.m., January 30, 2009, and extended the decision due date until December 17, 2008, approximately 44 days prior to the statutory suspension period, for the ALJ to enter a final recommended decision dealing with all matters joined in the municipal appeal. The Commission did not consolidate the municipal appeal and the certificate application, indicating that the Commission would establish a decision due date for the certificate application by a separate order. The Commission did not establish a separate decision due date for entry of a recommended decision dealing with going-level or interim rates pending action on the certificate application, but admonished the ALJ to make a decision on interim or "Phase I" rates on an expedited basis.

Responding to all of the above, by the August 11, 2008 Order Adopting New Procedural Schedule and Requiring Publication, the ALJ adopted a new procedural schedule, including a Friday, August 22, 2008 hearing date, to process and resolve the interim rate issue herein. The August 11, 2008 Order also directed that Richwood publish the Notice of Hearing as a Class II legal advertisement. The second publication was to be made prior to the scheduled hearing date and Richwood was to file a publication affidavit at the hearing indicating compliance with this notice requirement.

On August 22, 2008, the ALJ convened the hearing as scheduled. Richwood appeared at the hearing by counsel, Robert R. Rodecker, Esquire. Commission Staff appeared by Staff Attorney Cassius H. Toon, Esquire. John Sterling Pettengill[1], Ph. D., appeared in person *pro se*. Richwood presented the testimony of one witness and presented one exhibit; the Intervenor testified on his own behalf and presented one exhibit; and Commission Staff presented one exhibit, i.e., the Staff Report, based on a test year ending on June 30, 2007.

On August 26, 2008, the reporter submitted a 29-page transcript and a one-page certificate that the transcript is a true and accurate record of the August 22, 2008 hearing. The transcript of the August 22, 2008 hearing will be designated as "Tr., Vol. I."

The ALJ previously noted that none of the parties had addressed the question raised by the Commission for all rate cases in Case No. 07-0175-PWD-19A, *Claywood Park Public Service District* (*Claywood Park* case), Commission Order entered August 19, 2008, i.e., that Staff's methodology for calculating a reasonable cash flow surplus by multiplying the operation and maintenance expenses, including taxes, by 1/12, is not the Commission's accepted methodology. In Conclusion of Law No. 6, in the *Claywood Park* case, the Commission held:

> The rates for a publicly-owned utility such [as] Claywood Park Public Service District should be designed to produce sufficient, but not more than sufficient, cash to pay operating expenses, taxes, principal and interest on debt, deposits into restricted reserves required by debt agreements, and, after making those payments, result in a reasonable level of cash flow for ongoing normal capital additions.

The Commission also held, in Conclusion of Law No. 7, that:

> The cash flow allowed for a publicly-owned utility for ongoing normal capital additions should not be in addition to cash flow paid into a renewal and replacement fund that is available for funding capital additions. Instead, the cash flow available for the

---

[1]The Commission's Rules of Practice and Procedure define a protestant as an individual who is not a party to the proceeding, while an intervenor is a party. (See, Procedural Rule 5). Although Mr. Pettengill did not formally request intervenor status, he was treated as a party by the undersigned and the other parties, i.e., filing pleadings and exhibits and cross-examining witnesses. Accordingly, it is appropriate to formally grant him intervenor status. Additionally, Mr. Pettengill's exhibits will be renamed as Intervenor Exhibits 1-3.

renewal and replacement fund plus the remaining cash or surplus should, in total, be sufficient to pay for ongoing normal capital additions.

The Commission added that the calculation of normal ongoing capital additions should be based on a reasonable historical average of capital additions funded from internal cash flow, although the parties should be able to present alternative methods to calculate normal ongoing capital additions if the party advocating such alternative method can show a valid reason to deviate from the Commission-prescribed method.

Pursuant to the above, by the September 19, 2008 Order Requiring Staff Filing, the ALJ directed that, on or before September 26, 2008, Commission Staff address the issues presented by the *Claywood Park* case and submit a supplemental cash flow analysis and Staff-recommended rates which comply with the principles of the *Claywood Park* case. The September 19, 2008 Order indicated that the other parties may also address this issue, in writing, on or before September 26, 2008, and the parties may respond to those filings no later than October 3, 2008.

On September 26, 2008, Staff Attorney Lisa L. Wansley submitted the Further Final Joint Staff Memorandum, attaching the September 26, 2008 letter from Utilities Analyst Troy Eggleton and Utilities Manager Geert Bakker, Water and Wastewater Division, and Technical Analyst Joseph Marakovits, Engineering Division. Staff presented additional analysis of the Staff-recommended surplus in light of the *Claywood Park* case. Staff related that Annual Reports for Richwood were available only for the years ending June 30, 2006, and June 30, 2007. No plant additions were made during those years. Staff opined, however, that Richwood should make plant additions totaling $37,500, i.e., $2,500 for its treatment facility; $5,000 for office supplies and equipment; $5,000 for vehicles; $15,000 for line replacement; and $10,000 for manhole replacement. Staff previously recommended a $36,326 cash flow surplus. Now it recommended a $37,500 cash flow surplus, which Staff opined would not change the Staff-recommended going-level or interim rates. The September 26, 2008 filing hereby is received as Staff Post-Hearing Exhibit No. 1.

On September 26, 2008, Richwood indicated that it would not be filing anything related to any change in Richwood's surplus in relation to the requirements of the *Claywood Park* case.

On October 1, 2008, Mr. Pettengill submitted a letter objecting to Staff's September 26, 2008 response, opining that Staff's response did not address Richwood's cash on hand in March 2008 of $186,000. Mr. Pettengill argued that Richwood should have to spend all of its reserve before any surplus is allowed.

Also on October 1, 2008, Richwood moved the Commission to extend the tolling of the statutory suspension period, extend the ALJ's decision due date and approve the Phase I or interim rates immediately.

On October 3, 2008, Richwood submitted a response to Staff's and Mr. Pettengill's filings. Richwood opined that it was neither necessary nor appropriate to address the issues raised by the *Claywood Park* case at this time, since the Phase I rates are just temporary or interim rates subject to

revision and refund. Richwood argued that applying the requirements stated in the *Claywood Park* case would violate the *Administrative Procedures Act* (APA) and run contrary to the Court's ruling in *Chesapeake and Potomac Telephone Company of West Virginia v. Public Service Commission of West Virginia*, 300 S.E. 2d 607 (1982), that the principle of *stare decisis* does not normally apply to Commission rulings. Richwood argued that, in order to establish a policy such as the Commission has established in *Claywood Park*, the Commission must adopt a rule, as defined by the APA.

On October 3, 2008, Staff Attorney Wansley submitted a letter agreeing with Richwood's October 1, 2008 motion to toll.

Responding to all of the above, by the October 23, 2008 Interim Recommended Decision, the ALJ set aside the rate ordinance adopted by the City of Richwood on May 6, 2008, and approved the Staff-recommended Phase I rates and charges on an emergency interim basis, subject to refund should the final rates and charges approved in this proceeding be less than the interim rates and subject to revision should additional information and analysis performed by Commission Staff justify such revision.

Case No. 08-1318-S-CN

On August 4, 2008, Richwood filed an application with the Commission under *West Virginia Code* (*Code*) §24-2-11 for a certificate of public convenience and necessity to upgrade its existing sewer system, including replacing two major pump stations, separating the storm sewers from the sanitary sewer system and removing several mains and manholes in Richwood, Nicholas County. Richwood also requested approval of financing for the project.

On August 4, 2008, the Commission required that Richwood publish the Notice of Filing one time in a newspaper in Nicholas County, providing a 30-day protest period. The Notice of Filing also provided that, if no protests were received within the 30-day protest period, the Commission may waive formal hearing and grant the certificate based upon its review of the evidence submitted with the application. On August 21, 2008, Richwood submitted a publication affidavit showing that, on August 14, 2008, the Notice of Filing was published as directed in *The Nicholas Chronicle*, a newspaper published and generally circulated in Nicholas County. The application has been protested.

By the August 13, 2008 Referral Order, the Commission referred this case to the Division of Administrative Law Judges (ALJ Division) for decision on or before December 17, 2008, if no protest was filed, and by March 2, 2009, if the matter was protested.

On September 8, 2008, Staff Attorney Wansley submitted the Initial Joint Staff Memorandum, attaching the September 8, 2008 Initial Memorandum from Mr. Eggleton, Mr. Bakker and Mr. Marakovits, indicating that, once it had completed its investigation, Commission Staff would submit its final substantive recommendation. Staff reported that Richwood has estimated that the project will cost approximately $3,000,000, to be financed with a $500,000 grant from the West Virginia

Infrastructure and Jobs Development Council (IJDC), a $1,500,000 Small Cities Block (SCB) grant and a $1,000,000 IJDC loan with zero interest for a term of 40 years.

Consolidation

By Commission Order entered on October 20, 2008, as corrected, the Commission consolidated Case Nos. 08-0944-S-MA and 08-1318-S-CN; tolled the statutory suspension period in Case No. 08-0944-S-MA until 12:01 a.m., April 30, 2009; granted Staff until December 2, 2008, to file its report regarding the Phase II rates; and granted the ALJ until March 2, 2009, to render a final written recommended decision in this consolidated matter.

By the Interim Recommended Decision entered on October 23, 2008, as noted previously, the ALJ approved interim rates, subject to refund should the final rates approved by the Commission be less than the approved interim rates.

By the October 24, 2008 Order Requiring Publication, the ALJ adopted a procedural schedule, including a December 10, 2008 hearing date, and directed that Richwood publish a specified Notice of Hearing as a Class II legal advertisement in a newspaper published and generally circulated in Nicholas County. By the Further Order issued on October 24, 2008, the ALJ, noting that, through inadvertence, the October 23, 2008 Interim Recommended Decision failed to direct Richwood to publish the approved interim rates, directed that Richwood publish the interim rates.

On November 14, 2008, Richwood submitted a publication affidavit showing that it had published the interim rates on November 6 and 13, 2008, in *The Nicholas Chronicle*. On November 21, 2008, Richwood submitted a publication affidavit showing that it had published the Notice of Hearing on November 13 and 20, 2008 in *The Nicholas Chronicle*.

On December 2, 2008, Staff Attorney Wansley submitted the Final Joint Staff Memorandum, attaching the November 26, 2008 Final Internal Memorandum from Mr. Eggleton and Technical Analyst Marakovits. Together, these Memoranda comprise Commission Staff's final substantive recommendation in this consolidated proceeding.

On December 5, 2008, Richwood submitted a letter from its counsel opining that Rule 10.3.d. of the Commission's *Procedural Rules*, dealing with notice requirements where rates are changed in certificate cases, does not apply in this situation, since Richwood is not obtaining a rate increase in the certificate case, but is seeking the rate increase only in the municipal appeal case, i.e., Case No. 08-0944-S-MA.

On December 10, 2008, the ALJ convened the hearing as scheduled. Richwood appeared at the hearing by counsel, Mr. Rodecker, Esquire; Commission Staff appeared by counsel, Staff Attorney Wansley; and the Intervenor, John Sterling Pettengill, appeared in person, *pro se*. No one else appeared at the hearing. Staff presented the testimony of two witnesses and Mr. Pettengill presented his own testimony; Mr. Pettengill presented two exhibits and Commission Staff presented one exhibit.

On December 23, 2008, the court reporter submitted a 71-page transcript and a one-page certificate that the transcript is a true and accurate record of the December 10, 2008 hearing. The transcript of the December 10, 2008 hearing will be referred to as "Tr., Vol. II."

Although the ALJ gave the parties the opportunity, the parties filed no post-hearing proposed findings of fact, conclusions of law or other written legal arguments pursuant to *West Virginia Code* §24-1-9(b).

EVIDENCE

Richwood's Mayor, John McClung, testified that Richwood had deposited $100,000 in a certificate of deposit (CD), which was discussed at one of Richwood's regular meetings of its City Council. Mayor McClung stated that nothing was hidden or concealed from Commission Staff. He concurred that Richwood needed to make many repairs, which is the purpose of the CD and the purpose of the pending certificate case. Richwood agrees with Staff's recommendation for the Phase I rates. (Tr., Vol. I, pp. 26-28). Richwood Exhibit No. 1 is a publication affidavit indicating that the Notice of Hearing was published on August 14 and 21, 2008, in *The Nicholas Chronicle*, a newspaper published and generally circulated in Nicholas County. (Richwood Exhibit No. 1).

Prior to the parties presenting any evidence at the December 10, 2008 hearing, Richwood stipulated to Commission Staff's final substantive recommendation in Case Nos. 08-0944-S-MA and 08-1318-S-CN, including the Staff-recommended final rates and to all of Staff's recommendations in the certificate case. (Tr., Vol. II, pp. 7-8; Staff Exhibit No. 2).

The first witness who testified was John Sterling Pettengill. Mr. Pettengill identified a document he prepared, received as Intervenor Exhibit No. 1. This document stated that Mr. Pettengill accepted the Staff-recommended Phase I rates, except for Staff's reduction of an allowance for leaks and the fact that Richwood was concealing approximately $100,000 from Staff. Mr. Pettengill concurred with Staff's recommendation to omit Richwood's multiple occupancy rule, but asked that the Commission make an affirmative ruling that multiple charges for the same meter are discriminatory. Mr. Pettengill objected to adopting the Phase II rates until the project is built. Mr. Pettengill indicated that he received simultaneous bachelors degrees in math and economics from the University of Michigan in 1971 and a doctor of philosophy in economics from Massachusetts Institute of Technology in 1975. Mr. Pettengill believes that Staff has not properly considered Richwood's problems with leaks. He opined that Richwood had a balance of $186,979 as of February or March 2008. Mr. Pettengill believes that Richwood is double-billing his landlord. Mr. Pettengill opined that Richwood's death rate is much higher than normal, due to sewage leaks. Mr. Pettengill also argued that any rate structure that contains a minimum bill is discriminatory. Mr. Pettengill strongly disagreed with Staff's use of the allocation factors based on the 2001 *West Virginia-American Water Company* rate case. Mr. Pettengill predicted that many large banks were on the brink of failure. He recommended that Richwood deposit its money in more than one bank to ensure its safety under the FDIC insurance coverage limitations of $100,000. He disputed Staff's finding that Richwood only had approximately $75,000 in cash. (Tr., Vol. I, pp. 10-13; Intervenor Exhibit No. 1).

Mr. Pettengill believes that Richwood needs a rate increase, but believes that Staff does not have all of the financial facts correct in its report, since Richwood has concealed some of its funds. Mr. Pettengill again emphasized that Richwood is polluting the soil and the river. He opined that about 100 persons per year die in Richwood, which he believes has a population of about 1,500. He believes that Richwood should be forced to spend all of its savings before getting a surplus in a rate case. He again objected to a rate structure that includes a minimum bill. He believes that everyone should pay a sewer bill based on the amount of water they use and that a minimum bill based on 2,000 gallons usage discriminates against those who conserve and use less water. Mr. Pettengill recommended that Richwood start using a cost accounting method that can become the basis for rates based on cost. (Tr., Vol. I, pp. 13-24).

Mr. Pettengill argued that Richwood should spend any existing amounts in savings accounts before it receives a rate increase. He also argued that Richwood should give additional notice under *Procedural Rule* 10.3.d., since it is seeking a rate increase in a certificate case. Mr. Pettengill identified a group of documents received into evidence as Intervenor Exhibit No. 2. This Exhibit included a copy of a publication made by Richwood in Case No. 08-0944-S-MA, i.e., the June 10, 2008 Further Commission Order Suspending Rates and Referring to Administrative Law Judge; a copy of a newspaper article noting that Richwood's water operations had $190,000 in certificates of deposit; a copy of the newspaper publication of the approved interim rates; and some notes made by Mr. Pettengill purporting to report violations by Richwood. (Tr., Vol. II, pp. 8-15; Intervenor Exhibit No. 2).

Mr. Pettengill opined that Richwood had tried to conceal the proposed rate increase as much as possible. He also opined that very few of Richwood's customers even know what rates Richwood charges. He believes that publication notices should not be in such small type in newspapers. Mr. Pettengill attempted to bring Richwood's water rates into this consolidated proceeding. He believes that politics plays a role in how Richwood has tried to conceal from the public how it operates its sewer system and how it obtains higher rates. Mr. Pettengill believes that 65% of Richwood's customers received a rate decrease due to his actions, but they do not even know it. Mr. Pettengill apparently attempted to inject his own politics into this proceeding saying, "So, if the majority of the population was notified that I got them to pay less than they would have otherwise, they might be kinder to me and support the candidates who I'm trying to promote. So I say it's a suppression for political reasons not to mail this out." (Tr., Vol. II, pp. 15-17).

Mr. Pettengill suggested that the Staff-recommended rates should have been published. He questioned whether the Staff-recommended rates satisfied the requirements of the *Claywood Park* case. In particular, Mr. Pettengill believes that Richwood's sewer operation is concealing a large savings account containing at least $100,000. He believes that this savings account should be exhausted before the Commission considers approving the rate ordinance. He also disagreed with the test year used by Staff, opining that it was outdated. (Tr., Vol. II, pp. 17-28; 33-34).

Mr. Pettengill opined that Richwood is violating rules by not adopting a CSO budget. He also believes that Staff made an arithmetic error in its report regarding the cost of 3,000 linear feet of sewer main, i.e., Staff stated that it would cost $50 per foot and concluded that the total would be

$15,000. Mr. Pettengill stated that the report should have stated that the cost would be $150,000, not $15,000. (Tr., Vol. II, pp. 28-33).

Mr. Pettengill opined that the Staff-recommended rates and those proposed by Richwood are discriminatory because the rates per 1,000 gallons for large users are smaller than the rates per 1,000 gallons for small users. He opined that it costs the same to treat sewage from a large user as it does to treat the sewage from a small user. He opined that large users, which require larger pipes, more likely caused more damage to the treatment facility because those larger lines would carry more sewage to the treatment plant and be more likely to clog filters, damage pumps and otherwise place a larger burden on the treatment plant. He pointed out that Staff agreed that the rates for the larger customers should be more, but was increasing the rates gradually to soften the blow to that class of customers. Mr. Pettengill opined that Richwood should charge the same rate per 1,000 gallons of water used for every customer. Also, he believes that the minimum bill is discriminatory, since it causes someone who uses less than 1,000 gallons of water per month to have to pay the same sewer bill as someone who uses 2,000 gallons per month. Finally, with regard to discriminatory rates, he believes that the leak adjustment rate is too small at only $0.81 per 1,000 gallons. With regard to small users and large users, he suggested that people who have lawns and gardens use much more water than someone who has no lawn or garden, which makes the Staff-recommended rates discriminate against anyone who does not have a lawn or garden. He reasoned that water used to water a lawn and water that leaks amount to the same thing, i.e., neither are introduced into the sewage treatment system. (Tr., Vol. II, pp. 41-43).

Mr. Pettengill identified a group of documents, received as Intervenor Exhibit No. 3, including a public notice for review of a proposed flood plain development, which he believes shows that the project may not properly address the issue of raw sewage flowing into the river. The Exhibit also included a copy of the Notice of Filing in Case No. 08-1318-S-CN and a copy of a newspaper article about Richwood's water utility. Mr. Pettengill noted that a concurrent case is pending before the United States Court of Appeals in Richmond, Virginia, which he believes is related to the outcome of this case. Mr. Pettengill opined that the project does not follow the flood plain development procedures. He opined that the project may be necessary but not convenient. Pertaining to the sewer line along Oakford Avenue, he acknowledged that something needs to be done to keep water from running into the sanitary sewer system, but he believes that the project does not address this problem in the correct manner. He suggested that Richwood should investigate a less expensive alternative to the Oakford Avenue line so that water would be diverted further downstream before it empties into the river. (Tr., Vol. II, pp. 54-62; Intervenor Exhibit No. 3).

Mr. Pettengill opined that Collins Hardwood should have to pay for replacing the sewer lines on its land, since its activities have caused the lines to break. He believes that Richwood should sue Collins Hardwood to recover the cost of the damage it has caused to Richwood's sewer lines. Mr. Pettengill denied that his protests have delayed the implementation of the proposed project. He opined that one of the grinder pumps described in the project is not needed. Mr. Pettengill objected to relocating a portion of the sewer main that does not lie in the flood plain and is not leaking. He believes that the proposed new river crossings are necessary. He believes that the new pump station should be built at the same location of the existing one. He does not believe that any of the sewer line

should be located in the flood plain. He believes that federal and/or state regulations state that, when an alternative to locating a utility in a flood plain exists, the alterative location should be used. (Tr., Vol. II, pp. 62-70).

Staff Exhibit No. 1 is the Staff Report based on the fiscal year ending on June 30, 2007. Staff reported that Richwood's ordinance is proposed in two steps, with Phase I addressing the going-level needs and Phase II addressing the needs once the project is built. At going-level, Richwood experience a $26,473 cash flow deficit. The Staff-recommended Phase I rates would provide Richwood with a $26,798 cash flow surplus after meeting all operation and maintenance (O&M) expenses and covering Richwood's current debt service requirements. Staff allocated costs to Richwood's water operations at 50% and to its sewer operations at 50%. At going-level, Richwood's total available cash would be $327,284. The Staff-recommended total available cash for Phase I is $382,594, an increase of $55,310, or about 17%. Staff noted that Richwood's Annual Report for 2007 does not balance. Staff recommended that Richwood take all steps necessary to make sure that future annual reports balance and that they are accurate and complete. Staff used 1/12 of O&M expenses plus taxes to calculate the Staff-recommended surplus. While Richwood's bond ordinance requires a debt service coverage factor of 115%, the Staff-recommended Phase I rates provide a 269.72% coverage factor. Staff reported that it is recommending rates that will continue to provide subsidies across customer classes, preferring that Richwood gradually move toward rates that are cost-based. Staff modified its customer class cost of service study to accommodate this recommendation, i.e., commercial customers would have received a significantly higher increase if the cost of service study was followed to the letter. Under the Staff-recommended Phase I rates, a minimum bill based on 2,000 gallons would decrease by $2.58, or about 12%, per month. A customer using 3,000 gallons would experience a 6.59% increase; a customer using 4,500 gallons would experience a 14.52% increase; and the increase becomes greater as more water is used, i.e., a customer using 500,000 gallons would experience a 140.08% increase. (Staff Exhibit No. 1).

The November 26, 2008 Final Internal Memorandum was received as Staff Exhibit No. 2. Staff reported that the project construction would cost approximately $2,523,800, although it had not yet been bid. The cost per customer is approximately $3,045. Since the project consists of corrective work to the existing sewage collection system, no alternatives were evaluated. The purpose of the project is to eliminate as much pollution as possible in Richwood's combined sewer overflow (CSO) system to bring Richwood's systtem into compliance with its National Pollutant Discharge Elimination System (NPDES) permit. Most of Richwood's collection system is very old and needs to be replaced, having outlived its useful life. The project will replace broken lines and eliminate much inflow and infiltration (I&I). The two existing pump stations will be replaced and relocated to an area above the 100-year flood plain. The project will eliminate some of the lines and connections that permit storm water to enter the sanitary sewer system, which will prevent future surcharges to the sanitary sewer system. The project is designed to minimize the adverse effect on the environment caused by Richwood's CSO system and to comply with Richwood's NPEDS permit. (Staff Exhibit No. 2).

Commission Staff also addressed the many concerns raised by the Intervenor regarding the project. Addressing Mr. Pettengill's concerns, Staff asserted that the proposed new storm sewer along

Oakford Avenue is absolutely necessary for Richwood to comply with its NPDES permit; pursuing legal action against a local lumber company to make the lumber company pay for all sewer work done on the lumber company's property would only delay Richwood's attempt to comply with its NPDES permit; the project has eliminated one proposed new grinder pump after determining that sewage would flow by gravity in that area; all of the proposed line repairs and replacements are necessary and must be done for Richwood to comply with its NPDES permit; and the project will include building a new river crossing. (Staff Exhibit No. 2).

The West Virginia Office of Environmental Health Services (OEHS) has issued Permit No. 17,857 for this project. The project is not expected to result in increased operation and maintenance (O&M) expenses and may actually reduce O&M expenses slightly due to elimination of much of the I&I. Since Annual Reports for Richwood for the years 2003, 2004 and 2005 were unavailable and since Richwood's 2006 and 2007 Annual Reports show $0 spent on capital improvements, Staff has imputed annual average capital additions of $37,500, based on the condition and size of Richwood's system. Staff noted that, in addition to the project-related repairs and replacements, Richwood still needed to make many repairs and replacements to its system, including its treatment facility, office supplies and equipment, vehicles and its collection system, that are not included in the project. Staff recommended that the Commission direct Richwood to place $25,000 in a separate escrow fund to be used only for collection system improvements and that Richwood be able to use this fund only after petitioning for and obtaining separate Commission approval. Staff stated that the approximately $3,000,000 project, to be financed with a $500,000 IJDC grant, a $1,500,000 SCB grant and a $1,000,000 IJDC loan with zero interest for a term of 40 years, would increase debt service by $29,161, from $34,546 at going-level, to $64,237, including a reserve of $4,907 and depreciation reserve of $10,270. Staff has recommended a $26,798 cash flow surplus after the project is completed, which will result in a 185.56% debt service coverage ratio. Staff recommended that Richwood closely monitor its rates and collections to ensure that it continues to have adequate finances to properly operate its system and meet the bondholders' requirements. Staff recommended that the Commission grant the certificate application; approve the financing; approve the Phase 2 rates, which represent a 7.8% across-the-board increase over the Phase 1 (approved interim) rates; require Richwood to obtain separate Commission approval should the scope or the financing for the project change, except that any changes that do not affect rates need only be certified by a certified public accountant as not affecting rates; require Richwood to submit the engineer's certified bid tabulations as soon as they are available; and require Richwood to submit a certificate of substantial completion for each construction contract associated with the project as soon as they become available. (Staff Exhibit No. 2).

Commission Staff called Technical Analyst Joseph Marakovits to testify. Mr. Marakovits identified the November 26, 2008 Final Internal Memorandum, received as Staff Exhibit No. 2. Mr. Marakovits agreed with Mr. Pettengill's suggested correction of Staff Exhibit No. 2, i.e., the cost for 3,000 linear feet of sewer line should be $150,000, not $15,000. Mr. Marakovits made this correction to Staff Exhibit No. 2. However, this typographical error only occurred in the narrative of the exhibit and was not used in Staff's calculations. Mr. Marakovits opined that the calculations, including the Staff-recommended rates, are correct. (Tr., Vol. II, pp. 35-38; Staff Exhibit No. 2).

Mr. Marakovits explained that the Commission does not specify the locations of sewer lines. Rather, in a certificate case, the Commission approves or disapproves of the need for a project and determines whether the cost justifies the project in terms of rates. It is up to the utility, relying upon its own project engineer, to determine the specifics about the location of its system. (Tr., Vol. II, pp. 38-43).

Mr. Marakovits acknowledged that the grinder pump objected to by Mr. Pettengill had been deleted from the project. (Tr., Vol. II, pp. 63-64).

Finally, Staff presented the testimony of Geert Bakker. Mr. Bakker explained that, during the designing of the rate structure for the approved interim rates, Staff utilized a customer class cost of service study to ensure that no customer class subsidized another customer class. The approved interim rates are based on cost. The final rates now recommended by Staff rely upon that same cost of service study and amount to an across-the-board increase over the interim rates to generate sufficient revenue to cover the added costs related to the project, such as increased debt service. Mr. Bakker explained, however, that the Staff-recommended rates do not follow exactly the cost of service study, i.e., Commission policy dictates that, in any given rate case, the increase for any given class cannot exceed more than twice the total increase. He opined, for example, if the total increase in revenues was 10%, no one customer class could receive rates which represent an increase for that class of more than 20%. This is why Staff has recommended a rate structure that would not increase the higher users' rates as much as indicated by the cost of service study. Staff has gradually increased the rates of some customer classes, with an intention of increasing those rates more in a subsequent rate proceeding. However, he opined that the Staff-recommended rate design is sound and based primarily on the cost to serve each customer class. Mr. Bakker opined that practically all rates approved by the Commission discriminate between customers, i.e., some users pay more per 1,000 gallons than others, but the goal is to not discriminate between customer classes to the point where one class is subsidizing another. He believes that the Staff-recommended rate design is proper. (Tr., Vol. II, pp. 43-45).

DISCUSSION

Since the purpose of the project is chiefly to replace old worn out and leaking sewer lines, the ALJ holds that the project obviously is needed. The objections by Mr. Pettengill were fully answered and addressed adequately by Commission Staff and are not sufficient to deny the certificate application. The OEHS has issued a permit indicating that Richwood's project is needed to abate a major health issue. Richwood needs to build the project to comply with its NPDES permit. For these reasons, the ALJ holds that the public convenience and necessity require the project. It is also reasonable to approve the financing for the project.

As for the so-called Phase II rates, i.e., final rates that will become effective upon substantial completion of the project, Staff has addressed the initial concerns of the ALJ related to the *Claywood Park* case and the concerns about not strictly following the cost of service study in designing the rates. Staff has presented a viable alternative to the *Claywood Park* principles, since the data anticipated by the *Claywood Park* case are not available in this case. Staff has attempted to reconstruct a five-

year average of what the plant additions should have been. Apparently, Richwood neglected its physical plant for many years and the project will address many of the results of this neglect. However, Staff has recommended that enough surplus be included to enable Richwood to make other needed plant additions, basing its estimate on the condition of Richwood's physical plant and its size. This may not be an exact way to determine the need for plant additions, but appears to be a reasonable alternative in this case. As for the deviation from the cost of service study, Staff has suggested that it is unreasonable to increase the rates of any customer class more than twice the total effective rate increase. This approach to gradualism is reasonable and will be approved. For these reasons, the Staff-recommended Phase I rates will be approved as final rates until the project is substantially complete and the Staff-recommended Phase II rates will be approved for service after the project is substantially complete, since they will generate sufficient, but not more than sufficient, revenues to reasonably cover the O&M expenses and the debt service requirements after the project is completed and will generate a cash flow surplus which corresponds to Staff's best estimate of how much Richwood needs to spend on capital additions annually.

FINDINGS OF FACT

1. The City of Richwood adopted an ordinance on May 6, 2008, increasing its rates and charges to provide sewer service to its customers inside and outside its corporate boundaries, to become effective June 22, 2008. (See, June 9, 2008 Order).

2. Richwood filed an application with the Commission under *Code* §24-2-11 for a certificate of public convenience and necessity to upgrade its existing sewer system, including replacing two major pump stations, separating the storm sewers from the sanitary sewer system and removing several mains and manholes in Richwood, Nicholas County. Richwood also requested approval of financing for the project. (See, August 4, 2008 application).

3. Richwood's proposed rates consist of two steps, with Phase I addressing the going-level needs and Phase II addressing the needs once the project is built. At going-level, Richwood is experiencing a $26,473 cash flow deficit. The Staff-recommended Phase I rates would provide Richwood with a $26,798 cash flow surplus after meeting all O&M expenses and covering Richwood's current debt service requirements. (See, Staff Exhibit No. 1).

4. Staff allocated 50% of the joint costs to Richwood's water operations and 50% to its sewer operations. (See, Staff Exhibit No. 1).

5. At going-level, Richwood's total available cash is $327,284. The Staff-recommended total available cash for Phase I is $382,594, an increase of $55,310, or about 17%. (See, Staff Exhibit No. 1).

6. Staff initially used the now-prohibited 1/12 of O&M expenses plus taxes methodology to calculate the Staff-recommended surplus. (See, Staff Exhibit No. 1).

7. Staff has recommended rates that will continue to provide subsidies across customer classes, preferring that Richwood gradually move toward rates that are cost-based. Staff modified its customer class cost of service study to accommodate this recommendation, i.e., commercial customers would have received a significantly higher increase if the cost of service study was followed to the letter. Under the Staff-recommended Phase I rates, a minimum bill based on 2,000 gallons would decrease by $2.58, or about 12%, per month, compared to the rates in effect prior to the approved interim rates. A customer using 3,000 gallons would experience a 6.59% increase; a customer using 4,500 gallons would experience a 14.52% increase; and the increase becomes greater as more water is used, i.e., a customer using 500,000 gallons would experience a 140.08% increase. (See, Staff Exhibit No. 1).

8. Annual reports for Richwood were available only for the years ending June 30, 2006, and June 30, 2007. No plant additions were made during those years. Commission Staff recommended that Richwood make plant additions totaling $37,500, i.e., $2,500 for its treatment facility; $5,000 for office supplies and equipment; $5,000 for vehicles; $15,000 for line replacement; and $10,000 for manhole replacement. Staff recommended a $37,500 cash surplus, $9,528 of which is included in Richwood's renewal and replacement reserve. (See, Staff Post-Hearing Exhibit No. 1).

9. Richwood agrees with Staff's recommendation for final Phase I rates. (See, Tr., Vol. I, pp. 26-28).

10. The project consists of corrective work to the existing sewage collection system, so no alternatives were evaluated. The purpose of the project is to eliminate as much pollution as possible in Richwood's CSO system to bring Richwood's system into compliance with its NPDES permit. Most of Richwood's collection system is very old and needs to be replaced, having outlived its useful life. The project will replace broken lines and eliminate much of the existing inflow and infiltration. The two existing pump stations will be replaced and relocated to an area above the 100-year flood plain. The project will eliminate some of the lines and connections that permit storm water to enter the sanitary sewer system, which will prevent future sewage surcharges in the sanitary sewer system. The project is designed to minimize the adverse effect on the environment by Richwood's CSO system and to comply with Richwood's NPEDS permit. (See, Staff Exhibit No. 2).

11. The proposed new storm sewer along Oakford Avenue should allow Richwood to comply with its NPDES permit; pursuing legal action against a local lumber company to make the lumber company pay for all sewer work done on the lumber company's property would only delay Richwood's attempt to comply with its NPDES permit; one proposed new grinder pump has been eliminated after determining that sewage would flow by gravity in that area; the proposed line repairs and replacements were included to allow Richwood to comply with its NPDES permit; and the project will include building a new river crossing. (See, Staff Exhibit No. 2).

12. The OEHS has issued Permit No. 17,857 for this project. The project is not expected to result in increased O&M expenses and may actually reduce O&M expenses slightly due to elimination of much of the I&I. (See, Staff Exhibit No. 2).

13. Since Annual Reports for Richwood for the years 2003, 2004 and 2005 were unavailable and since Richwood's 2006 and 2007 Annual Reports show $0 spent on capital improvements, Commission Staff imputed average annual capital additions of $37,500, based on the condition and size of Richwood's system. In addition to the project-related repairs and replacements, Richwood still needs to make many repairs and replacements to its system, including its treatment facility, office supplies and equipment, vehicles and its collection system, that are not included in the project. (See, Staff Exhibit No. 2).

14. The project is estimated to cost approximately $3,000,000, to be financed with a $500,000 IJDC grant, a $1,500,000 SCB grant and a $1,000,000 IJDC loan with zero interest for a term of 40 years. Debt service will increase by $29,161, from $34,546 to $64,237, including a reserve of $4,907 and depreciation reserve of $10,270. The financing has been committed. The Staff recommended $26,798 cash flow surplus, after the project is completed, will result in a 185.56% debt service coverage ratio. (See, Staff Exhibit No. 2).

15. Commission Staff recommended that the Commission grant the certificate application; approve the financing; and approve the Phase II rates, which represent a 7.8% across-the-board increase over the Phase 1 (approved interim) rates. (See, Staff Exhibit No. 2).

16. The Intervenor, John Pettengill, accepted the Staff-recommended Phase I rates, except for Staff's reduction of an allowance for leaks and his belief that Richwood was concealing approximately $100,000 from Staff. (See, Tr., Vol. I, pp. 10-13; Intervenor Exhibit No. 1).

17. While Mr. Pettengill believes that Richwood should spend any existing amounts in savings accounts before it receives a rate increase, he produced no evidence that any such amounts exist that were not included in Staff's analysis. (See, Tr., Vol. II, pp. 8-15).

18. Richwood is not seeking a rate increase in a certificate case, i.e., it is seeking a rate increase in a separate proceeding. (See, Case No. 08-0944-S-MA).

19. Mr. Pettengill offered no convincing evidence that Richwood has tried to conceal the proposed rate increase from the public. (See, Tr., Vol. II, pp. 15-17).

20. Staff agreed with Mr. Pettengill's suggested correction of Staff Exhibit No. 2, i.e., the cost for 3,000 linear feet of sewer line should be $150,000, not $15,000. Mr. Marakovits made this correction to Staff Exhibit No. 2. However, this typographical error only occurred in the narrative of the exhibit and was not used in Staff's calculations. (See. Tr., Vol. II, pp. 35-38; Staff Exhibit No. 2).

21. The Commission does not specify the locations of sewer lines. Rather, in a certificate case, the Commission determines if a project is needed and determines whether the cost justifies the project in terms of rates. It is up to the utility, relying upon its own project engineer, to determine the specifics about the location of its system. (See, Tr., Vol. II, pp. 38-43).

22. While designing the rate structure for the approved interim rates, Staff utilized a customer class cost of service study to ensure that no customer class subsidized another customer class. The approved interim rates are based primarily on cost. The final rates recommended by Staff, to be used after the project is substantially complete, rely upon that same cost of service study and amount to an across-the-board increase over the interim rates to generate sufficient revenue to cover the added costs related to the project, such as increased debt service. The Staff-recommended rates do not follow exactly the cost of service study to avoid rate shock to certain customer classes. Staff has gradually increased the rates of some customer classes, with an intention of increasing those rates more in a subsequent rate proceeding. The Staff-recommended rate design is based primarily on the cost to serve each customer class. (Tr., Vol. II, pp. 43-45).

CONCLUSIONS OF LAW

1. The Staff-recommended Phase I rates are sufficient, but not more than sufficient, to cover Richwood's going-level O&M expenses and debt service requirements, while providing a reasonable amount for plant additions of approximately $36,326, consisting of approximately $9,528 in Richwood's renewal and replacement reserve and a cash flow surplus of approximately $26,798.

2. The objections and charges raised by Mr. Pettengill in both the municipal appeal and the certificate application were not substantiated.

3. It is reasonable to approve the Staff-recommended Phase I rates as the final rates to be charged by Richwood until the project is substantially complete.

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

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

6. The Staff-recommended Phase II rates for Richwood, to become effective upon substantial completion of the project, are sufficient, but not more than sufficient, to support the proposed project and should be approved.

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

ORDER

IT IS, THEREFORE, ORDERED that the application for a certificate of public convenience and necessity filed with the Commission on August 4, 2008, by the City of Richwood, pursuant to *Code* §24-2-11, to upgrade its existing sewer system, including replacing two major pump stations,

separating the storm sewers from the sanitary sewer system and removing several mains and manholes in Richwood, Nicholas County, be, and hereby is, granted.

IT IS FURTHER ORDERED that the proposed financing for the project, comprised of a $500,000 West Virginia Infrastructure and Jobs Development Council grant, a $1,500,000 Small Cities Block grant and a $1,000,000 West Virginia Infrastructure and Jobs Development Council loan with zero interest for a term of 40 years, be, and hereby is, approved.

IT IS FURTHER ORDERED that the Phase I rates approved by the October 23, 2008 Interim Recommended Decision, final on November 12, 2008, as set forth in Appendix A, attached hereto, be, and hereby are, approved as the final Phase I sewer rates for use by the City of Richwood until the project certificated herein is substantially complete.

IT IS FURTHER ORDERED that, within 30 days of this Recommended Decision becoming final, the City of Richwood file with the Commission an original and at least five copies of a proper tariff setting forth the final Phase I rates hereby approved.

IT IS FURTHER ORDERED that the Phase II rates and charges, attached hereto as Appendix B, be, and hereby are, approved for all service rendered by the City of Richwood on and after the date that the project is certified as substantially complete.

IT IS FURTHER ORDERED that, within thirty (30) days of the date of substantial completion of the project, the City of Richwood file an original and at least five (5) copies of a proper tariff setting forth the rates and charges hereby approved as Phase II rates.

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

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

IT IS FURTHER ORDERED that the City of Richwood notify the Commission when the project engineer has performed the substantial completion inspection.

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

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

IT IS FURTHER ORDERED that the Executive Secretary serve a copy of this Recommended Decision upon the Commission by hand delivery and upon all parties of record by United States Certified Mail, return receipt requested.

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

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

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

Ronnie Z. McCann
Deputy Chief Administrative Law Judge

RZM:s
080944ah.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 08-0944-S-MA

CITY OF RICHWOOD, a municipal
corporation, Nicholas County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

APPROVED PHASE I RATES

AVAILABILITY

Available within the entire territory served.

APPLICABILITY

Applicable to general domestic, commercial, industrial and sale for resale water service.

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	$9.50 per M gallon
Next	3,500 gallons used per month	$6.39 per M gallon
Next	5,000 gallons used per month	$6.01 per M gallon
Next	20,000 gallons used per month	$4.50 per M gallon
Next	50,000 gallons used per month	$4.00 per M gallon
All Over	80,500 gallons used per month	$2.00 per M gallon

MINIMUM CHARGE

No bill shall be rendered for less than $19.00 per month for 2,000 gallons.

FLOW MEASUREMENT

In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premise is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building, or premises uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and cannot enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water Board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

CONNECTION FEE

A connection fee of three hundred dollars ($300.00) shall be charged for all new connections onto the sewage system. No connection is to be made until this fee is paid per tariff rules.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

DELAYED PAYMENT PENALTY

The above schedule is net. On all amounts not paid in full when due, 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.

LEAK ADJUSTMENT

$0.81 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such unusual consumption above customer's historical average usage.

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

CASE NO. 08-0944-S-MA

CITY OF RICHWOOD, a municipal corporation, Nicholas County.

Investigation and suspension of increase in sewer rates and charges as a result of petitions filed in accordance with *West Virginia Code* §24-2-4b.

APPROVED PHASE II RATES

AVAILABILITY

Available within the entire territory served.

APPLICABILITY

Applicable to general domestic, commercial, industrial and sale for resale water service.

RATES (Customers with a metered water supply)

First	2,000 gallons used per month	$10.24 per M gallon
Next	3,500 gallons used per month	$ 6.89 per M gallon
Next	5,000 gallons used per month	$ 6.48 per M gallon
Next	20,000 gallons used per month	$ 4.85 per M gallon
Next	50,000 gallons used per month	$ 4.31 per M gallon
All Over	80,500 gallons used per month	$ 2.16 per M gallon

MINIMUM CHARGE

No bill shall be rendered for less than $20.48 per month for 2,000 gallons.

FLOW MEASUREMENT

In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premise is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building, or premises uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and cannot enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water Board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

CONNECTION FEE

A connection fee of three hundred dollars ($300.00) shall be charged for all new connections onto the sewage system. No connection is to be made until this fee is paid per tariff rules.

SECURITY DEPOSIT

A deposit of $50.00 or 2/12ths of the average annual usage of the applicant's specific customer class, whichever is greater.

DELAYED PAYMENT PENALTY

The above schedule is net. On all amounts not paid in full when due, 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.

LEAK ADJUSTMENT

$0.81 per 1,000 gallons is to be used when the bill reflects unusual consumption which can be attributed to eligible leakage on customer's side of the meter. This rate shall be applied to all such unusual consumption above customer's historical average usage.

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES AND CHARGES OF THE MUNICIPAL SEWER SYSTEM OF THE CITY OF RICHWOOD, WEST VIRGINIA

WHEREAS, the City of Richwood has filed with the Public Service Commission of West Virginia a notice of intent to file an application seeking a certificate of convenience and necessity to construct improvements and renovations to its existing sewer collection system and pump station; and,

WHEREAS, it is anticipated that of the $3,000,000.00 estimated project cost, $1,000,000.00 will be financed through a loan from the West Virginia Infrastructure and Development Council; and,

WHEREAS, in order to meet its current operational requirements and the debt service associated with the proposed sewer project, it is necessary to increase the City's current sewer rates which have been in effect since June 18, 2005; and,

WHEREAS, the increase in sewer rates will be implemented in two phases.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RICHWOOD HEREBY ORDAINS: that the following increase in rates, fees and charges for sewer service provided by the City of Richwood to its customers throughout its territory served, are hereby fixed and determined as rates, fees and charges to be charged in lieu of those rates, fees and charges contained in its sewer tariff, P.S.C. W.Va. No. 6, currently on file with the Public Service Commission of West Virginia:

SECTION 1. SCHEDULE OF RATES

PHASE I

THE FOLLOWING PHASE I RATES ARE TO BECOME EFFECTIVE FORTY-FIVE (45) DAYS AFTER THE ENACTMENT OF THIS ORDINANCE

APPLICABILITY
Applicable within the entire area served.

AVAILABILITY OF SERVICE
Available for domestic and commercial sewer service

RATE (Monthly: Based on Water Usage)

First	2,500 gallons used per month	$ 9.75 per 1,000 gallons
Next	3,000 gallons used per month	5.06 per 1,000 gallons
Next	5,000 gallons used per month	3.88 per 1,000 gallons
Next	20,000 gallons used per month	2.64 per 1,000 gallons
Next	50,000 gallons used per month	2.24 per 1,000 gallons
All Over	80,500 gallons used per month	0.81 per 1,000 gallons

MINIMUM CHARGE (Customers with a metered water supply)
No bill will be rendered for less than $24.38 per month, which is the equivalent of 2,500 gallons.

MULTIPLE OCCUPANCY
In apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge per unit. Hotels and motels shall pay according to actual usage.

FLOW MEASUREMENT
In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premise is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building, or premise uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and can not enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

PHASE II

THE FOLLOWING PHASE II RATES ARE TO BECOME EFFECTIVE UPON COMMENCEMENT OF DEBT SERVICE ASSOCIATED WITH THE CITY'S UPCOMING SEWER COLLECTION SYSTEM AND PUMP STATION IMPROVEMENTS AND RENOVATIONS PROJECT OR UPON COMPLETION OF THE PROJECT, WHICHEVER FIRST OCCURS

APPLICABILITY
Applicable within the entire area served.

AVAILABILITY OF SERVICE
Available for domestic and commercial sewer service

RATE (Monthly: Based on Water Usage)

First	2,500 gallons used per month	$10.55 per 1,000 gallons
Next	3,000 gallons used per month	5.48 per 1,000 gallons
Next	5,000 gallons used per month	4.19 per 1,000 gallons
Next	20,000 gallons used per month	2.86 per 1,000 gallons
Next	50,000 gallons used per month	2.42 per 1,000 gallons
All Over	80,500 gallons used per month	0.88 per 1,000 gallons

MINIMUM CHARGE (Customers with a metered water supply)
No bill will be rendered for less than $26.38 per month, which is the equivalent of 2,500 gallons.

MULTIPLE OCCUPANCY

In apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge per unit. Hotels and motels shall pay according to actual usage.

FLOW MEASUREMENT
In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premise is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building, or premise uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and can not enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

SECTION 2. EFFECTIVE DATE

The Rates and Charges provided herein for Phase I shall be effective 45 days after the enactment hereof.

The Rates and Charges provided herein for Phase II shall become effective upon commencement of debt service associated with the City's upcoming sewer collection system and pump station improvements and renovations project or upon completion of the project, whichever first occurs.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the fees, rates and charges as herein set forth, all ordinance, resolutions, orders or part thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of this Ordinance do not touch upon the provisions of prior ordinances, resolutions, order or parts thereof, the same shall remain in full force and effect.

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING

Upon second reading hereof, the Town Clerk shall, pursuant to the provisions of *West Virginia Code* §§8-11-4, 8-13-13 and 16-13-16, publish Notice of this Ordinance in *The Nicholas Chronicle*, being a newspaper published and of general circulation in Nicholas County, West Virginia. Said Notice shall be published as a Class II publication with the first publication occurring at least ten (10) days prior to the date set before the meeting of the City Council at which a public hearing, a final reading and a vote on the ordinance will be held. Said notice shall state that this Ordinance has been introduced, and that any person interested may appear before Council on the 1st day of May, 2008 at 7:00 p.m., and present protests, if any. At such hearing all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper on the premises.

Further, said Notice shall advise the public that a copy of this ordinance is available for public inspection.

First Reading: March 20, 2008

Second Reading: April 3, 2008

Third Reading: May 1, 2008

Effective Date:

PHASE I: 45 days following adoption - June 15, 2008

PHASE II: Upon completion of the sewer upgrade project or upon commencement of debt service, whichever first occurs.

JAMES MYLES CALDWELL, MAYOR

ALICIA WEBB, RECORDER

City of Richwood
Common Council

October 18, 2007

7:00 pm
J. H. Meadows Municipal Center
(Richwood City Hall)
Council Chambers

Myles Caldwell, Mayor
John Shuttlesworth, Recorder

Council, Ward I: Rose–Beckett
Council, Ward II: Perez–Dearfield
Council, Ward III: Fitzpatrick–Heitzel–absent
Council, Ward IV: White–Webb–absent

Visitors: Maxine Corbitt

7:00 pm

1. **Welcome & Call to Order:** Mayor Caldwell.

2. **Adoption of Agenda & Acceptance of Prior Minutes:**
   Motion: Perez. **2nd:** White. **6-0.**

3. **Statements of Financial Condition & Requests to Encumber:** White.

   $ 62,993.10 General Fund Balance
   26,246.17 Payables Due
   36,746.93 Remaining Balance

   $113,057.38 Hazard Mitigation Grant Balance
   33,028.63 Governor's Partnership Grant Balance (Kinetix)
   27,377.46 Depot Balance Owed to the City (Magistrate Office)

   Motion to pay all the bills: Rose. **2nd:** Fitzpatrick. **6-0.**

   Discussion: Park Board Electric bill given to Park member. Police invoice. Spending limit for Police before coming to council? Filing cabinets.

4. **New Business:**

   a) **Walnut St handicap parking:** Haynes, 16 E Walnut St.
      Motion to approve: Rose. **2nd:** White. **6-0.**
   b) **Trick or Treat:** Clarification: Tuesday 30th, 6:30-8pm.
   c) **Mountain Champion Community Board of Directors Appointments.**
      Motion to approve Jim Fitzpatrick: White. **2nd:** Beckett. **5-0.**
      Motion to approve Beverly Rose: White. **2nd:** Fitzpatrick. **6-0.**
   d) **Airport Authority Appointment:**
      Motion to appoint Shuttlesworth: Fitzpatrick. **2nd:** White. **6-0.**
   e) **FEMA:** Mr. Hines meeting 10/25 @ 10 am. 10% settlement for 2003 flood. $32,400.
   f) **New Garage Doors:** 2 doors needed, bids. Roof also needs repaired.
      Motion: White. **2nd:** Fitzpatrick. **6-0.**
   g) **Hotel/Motel Tax Ordinance: 3rd Reading:** Resolution to amend tax from 3% to 6% effective November 1, 2007.

Motion to Adopt: Fitzpatrick. **2nd:** Beckett. **6-0.**

h) **Water Rate Increase: 2nd Reading.** 3rd Reading & Public Meeting will be held on November 1st at 6:30pm. Title Only.
Motion to approve increase on 2nd Reading: Fitzpatrick. **2nd:** Rose. **6-0.**

6. **Old Business:** None.

7. **Permits, Licenses & Related:**

Demolition Permit: Richwood High School, school sign.
Motion to approve: Fitzpatrick. **2nd:** Dearfield. **6-0.**

Business License: Richwood Inn LLC. 36 Oakford Ave. Hotel/Restaurant.
Motion to Approve: Rose. **2nd:** Fitzpatrick. **6-0.**

8. **Council Concerns:**

Sanitation: excessive garbage bag pick ups not being charged for.
Rose: Mirror at Walnut & Oakford. Perez Birthday. Send Bob Baber his paycheck.
Motion to send paycheck: Rose. **2nd:** Perez. **5-1. NO-Beckett.**
Heltzel: absent.
Beckett: Walnut St cats. Walnut alley trash. clean ditches in town. Sculpture Garden gate. Steps from Walnut St to Main St needs a handrail. Oakford drain.
Fitzpatrick: None.
White: Police to monitor lights in town.
Dearfield: Steps on W Main need repaired.
Perez: User fee. Non employees loitering in Water office/privacy issues.
Webb: absent.

9. **Mayoral Reporting:** none.

10. **Public Comments:**

Bobby Markum: wants a 25 cent/hour raise. Give everyone a raise or take the employee raise back. Insurance discussion, employee reviews. Merit system.
Keith Shaver: wants a raise.
Ginny Robinson: Cats on Walnut St. 44 E Walnut St., house needs cleaned up.

11. **Adjournment: Motion:** Rose. **2nd:** Fitzpatrick. **6-0.**

Mayor_____

Recorder John W. Shuttleworth Jr.

Date 11-1-07

_____

City of Richwood
Common Council

October 4, 2007

7:00 pm
J. H. Meadows Municipal Center
(Richwood City Hall)
Council Chambers

Myles Caldwell, Mayor
John Shuttlesworth, Recorder

Council, Ward I: Rose–Beckett
Council, Ward II: Perez–Dearfield
Council, Ward III: Fitzpatrick–Heltzel
Council, Ward IV: White–~~Webb–absent~~

Visitors: Maxine Corbitt

7:00 pm

1. Welcome & Call to Order: Mayor Caldwell.

2. Adoption of Agenda & Acceptance of Prior Minutes:
   Motion: Fitzpatrick. 2nd: White. 6-0.

3. Statements of Financial Condition & Requests to Encumber: White.

$ 29,807.08	General Fund Balance
6,636.47	Payables Due
23,170.61	Remaining Balance

$113,057.38	Hazard Mitigation Grant Balance
33,028.63	Governor's Partnership Grant Balance (Kinetix)
27,377.46	Depot Balance Owed to the City (Magistrate Office)

Motion to pay all the bills: Rose. 2nd: Fitzpatrick. 7-0.

Discussion: check on cell phone amount $205.00 past due amount. $381.00.

4. New Business:

   a) Walnut St handicap parking:
      Motion to approve: Fitzpatrick. 2nd: Heltzel. 6-0.
   b) Trick or Treat: Clarification: Tuesday 30th, 6:30-8pm.
   c) City Attorney Resume: Jonathan Sweeney.
      Motion to approve: Rose. 2nd: Fitzpatrick. 6-1. Perez-No.
   d) Conservation Office: sediment removal from the rivers, North & Southfork past Green Street. Thanks to Mr. John Cutright.
   e) Verizon DSL: service for City Hall, $39.99/month.
      Motion to approve: Fitzpatrick. 2nd: Beckett. 7-0.
   f) Hotel/Motel Tax Ordinance: 2nd Reading: Resolution to amend tax from 3% to 6% effective November 1, 2007. 3rd Reading & Public Meeting: Oct 18th, 6pm.
      Motion to Adopt: Fitzpatrick. 2nd: Beckett. 7-0.
   g) Water Rate Increase: 1st Reading, Title Only. 2nd Reading on Oct 18th, 3rd Reading & Public Meeting on November 1st at 6pm.

Motion to approve: Rose. **2nd:** Fitzpatrick. 7-0.

6. **Old Business:**

a) **USDA Letter:** pending.
b) **Paving:** continues.
c) **Custard Stand Lease:** to be reviewed by City Attorney Sweeney.

7. **Permits, Licenses & Related:**

Demolition Permit: Kevin's Auto Sales, 60 Coe St. wooden frame.
Motion to approve: Rose. **2nd:** Fitzpatrick. 7-0.

Business License: Cira & Associates: approved by Mayor, asbestos remover.

8. **Council Concerns:**

Rose: Main St memorial trees.
Heltzel: None.
Beckett: Cell One bill, Sculpture Garden lights, paint, Rudolph Falls access Rd, Bob Smith's roof, resigned from Park Board. **Motion** to place Frank White on Park Board: Beckett. **2nd:** Fitzpatrick. 6-0. White abstained.
Fitzpatrick: Magistrate fire, Commercial Insurance updated, Baber lowered amount, Complimented all City Employees, Sculpture at CVB,
Motion to keep statue at the CVB: Fitzpatrick. **2nd:** Beckett. 7-0.
White: Fill dirt at 121 Maple St, cement step to divert water from her house.
Dearfield: None.
Perez: citizen complaints of sculpture moving.

9. **Mayoral Reporting:** none.

10. **Public Comments:**

Stalnaker: Williams Ave & Hill St parking issues.

11. **Adjournment: Motion:** Rose. **2nd:** Fitzpatrick. 7-0.

Mayor _____

Recorder John W. Shuttleworth Jr.

Date 10-18-07

_____

City of Richwood
Common Council

November 1, 2007

7:00 pm
J. H. Meadows Municipal Center
(Richwood City Hall)
Council Chambers

Myles Caldwell, Mayor
John Shuttlesworth, Recorder

Council, Ward I: Beckett–Rose–absent
Council, Ward II: Perez–Dearfield
Council, Ward III: Fitzpatrick–Heltzel
Council, Ward IV: White–Webb–absent

Visitors: Maxine Corbitt

7:00 pm

1. **Welcome & Call to Order:** Mayor Caldwell.

2. **Adoption of Agenda & Acceptance of Prior Minutes:**
   Motion: Fitzpatrick. **2nd:** Heltzel. **6-0.**

3. **New Business:**

   a) **Alice King:** Sewer project draw down, $1,898.48, Harley Stollings.
      Motion to approve: White. **2nd:** Fitzpatrick. **6-0.**
   b) **Custard Stand:** City attorney Sweeney recommends building be moved.
   c) **Municipal Fee Ordinance Amendment:** First **Full** Reading, delinquent account penalty, 50 cents the 1st month, $1 for businesses & 2% thereafter.
      Motion to approve: White. **2nd:** Fitzpatrick. **6-0.**
   d) **Dorland Building:** Non compliant w/Historic District Ordinance, No building permit. Does she have a City Business License? State License?
      Motion to send to City Attorney: White. **2nd:** Fitzpatrick. **6-0.**
   e) **FEMA:** Ghosh & State meeting, 10% pay discussed. Sewer only.
   f) **New Garage Doors:** 2 doors needed, bids. Roof also needs repaired.
      Motion: White. **2nd:** Fitzpatrick. **6-0.**
   g) **Water Rate Increase: 3rd & Final Reading:** Public meeting previously. ✓
      Motion to Adopt: Fitzpatrick. **2nd:** Heltzel. **6-0.**
   h) **City Projects Update/Fitzpatrick:** City Dump approved for City demolition ONLY. Furniture Bldg contaminents all removed, the outside is up to Vic DeGregory, USDA to auction equipment. Depot light funding needs $2,500. Bldg insured for $400,000 presently. CVB contents insured by the CVB not the City.
   i) **Police Car:** Donation to Richwood Fire Dept, too costly to repair.
      Motion to donate: Fitzpatrick. **2nd:** Dearfield. **6-0.**
   j) **Landrum Property:** City will inspect for removal. Phillips bonding issue.
      Motion to contact Phillips: Dearfield. **2nd:** Fitzpatrick. **6-0.**
   k) **Sewer Survey Cost:** $500, pay direct for 10% off.
      Motion to pay from Sewer Project: Fitzpatrick. **2nd:** Heltzel. **6-0.**
   l) **Eagle Refrigeration Contract:** $100/month retainer. Service all City units.
      Motion to hire: White. **2nd:** Fitzpatrick. **5-1. No-Perez.**
   m) **Grader replacement:** too old to repair, check for a replacement.

4. **Statements of Financial Condition & Requests to Encumber:** Shuttlesworth.

$ 82,974.01	General Fund Balance
22,414.62	Payables Due
60,559.39	Remaining Balance
$113,057.38	Hazard Mitigation Grant Balance
33,028.63	Governor's Partnership Grant Balance (Kinetix)
27,377.46	Depot Balance Owed to the City (Magistrate Office)

Motion to pay all the bills EXCEPT Country Lane Florist: Perez. **2nd:** Beckett. **6-0.** $79.50. Private donations collected after meeting for Roy Martin flowers.

5. **Old Business:** None.

6. **Permits, Licenses & Related:**

Building Permit: Robinson Sales & Service, RHS Auditorium re-roof.
Motion to Approve: Fitzpatrick. **2nd:** Heitzel. **6-0.**

7. **Council Concerns:**

Beckett: invocation, cats, Walnut St couch, 44 E Walnut trash, Main St benches.
White: commend RMS Football team on win.

8. **Mayoral Reporting:** none.

9. **Public Comments:**

Bobby Markum: water tank crosses, trees need cut.

10. **Adjournment: Motion:** Fitzpatrick. **2nd:** White. **6-0.**

Mayor_____

Recorder John W Shuttlesworth Jr

Date 11-15-07

City of Richwood City Hall
Common Council

March 20, 2008
7:00 p.m.
J.H. Meadows Center
Richwood City Hall
Council Chambers

Mayor: Myles Caldwell
Recorder: Alicia Webb
Council Ward I: J. Rose – C. Beckett
Council Ward II: R. Perez – E. Dearfield
Council Ward III: J. Fitzpatrick – W. Heltzel
Council Ward IV: F. White – G. King

7:00 p.m. Common Council Meeting of March 20, 2008 Called to Order by Mayor Caldwell

Invocation: James Thompson

Agenda Adoption/No previous minutes, Alicia Webb, Recorder
Mr. White asked to add roof to agenda as an emergency item – City Garage. Mayor Caldwell said he would bring up on Mayoral Report.

Mr. Fitzpatrick: May I ask to take a minute and remember all the good people that have passed away this year. They were all good people. (Silence)

Mayor Caldwell: Make a motion to adopt the agenda.
Motion to Adopt Agenda Only: J. Fitzpatrick. 2nd. G. King Mayor Caldwell: Any Discussion? All in favor? Aye. Opposed? 0 Motion Carries.

Public Comments:
Ms. Scarber would like to thank the Police Department. They are doing a great job.

New Business:

1. Approve Purchase of Wallet Badges for Police Department
   Explained these were badges to use to get evidence out of labs in Charleston.
   Motion: R. Perez 2ND: J. Fitzpatrick Any Discussion? All in favor. Aye.
   Opposed? 0. Motion carries.
2. Reimburse Police Chief David Morris for the Badge he purchased.
   Motion: R. Perez 2nd: J. Fitzpatrick. Any Discussion? F. White: When we talked about that earlier we were under the impression that those were to have his name on it and it does not and since it does not the City could pay for them. I agree it's something that would remain here for future use. Mayor: Any other discussion? All in favor? Aye. Opposed: 0. Motion carries.
3. Levy Budget
   Recorder Webb: Tressi Gray and I worked on it yesterday and then she and Myles (Mayor) tweaked it a little bit today so Myles (Mayor) and Tressi you want to… do

you have anything to say about it. Tressi Gray: I would just like to let you know how I basically came to the numbers. The revenues, we are pretty much at the end of the 3rd quarter, so I took my grand totals for the revenue that we have collected so far this year and divided it by three (3) to get an average monthly and I added that to the grand total to get a projected revenue for the year. We actually have more money showing on there then we did for the previous budget and I think that does accommodate the overspending that we've had for this year. I want to clarify that this budget doesn't leave much room for error. It's gonna have to be closely monitored throughout the year and if you see that department is gonna overspend or ahead of we they should be throughout the year revisions need to be made and money brought from other departments. Because there's not going to be any upset at the end of the year, I mean, this is what it is. These numbers are right on. The departments do have more money budgeted to them this year and I hope that we will remain within budget constraints because there is more money to work with this time. I did the same thing with the expenditures, for the money I had work with. I took per/dept. what they had spent to date divided by three (3), the average quarterly expenditures I added what we've got right now and I did the best I could with the money I had to work with. Feel free to comb through it and if you've got any questions I'll do my very best to answer them. If you've got any suggestions or changes you've got every opportunity to do that and I'm going retype it tomorrow and so they'll be ready for submission. Mr. Fitzpatrick: I checked with the State and also the County Commission on Severance Tax. Mayor Caldwell: Wanda told me that too. It's not going to hit us as bad as the county. Tressi Gray: Severance? Mayor Caldwell: What we've got in that seam in under there is still ours. Tressi Gray: I've got $6,000.00 dollars budgeted for Coal Severance, which is typically what we get. Mayor Caldwell: Sometimes the check is $2300.00, sometimes it's $2800 a half. Tresi Gray: We receive that quarterly and it's electronically deposited into the general fund. Recorder Webb: Can we get the total revenue and expenditures figured for the whole year? Tressi Gray: Okay, the total money that we have to work with for the next year is $939, 405.00 dollars. Mr. Rose: That number seems high. Mr. White: That's higher than last time. Tressi Gray: Yeah, about $50,000.00 dollars. Mr. Rose: Yeah, that's what I was thinking. The only problem I see with that is if you get this number right, it's hard to predict a budget off 3 quarters, because all 3 quarters are different especially this last quarter. (Tressi Gray: Weather and things.) Yeah, so you might want to go back and the bad thing is this thing is due ... Recorder Webb: This must be postmarked midnight the 28th. Mr. Rose: This is the last council meeting for March. Recorder Webb: Right, for approval. Mr. Rose: So for us to get this and review it and vote on it, I don't know how we're going to pull that off. Mayor Caldwell: Well, we only need a vote tonight to send it to Charleston to see if they approve it or not. That's what we need. Mr. Rose: Well what if we don't approve? What if we have problems with it? And I do have a problem with $939,000.00 dollars and only because I think it's gonna cause the next administration and next year and all the departments a lot of trouble. Because they're gonna get to about this point in the year and their budget is not gonna be fine and then the revenues not gonna show up. Tressi Gray: I see what you're saying. One of the reasons that I was real comfortable with that number is because that the three years that I've been here

we've spent the money throughout the year, so I just thought that since we spent the money in the past we'd just keep that money in the budget so we wouldn't be so far over it per department. You know what I'm saying? Mayor Caldwell: In our rvevnue every year we would try and keep that revenue down about 5% from what we projected. When we figured everything up we tried to cut 5% off it. This year they figured and exact figure, they didn't allow us that 5% off. With that 5% off this budget would actually run about $875 to $880 thousand. It would be almost identical to our last one. Recorder Webb: There were some other things we took into consideration as well: The first couple of numbers that you will see on your revenue is your property taxes and the levy estimates 301 or 304 account numbers, something like that, those numbers were provided to us by the county and state both. Mayor Caldwell: That's our property tax and our levy tax. Recorder Webb: The other item that we took into consideration was that we are collecting more often on our B&O's, in the past those have just kind of slipped by and this past administration has kept a better eye on those and collecting those amounts that are due. Mayor Caldwell: Tressi, we've got what? Two people that we are having a problem collecting. It's pretty well done to two places in Richwood not paying. That's something we wanted to bring up to council. I don't know exactly what to do because we made contact, phone calls, we even set up a system to pay and they'll send us one check and then not send up anything else and ... what do we do? Put a lock on the door, not give them their license, the thing is where are people going to buy their food at if we do it. Mr. Fitzpatrick: Well, it's not fair for everybody else to pay their B&O, and then a few don't. It's not fair to all the rest of them. Mayor Caldwell; I'll tell you my big grip is every time that cash register rings and they put a dollar in that cash register that tax is going in there. It's just their not sending it to us. That's what's bad. Ms.Beckett: Can we not contact their home office? Mayor Caldwell: I've tried, we've contacted them every week. They sent a check over here one week and then sent a bunch of damn bologna sandwiches over for the employees the next. It's getting to be like a joke and every time we set up a meeting and set up a pay, they might make one payment and then they fall behind two. I think they owe us about $8 or $9,000.00 bucks one business. Recorder Webb: I say serve 'em. Mayor Caldwell: We need to make a decision what we want to do with it. But we've only got two business' not paying, everbody else is good. Recorder Webb: It sounds like you've certainly tried. Mayor Caldwell: That's why our B&O has come up. Here a few years ago we collected $200,000.00, now we're what is it? $275,000 or something? Recorder Webb: I gave mine to Tressi, she's got it. What is B&O? Tressi Gray: I've got $305,000.00. Mayor Caldwell: $305,000.00. We was averaging $200,000.00 before. Recorder Webb: What else were we considering? B&O taxes. Tressi Gray: The Street Fee, we got $10,000.00 that we had budgeted from last year for the street fee. Mayor Caldwell: And our garbage, I'll explain that. We picked up several new customers when we agreed to go up on the mountain. We picked up several new customers plus the ones that were paying, so we're seeing an increase. I'm hoping that increase will be enough to really make a truck payment to tell you the truth about it. Mr. Fitzpatrick: Are these able to budget on the line items as far as expenses that you expect to have next budget year versus this year? Recorder Webb: We need a dump truck for the street and we also discussed a ... (Mr. White: We

need a garbage truck) ... % for pay raises. Mayor Caldwell: We had figured in that 5% for what I had figured for this year. And that's what I had figured for next year. Mr. Rose: Well, there's no line item for pay raises. Mayor Caldwell: Right. No, that's where we never do the full revenue we always try to save that back so when it come April, we knew where we were standing and we knew exactly how much we had left to come. Tressi Gray: As far as the new dump truck, if you would see the kind of money we have to put out and equipment maintenance that right there is nickel and dime us to death and it's not reliable and for what it's worth, coming from me, it would be so much more beneficial to have a quality vehicle that we can count on and make a monthly payment on rather than sinking all your money into junk and continue to put more money into it. Mr. Fitzpatrick: Well it would be a lot more junk if you didn't have a fellow like Charlie Madden. Mayor Caldwell: You're not only sitting there working on it putting in parts, you're not getting no work done in the City because you're constantly in the garage working on it. Tressi Gray: We have all our snow plows down but one and maybe none at some point and that keeps us from providing the services that we really should for the City. Mayor Caldwell: On average a $300.00 dollar truck payment is still cheaper than $5 or 600.00 dollars in parts a month, plus like you say the employees wages we pay them while they're in the garage when they could be out here black topping or ditching and doing other stuff. I mean in the long run you'll save money. Recorder Webb: So in that instance basically what we did was go back and take repair amounts. Tressi Gray: Yeah, I looked at expenses and equipment maintenance to figure that kind of real number and it seemed to me we could make a monthly payment on a nice vehicle. Mr. Rose: What I would recommend on that and this is just a philosophy I fully believe in buying a brand new dump truck is not a good thing. But buying a one or two year old dump truck is a very good financial decision. Tressi Gray: Charlie (Madden) pulled some stuff off the internet, I'll get it for you. Recorder Webb: We asked him for a "wish list". Mr. Fitzpatrick: I humbly I disagree with you. New is a lot better. Mr. Rose: Well here is what I feel very strongly about this. Well they're different vehicle. Ah, say you buy a brand new vehicle and in a year you don't have a brand new vehicle and it's worth less than what we owe on it. Mr. Fitzpatrick: So does everything else. Everything depreciates Jeromy. Mr. Rose: Not at the rate a brand new vehicle does. You buy a one year vehicle someone's already taken a hit on a two year vehicle you still have a near new vehicle and we get five years out of it anyway. Mr. Fitzpatrick: You buy one two years old you going to have a warranty? Mr. Rose: Depends on how many miles it has on it. Mr. Fitzpatrick: Miles and years, and condition. Mayor Caldwell: What we need in a type of a dump truck or a vehicle, while someone takes in something good that's a year old we could get a good warranty, get a good motor, transmission, like that large garbage truck. We own a warranty like that garbage truck, we've had no trouble with it. That new gargabe truck's been on the road not what 5 or 6 years now? We haven't had a lot of trouble. And the other truck we had nothing but trouble it'd been wrecked. Now what if we'd bought that other truck not knowing it was wrecked thinking it was good. Mr. Rose: Well if we wreck it. You say we get five or six years out of it. Ultimately, I'm not going to be here, Jim you may or may not be here so....I'm going to quit talking about it. I'm sorry I even brought it up. But I do have a concern about the revenue

being so high. Myles (Mayor) you made a statement about that each department has a 5% raise. Recorder Webb: Total. Mayor Caldwell: Overall, we leave it. We usually leave revenue about 5% to work with. Mr. Rose: You leave revenue for the total salary, is that what you were saying? Mayor Caldwell: Yeah. In April, it come in April we just find out where our revenue was and how much more we're expecting in and do what we had to work with. Mr. Rose: So July 1st, the first council meeting in July, you are going to have all the City employees wanting a raise. Mayor Caldwell: No I expect it this April because it's been two years since they've had anything. Mr. Rose: But you put it in 2008/2009 budget. Mayor Caldwell: Put it every budget. Every year allow 5% when it comes into April then we try to look and see what's in there, see how much is left, and see what's left coming in. Mr. Rose: Myles (Mayor) you're the one that's always against the raises saying it's not in the budget. It's not in the budget, where we gonna find the money? Mayor Caldwell: That's the reason she goes over her projections on what we took in and we know at the end of March, we'll be 75% of the year's up and we'll know how much we've got coming in the next three months. Mr. Rose: No we won't. The City income is not like a paycheck you get from your employer. We don't get our money in the same amount every month. Mayor Caldwell: It's pretty regular we know it's, we know what our B&O is, we know what our property tax is; it's pretty regular with our funds coming in. Mr. Rose: We've talked of spending based on using your recommendation in the winter time because we running into the lean time and we don't ... Mayor Caldwell: Every year during December. ... What? Mayor Caldwell: We hit 'em every year during December. Mr. Rose: So which is it? Do we get the same amount every month or do we not. Mayor Caldwell: No, we don't get the exact same amount but we know what we got coming, the bulk of it. We get our biggest amount of property tax in September, we get out next when do we get our next ... (Tressi: It will be April) ... property tax it'll be March or April when we get the 2nd half. When our property taxes come in, if they come in low in September, it'll be high come March or April. It depends on how people pay. If everybody goes over to Summersville and they pay by the year, you'll have a good September. If they pay six months, then they'll pay their own six months come March or April, but you do get a trickle every month. But your B&O comes in every quarter, that's regular. We got the main 4 or 5 that are the big payers that's like clockwork every three months. Then you got your little businesses. But our main 4 or 5 businesses is what's paying most of this B&O. Recorder Webb: And then the gaming income we've got coming in now from the video/lottery machines that's coming in every month now. Mayor Caldwell: That's a pretty large check. Mr. Rose: We've got to remember we have one more B&O cycle, because the next B&O cycle's the next fiscal year June 30th is the end of the next quarter and we shouldn't be bloated as in July. Recorder Webb: So we just took a mean average. Mr. Rose: And we only have one more B&O thing. We don't have two more. Mayor Caldwell: We only have four. Mr. Rose: So you can't average in another B&O cycle. Mayor Caldwell: No, we've received three, so we know what our fourth one should average. We've received three already. It don't matter how you figure it a year, you get four every year. Recorder Webb: You have to remember that budgets are not set in stone. Mr. Fitzpatrick: You can budget every month, every three months, whatever you want to do. Recorder Webb: And this is

just an estimation of what we hope to receive for the next fiscal year. Mr. Rose: I know. But we don't and Alicia, you've been the hardest one on this is that we do not change them every month. We do not look at them and get hard data from the computers and where our spending is … Recorder Webb: But we will have. Tressi has really set down and gone back and made a spreadsheet because we found a utility glitch in the software she has gone back and made her own spreadsheets and it matches the bank reconciliations, all the line items have been pulled and put in the right … Mr. Rose: So you're saying it's accountable, it's cool to work with. My concern is that we potentially started them off in the hole because we spent this whole year not knowing where we're at and thinking that we're running out of money and thought all our departments are overspent. And we've set a budget that we're going to hand to a new council that's $50,000.00 dollars more in revenue, which makes all the departments have that much heftier budget to work with. (?) Exactly. Mr. Rose: And that's my problem with that. I'm inclined with being more conservative than optimistic so that at the end of the year there's more revenue left maybe for the next council to work with and not get to the third quarter and they've blown every single part of their budget because the revenue off. That would be my only concern. Recorder Webb: We (Tressi and I) discussed what 15% and a 5% with what we totales up with, because we were concerned that we were coming up with high numbers. And what did we decide? 5% that we wanted to cut. Mayor Caldwell: ? could tell you what it was last year. Recorder Webb: Ooh, did we? Tressi Gray: We left those totals where they were. Recorder Webb: Okay. Tressi Gray: I did a high number projection and I did the three quarters projection and the three quarter was more conservative on the spending and the revenue so that's what I went with. Whatever you guys decide I can make changes to the budget. Mr. Fitzpatrick: When we send it to Charleston it doesn't have to be in gold does it? Recorder Webb: No. They'll approve it or disapprove it and send it back and say this isn't going to work and … Mayor Caldwell: Well they'll approve it anyway in order 'cause like Jeromy said they don't know what our financials are so they're just approving a booklet. Now the girls didn't know I always cut my budget 5% when I figured it up and if you take this 900 and some thousand and cut it back 5% you'll be back exactly to almost what I had it last year. Mr. White: You cut this budget by 5% you'll be back to $893,485.00 dollars. Mayor Caldwell: What was it last year? $800 and 80 some? Recoreder Webb: I think is was $889,000.00 Mr. Fitzpatrick: Yeah, something like that. What's on the table here to decide here? Recorder Webb: Whether to approve this and send it to … Mr. Fitzpatrick: Charleston. And another thing this 5% we're talking about, Mayor did you say April 1st? Mayor Caldwell: Well, I always did it 5%, my recommendation if you all want is have them put on every line item on here 5% and send it in. Mr. Fitzpatrick: No I mean Jeromy mentioned raises. Mayor Caldwell: But I don't believe that … (Recorder Webb: Every line item or every…?) (Mr. White: Right here.) Mayor Caldwell: You'll have to cut everything 5%, you'll cut your revenue 5% and your expenditures will have to match your revenue. If they feel better … I know we're not gonna run out of … I've never had a budget that was off more than $1500.00 bucks before. Tressi Gray: Last year's budget was $885,428.00 dollars. Mr. Fitzpatrick: That's correct. Mr. Rose: Well, I think that's a good recommendation Myles (Mayor). I think that might be the thing to do. Mr.

White: She said she'd have to retype it anyhow. Tressi Gray: I do have to retype it. Mr. White: Cause if you take 5% off each one of these that would bring it to this total. Tressi Gray: Okay. Mayor Caldwell: That way you cut 5% off revenue then you go right off the bat and cut each department will get 5% off, Sanitation 5% off, Street 5% off, Police 5% off, got all the way down When you cut off 5% off all the expenditures then you'll know how much to cut off revenue. Mr. Rose: This will put you in a lot better position, now that you'll have a whole year of actual real records, you guys are going to have what, the year, and year after and you're going to keep an eye on that. We still don't have a true year record. Tressi Gray: I would never want to put the next Administration in a bind. Like you said we are way overspent according to our budget, but there is some money left. I mean, there's money left. (Tressi, Mayor and Jeromy all speaking at same time couldn't sort out). … high revenue projections. It would be nice to keep true with the budget throughout the year and do regular monitoring, and make revisions and tailor it more for what you want and more businesslike. I thought maybe if though the year that there's no …. (cell phone ringing covering up what Tressi is saying.) … But I've seen the danger in that to and I thnk it would be right to be more conservative and not put the new administration in a bad way. I can make these adjustments. Do we need to have another meeting? Mr. Rose: I make the motion we approve the levy estimate with the adjustments we've gone over here. Mr. Fitzpatrick: 2nd. Mayor Caldwell: Wehave a motion by Rose, 2nd by Fitzpatrick: Any other discussion? All in favor? Aye. Opposed -0-. Motion carries. We need to get that in by what Monday. Tressi Gray: The 28th. I can get it out by tomorrow.

4. Approve Scheduling of Annual Elevator Inspection and Safety Test for April 3, 2008. Cost $260.00

Motion: F. White 2nd: J. Fitzpatrick Any discussion? All in favor – Aye. Opposed -0-. Motions carried on that.

4. Approve Purchase of Injector Pump for Street Sweeper Cost – Approximately $900.00

Motion: J. Fitzpatrick 2nd: E. Dearfield Any Discussion? All in favor – Aye. Opposed -0-. Motion carries on that.

5. Thank You for Police Dept. from Joey DeRito OES Director. Recorder Webb: Read of letter aloud. Letter of Thank You for help and support for high water on March 4th. *See letter. (Applause from all assembled).
6. FYI: Copies of Work Orders Submitted to Allegheny Power for Light Pole Repair Since Last Council Meeting. Discussion ensued. Tressie Gray spoke to the power company and they told her there could be multiple reasons for these problems even the cold could affect them. The power company is to come up check that whole grid for Main St. They did some temporary work on a break of live wires on Johnstown Road and they were going to bring back a crew to take care of that.

Mayor Caldwell: While we're on lights, I think, Tammy went ahead and sent a letter requesting our money back on those other lights up there. Mr. Fitzpatrick: Have we heard anything back? Tressi Gray: The antique light poles? Frank (White) and I did that letter and I thought we mailed it to an Allegheny representative. Mayor

Caldwell: Have we got any money back yet? Tressi Gray: We have'nt got our money back yet, but the guy I talked to said it wasn't going to be a problem. It's just a matter of their red tape. When I receive that money do I have the authorization to write the checks to the persons that paid for them or will that have to be voted on? Mr. Fitzpatrick: No. No. But one of the recipients is sitting here, Mr. Johnson. Tressi Gray: As soon as I get that money then I can write the checks? Mayor Caldwell: There will be three people, I think. Tressi Gray: I've got their names in the records in the file and copies of their checks.

Statements of Financial Condition & Request to Encumber
Alicia Webb and/or Tressi Gray

Tressi Gray: The general fund balance is $65,846.01 with payables of $15,410.55 for remaing balance of $50,435.46. We do have one more payroll this month, 941 taxes, of course, retirement and state taxes and a quarterly. Mayor Caldwell: Do we have a motion to encumber? Ms. Beckett: What is the amount of payroll? Mayor Caldwell: The amount of payroll runs about $10,000.00. Do we have a motion? Mr. Perez. I'll motion. Mayor Caldwell: Do we have a 2nd? Mr. Rose: 2nd. Mayor Caldwell: Okay, now we'll go into discussion? Mr. White: Got any bills to pay? Ms. Beckett: We was just talking about that gasoline bill for the month of February. Mayor Caldwell: I hear that? Recorder Webb: Gasoline bill for the month of February. Ms. Beckett: I've got it in my pocket. That bill for $1800.00. Are we just going to keep an eye on it next time? Mayor Caldwell: What's that now? Ms. Beckett: Gasoline for the sewer department. Tressi Gray: We get our fuel from Adkins Oil and we just bill each department for whatever amount they use. Each department is billed for their portion or whatever amount they use and we reimburse the sewer. Mayor Caldwell: The sewer account had more money in it that could be freed up. Ms. Beckett: Alumni Hall. That bill $337.11, does anybody know how much times it was rented last month? Tressi Gray: I think it was rented 2 or 3 times. Ms. Beckett: The fact of the water bill being so high, has anyone went up and checked it. Does someone not go up after they've rented it and check to see if the water's been turned off and everything okay and everything? If not, I think it's about time for someone to start. Because they had that leak and it was running for awhile. Tressi Gray: I'm sure they don't check every day, but Rita Pieri is in charge of the Alumni Hall and she takes care of all the scheduling, she collects all the money and she's very conscientious. But, if you want I'll find out. Ms. Beckett: No, that's okay. Tressi Gray: Our last payroll was for 3/14/08 for $11,045.78. She explained the items associated with payroll that were paid in addition to net payroll: matching FICA, 941's, insurance, etc. Mayor Caldwell: And this payroll was probably a little high. Tressi Gray: Yes, they had some overtime several payrolls. Mayor Caldwell: Any other questions? All in favor of paying the bills. Aye. Opposed -0-. Motion carries. Recorder Webb: Thank you Tressi. Mr. Fitzpatrick: Tressi I want to compliment you and Alicia, Tammy and Misty and you girls for all your hard work. We're lucky to have you.

Recorder Webb; Next we have Building Permits: Buford and Linda Chambers (47 Weber City). Mayor Caldwell: Do we have a motion? Mr. White: I motion. 2nd: Mr. Fitzpatrick. Any discussion? All in favor. Aye. Opposed -0-. Motion carries. Recorder Webb: Next we have two demolition permits: James and Melinda Chapman (29 Riverside Dr.) and James Wood (4 E. Cranberry St.). I might like to add that 4 E. Cranberry St. was posted as a nuisance property. (Some discussion regarding what they were going to do with it, where would material be hauled to, and who would be doing demolition. Discussion also about the Landrum property being torn down and the contractors who are supposed to do this.) Recorder Webb: Jeromy you made the motion for both the permits. Who 2nd? Mr. Fitzpatrick: I did. Mayor Caldwell: All in favor? Aye. Opposed -0-. Motion carries. Mr. Fitzpatrick: We need to make a decision on what to do on the B&O tax stuff tonight don't we. Ms. Beckett: Just one more before we do the B&O, on this application they don't have to specify where they're putting it? Mr. White: They can't just dump it Peggy (Ms. Beckett) that would be a violation of State Code. Mr. Rose: It's not up to us to regulate that, that's the State. Mayor Caldwell: But they have the right to bury it on their own property, right? Recorder Webb: Right. Mr. White: If they get the proper paperwork to do so. Recorder Webb: Now they can bury it on their own property but if they do that, there can never be another structure built on that again. Not a garage, not a pavilion, not another house, nothing. Mayor Caldwell: Next? Ms. Beckett: B&O. Mr. Fitzpatrick: We're stuck with this B&O tax do we want to make a decision tonight? We need the money. Mr. White: Have you contacted the State Tax Department or Galford? Mayor Caldwell: I haven't talked to State Tax. I've talked to the owner, I've talked to 2 supposedly managers, I've talked to one person does all their tax and paperwork. Mr. White: But the people that do the collection for the State B&O taxes that maybe an option. I mean we don't have any option other than to take them to court or shut them down. Mr. Fitzpatrick: Huntington and Charleston though, they give them 30 days to pay in full if they don't they padlock the door. Mr. White: That's what I'm saying that is our only option take them to court or shut them down. Mayor Caldwell: I think they owe about 2 and a half years about $8,000.00. (discussion again on the payment schedule that was worked out and not keeping current, how police department could serve notice or turn over to attorney). Decided to turn the matter over to City attorney, Johnathan Sweeney. (Discussion on other business that owes and whether to have attorney put a lien on that.)

Recorder Webb: There are no other permits. Now do we have any committee meeting concerns? Street Committee: Mr. Madden and men took training seminars in Morgantown. With Sanitation: Mr. Madden spoke about diapers not being bagged and just put on top of garbage lids, human waster, dog/cat waste. Told the men they were not required to deal with this. He is concerned with the health issues associated with this ongoing problem. Mayor Caldwell: Get the address's and city will send letters. Another conern of Mr. Madden was the boys were working on the roads and ditches after the high water on Johnstown Road and a council person was following them around to see what they was doing and the boys really didn't appreciate that. If someone has a problem with the Street Department talk with him (Mr. Madden) and he'll will talk with them. Mayor Caldwell: If no one else has anything, we'll move on.

Recorder Webb: Next on the agenda is Council Member Concerns. Mayor Caldwell: We'll just go around the table then. Mr. White's concerns included the city garage roof, bid specs for the new garage truck and put in paper, bids are to be opened April 17th, roof inspection on City Hall and Water Plant, Landrum property, next year analog TV service will no longer be available after next year going to digital. Mr. Dearfield: Streets on Commercial Ave. needs some gravel, potholes, and speeding on Main St. Mr. Rose: Call from Walnut St. about a breaking and entering and wanted him to commend Officer Spencer, said he had solved the crime and got their stuff back and they are very much appreciative for the Police Force. Chief Morris added there had been seven houses broken into and cleared all seven and recovered a good majority of stolen property and the gentleman is in jail. Mr. Perez: No. Mr. King: Calls about loud music. Chief Morris: We have been over there on different occasions and when we're there, they're never playing music. I even drove in around behind them and parked and listened. If the people will call 911 when they're doing it, we'll go immediately there. Ms. Beckett: About water meters the one up on (Mr. White: Hydrants, Peggy.) Yeah, hydrants. There's one in front of her house that's leaking. Gravel everywhere, can't it be shoveled in to some of the holes in the streets? Gravel washing down Rocky Hill and drains are blocked. Mr. Heltzel: No. Mr. Fitzpatrick: Riverside Dr. the State cut all the overhangs down. Asked State about guard rails, turned down because there's not enough bank and are working to put guard rails down at the elementary school. Checking blueprints to take care of the problems there on Greenbrier Road where water and ice are at bottom. Also on Riverside Dr. they would fix the potholes. (Discussion on what roads and streets State is responsible for (any road a school bus travels). Discussion on other areas that need attention. Mr. White: Thanked Mrs. Demetina for the loan of her books about vaccinations for children.

Mayoral Reporting: Mayor Caldwell: Well we don't have any reporting, but we have to do our first reading on our sewer project. Public Comments: (?) Commend the Police for the vigilance during the high water scare and other area fire departments that came in to help. Recorder Webb: Ooh, the Police Chief has some real good news that I didn't get to at the 1st March meeting about some training. Chief Morris: I got a letter from Southern Regional about racial profiling and there's a report we have to fill out and send in and my department is one of the lowest in the state on rejections so we have been awarded an $1800.00 dollar grant to purchase laptop computers. Same type of grant as the DUI. We'll have to put out the $1800.00 and two weeks they give us our money back. Everyone is going to them, you put the laptops in the cars, enter all the accident information, you hit a button it sends it to Charleston. It will eliminate a bunch of paperwork. (Applause from assembly). Mr. White: The reading is not on the agenda. Mayor Caldwell: I think the girls just forgot to put it on, it was read in Water Board. Recorder Webb: It was voted in Water Board Meeting to send to regular council for 1st reading. (Discussion about not being on agenda and that it needed to be read tonight) Public Comment: J. Thompson: Can that not be considered a clerical error and put on the agenda? Recorder Webb: Read 1st reading of Sewer project by title only. Mayor Caldwell: 2nd reading will be when? Recorder Webb: 2nd reading will be May 3rd. Mr. Rose: And it may or may not be on the agenda. Mayor Caldwell: And the 3rd reading will be our public hearing night. Mayor Caldwell: Do I have a motion? Motion: Mr. Fitzpatrick. 2nd Mr. King. Any discussion? Mr. White: I'd like to ask two questions. In

lieu of increase in our rates why didn't we look at cutting our costs? Discussion ensued on rate increases. Recorder Webb: Has anybody considered in the discussions we've been having in the last couple of months; all of this was supposed to have been started years ago. Mr. King: Yes, it was. Recorder Webb: Everything we have been doing is emergency, emergency and in 1960 there were a whole lot more people in town they could have started working on these lines, started working on the sewer system but it was let go. So we are backing up 50 years and making changes, corrections, and making replacement of water lines and sewer/drain lines when this work should have begun in the 60's. Now the burden of this is now on the small population that remains. (Discussion ensued regarding sewer system and budgets and sewer treatment.) Mr. White was also concerned about how much money has been paid to Ghosh Engineering and the amount of money approved not related to what Ghosh will be charging. Public Comment: Mike Little: Frank knows I've been around water and sewer plants. These things take a little bit of time, but all these engineering firms do the same thing. So Ghosh is no different. You're probably a little bit cheaper here than what normally. Now if you look at Craigsville PSD, they lost ½ million dollars on their upgrade and Nettie. So this is something you can't combat.

Mayor Caldwell: Any other discussion. All in favor? Aye. Opposed: Beckett and White. Vote 6-2. Motion carries.

Public Comments:
Mike Little: Weight limits on bridge on Johnstown Road.
Jim Thompson: Just a minor observation, I think this end of the table needs a little attention. Table support not attached to table.

Mayor Caldwell: Do I have a motion to adjourn? Mr. Fitzpatrick: I'll make a motion we adjourn. 2nd Mr. White: Meeting adjourned.

Myles Caldwell, Mayor

Alicia Webb, Record

City of Richwood City Hall
Common Council

May 1, 2008
7:00 p.m.
J.H. Meadows Center
Richwood City Hall
Council Chambers

Mayor: Myles Caldwell
Recorder: Alicia Webb - ABSENT
Council Ward I: J. Rose – C. Beckett
Council Ward II: (R. Perez – ABSENT), E. Dearfield
Council Ward III: J. Fitzpatrick – W. Heltzel
Council Ward IV: F. White – G. King

7:00 p.m. Common Council Meeting of April 3, 2008 Called to Order by Mayor Caldwell.

Agenda Adoption/ Acceptance of previous minutes, Alicia Webb, Recorder/Tressi Grey, Clerk
Motion: J. Fitzpatrick 2nd: E. Dearfield Any discussion? All in favor? Aye. Opposed? -0- Motion carries.

Public Comments: None

New Business:
1. Cherry River Dredging Project Update by Jennifer with the West Virginia Corps of Engineers. Jennifer Skaggs asked permission to access job site. NO dredging would only restore and stabilize stream bank. Motion: J. Fitzpatrick 2nd J. Rose Any discussion? All in favor? Aye. Opposed? -0- Motion carries.
2. Sanitation Truck Purchase Update. C. Madden explained which truck chasis etc. was chosen and that the total cost would be $106,530. Motion: J. Fitzpatrick. 2nd: E. Dearfield. Any discussion? All in favor? Aye. Opposed? -0-. Motion carries.
3. Roof Repair Update. Nothing new. D&C was supposed to come up today but had a family health emergency and was unable to come up today. He said he would try and come up tomorrow. Nothing from New Hope.
4. Landrum Property Update. Before trying down need to determine the asbestos problem. Will only remove top of building, nothing on removing bottom of building and removing. If no asbestos let Roy and Roger Phillips start demolition. Raise payment to $1500.00. Motion: J. Fitzpatrick. 2nd W. Heltzel Any discussion? If this is done, needs to be immediately, health hazard and possibility of falling on surrounding homes. If identified of more than 1% asbestos will need someone to come in and remove. All in favor? Aye. Opposed? -0-. Motion carries.
5. Demolition Site Update – None. Mr. Fitzpatrick has some calls out, but has heard nothing back yet.
6. City Hall Building Brick Repair and Seal Job Update. Discussion regarding this and decided to put an advertisement in paper for bid.

7. County Assistance for the City has been arranged by Councilman Fitzpatrick. Explained this assistance was to be done by persons on community service and probation by court order. Workers will start next week. Discussion of how and what kind of work they could do.
8. Memory Trees for Planters on Main Street. J. Rose arranged with Bruce Donaldson to purchase mature Red Bud trees and the cost of shipping and handling of ($75.00 each for 10 planters) for a total cost of $750.00. Motion : J. Fitzpatrick. 2nd: E. Dearfield. Any discussion? Not all in agreement with prices. All in favor? Aye. Opposed? Aye – Beckett and White. Motion carries.
9. Antique Light Pole Reimbursement Update. Fitzpatrick contacted Allegheny and the price of poles were actually priced at $1200.00 not the $1500.00 which Baber charged the families who purchased the lights. Where is the difference and where was the extra money of $300.00 per pole deposited? Fitzpatrick and White think that Baber purchased the 4th light pole under false and fraudulent pretenses. Discussion ensued of why Baber overcharged the amount needed for the actual poles? Believes he charged extra in order to get money for a 4th pole. Need to write a letter to City Attorney and ask for him to get City reimbursement for $320.00 difference b/w Allegheny Reimbursement and $4500.00 to the 3 families who donated money and the $1350.00 the city paid to Ms. Beverly Rose for her awning. Discussion then turned to where the "specs" for the sidewalk installation are. Motion to send to attorney by F. White. 2nd. By Fitzpatrick. Any discussion? Would like to include awnings Baber had owners remove from their buildings on Main Street. All in Favor? Aye. Opposed? -0-. Motion carries.
10. Third and Final Reading of the Sewer Rate Increase – Not published in paper for public hearing. Final reading and vote will be held on May 8, @ 6:30 p.m. after committee meetings.
11. Request Council approval to Advertise for Sealed Bids for 1996 Ford F-350 Crew Cab. Mayor asked Mr. Madden if this should be sold or just scrapped. Motion: F. White. 2nd: J. Fitzpatrick. Any discussion? All in Favor? Aye. Opposed? -0-. Motion carries.
12. Request Council approval to haul other vehicles in for junk. Scrap city vehicles and other metal. Motion: E. Dearfield. 2nd: J. Fitzpatrick. Any discussion? Who will be hauling and where to get best price. All in favor? Aye. Opposed? -0-. Motion Carries.
13. Police Report for the Month of April 2008. Report made by Chief D. Morris. See Attachment. Have hired an additional officer. Officer to training academy in April. Discussion on what was required by Training Academy for officer.
14. FYI: Copies of Work Order Submitted to Allegheny Power for Light Pole Repair Since Last Council Meeting.

Statements of Financial Condition and Request to Encumber. Alicia Webb/Tressi Gray

General Fund Balance	$107,241.59
Less Payables	(9,146.86)
Remaining Balance	$ 98,094.73

Motion to encumber J. Fitzpatrick. 2nd J. Rose. Any discussion? Questions on bills for Ralph Kelly, Excel, and water/sewer. All in favor? Aye. Opposed? -0-. Motion carries.

PERMITS:
Discusion on whether John Greer has gotten a permit for roof replacement and if contractors are licensed.
Building: William Starcher. 44 Dyer Ave. (Roof Replacement) Motion: J. Fitzpatrick. 2nd: W. Heltzel. Any discussion? All in favor? Aye. Opposed -0-. Motion carries.
Business License: Chester's Ice Cream Chest. Robert Lewis of Fenwick. Motion: J. Rose. 2nd: J. Fitzpatrick. Any discussion? Is this a mobile truck going from street to street or will it be selling home to home. Ms. Gray said it would be street to street. All in favor? Aye. Opposed? -0-. Motion carries.

Council Concerns:
Discussion about Lawn Mowers purchased. Council members were contacted and gave their permission. Ms. Beckett wants to be on record that she does not approve of the money spent.
Ad submitted to paper for pool repair bids. Pool can be fixed this year, but will probably not be able to open. Other Buildings need repairs. Mr. White and Ms. Beverly Rose went to Charleston on Saturday and believe walking grant will be approved. Have also submitted a grant for a small park on Virginia.
Mr. White has a follow up from the logging operation and inspection. Will leave the report from inspector in City Hall.

Fix Bleachers @ City Park. Loud car mufflers/music.
Grass needs cut behind 1st Baptist Church in alley.
Re-Submit light poles that haven't been fixed.
Water stands in road across from Becketts.
Johnstown Bridge concerns road undermined across from the slip.
Sidewalk cave-in on East Walnut.
Square floodlight installation @ Sculpture Garden.
Alley @ steps needs light.
Drain line on Riverside.
Going to lose Hospital.

Public Comments: Police carry cell phones: if someone sees a crime and has to go home and call 911 it's too late to catch whoever. Discussion on giving out officers cell numbers. Purpose of 911 is to have the call on record.
Mr. Madden went above and beyond the call of duty keeping the Johnstown road open.
How long to put in street lights? 6-8 weeks for power company to put in.

Other Council Concerns:
More discussion about hiring police officer.
Also part time workers for street.

Any determination on when offices will be taken after election.

Any other Public Comments:
Anybody put a sign up at Sculpture Garden.

Mayor Caldwell: Reminder to everyone must have a quorum for next week's meeting for the Sewer Project @ 6:30.

Motion to Adjourn: J. Fitzpatrick. 2nd: F. White. Meeting Adjourned.

_____ Myles Caldwell, Mayor

_____ Alicia Webb, Recorder (ABSENT)

City of Richwood City Hall

Common Council

April 3, 2008
7:00 p.m.
J.H. Meadows Center
Richwood City Hall
Council Chambers

Mayor: Myles Caldwell
Recorder: Alicia Webb
Council Ward I: J. Rose – (C. Beckett –ABSENT)
Council Ward II: R. Perez – E. Dearfield
Council Ward III: J. Fitzpatrick – W. Heltzel
Council Ward IV: F. White – G. King

7:00 p.m. Common Council Meeting of April 3, 2008 Called to Order by Mayor Caldwell

Invocation: James Thompson

Agenda Adoption/ Acceptance of previous minutes, Alicia Webb, Recorder
Mayor Caldwell: Take the 2nd reading of the sewer off #5 we'll have to call for a special session Monday evening if we have a quorum the 2nd reading will be in two weeks the 17th and the 3rd reading whatever the first meeting in May. Recorder Webb: Why? Mayor Caldwell: They said that since it wasn't on the agenda we can't count ir as the first reading last week. Will we have enough to have a quorum Monday, if not we'll have to pick another night but it has to be done sometime next week. (Discussion among members, Tuesday night at 6:00 p.m. was chosen). Just walk in do need to do a reading by title only and walk out if that's what we want. We'll post an agenda tomorrow morning at 6:00 Tuesday evening. The next thing on the agenda we've got an executive session we can't do an executive session if we talk about an overall group we only do an executive session if it's person by person. If we discuss that topic on raises we have to do it out in the open. Mr. White: Before we adopt the agenda, can we move that up to number 11 on the agenda. Or do you still want to leave it til after ... Mayor Caldwell: Why do you not want to discuss it period? Mr. White: No, I said do you want to put it front of the financial statements as an agenda item. Mayor Caldwell: It don't matter.
Mr. Fitzpatrick: Before we start I think we ought to think of Tressi Gray, she lost her grandfather. I'm sure she's in a lot of pain right now. (Short silence) Mayor Caldwell: Yeah, I talked to her today I guess she'll be off the next couple of days. Okay, any other changes on the agenda, has everyone had a chance to look at it? If not, we'll make a motion to accept as amended and the minutes from the last meeting are out here. Mr. Fitzpatrick: I make a motion we accept as amended. 2nd by Mr. Dearfield. Any discussion? All in favor? Aye. Opposed? -0- Motion carries.

PUBLIC COMMENTS: (Please limit to 5 minutes per speaker)
James Messenger: Riverside Dr. has a place that's like a big ole washboard been like that for a year. Does Senior Citizens have a building permit. What are they going to do about the water behind my house. Mayor Caldwell: You come up and report it and we'll do a work order. Mr. Madden and I have been discussing what to do about that problem.
(Discussion between Mayor, Mr. Madden, and Mr. Messenger about these concerns.)
Angel Southerly: Complaints graffiti on buildings in alley and about some neighbor(s). Chief Morris told her the person(s) regarding the graffiti had been caught and made to cover it up.
Margaret Meadows: Complaint about Landrum property and when is City going to do something about it before it falls in on Mrs. Whitney's house? It is dangerous. Mayor Caldwell: I was going to bring that up in Mayoral reporting to council tonight. I spoke to Roger today and he is not going to do it because it was too dangerous. So we're going to have to figure out something. We talked to Kessler and who else Frank? Mr. White: I talked to John Kessler and Jinks Hinkle. Jinks Hinkle does not want anything to do with it. Mr. Kessler said he would give us a price on it if we would have an asbestos check on it. I'm working with Tammi to get someone to give us a price on it. Mr. Fitzpatrick: Call Robin Beckley they should do it for nothing. Mr. White: I did call and we did talk. At any rate John said he would give us a price on it, but not until we had an asbestos check. But it is a definite hazard. Margaret Meadows: Someone

s going to get hurt over there or that building is going over into her living room and I'm really concerned that it could ıctually kill her. It is severely falling. It's getting worse and it seems like you all are dragging your feet. Mr. White: Margaret we had every intention of getting that torn down and we were waiting on the man to do it and he didn't do it. He told the Mayor he was going to do it. But he didn't tell us that six months, if he'd told us then, we would have ooked elsewhere. Margaret Meadows: Well I realize that but if they tell you their going to do it and don't then you [redacted] go back and ask what's the problem here. Mayor Caldwell: Everytime I contacted him it was the weather, wait until it gets better. And now it is better and he just come right out and said he'd changed his mind and no he wouldn't do it. Have you got anybody in mind that we could contact? Margaret Meadows: No. What about the health department or FEMA. Would they not have anything about it since it had been flooded? Mr. Fitzpatrick: Give Jimmy Derito a call. Mayor Caldwell: The City accepted it and has the deed for it and has the responsibility for it, it's our problem. Mr. Fitzpatrick: He's the Director and it is an emergency so... Mr. White: Are you talking about the asbestos or getting it torn down? Leon Trescott: Discussion about FEMA properties that nothing shouldn't be put up that would restrict water. Talked to Johnathan Sweeney and he had put right in the lease that when you (Mayor) reviewed the lease that you removed that part. One put up a wooden fence up and that FEMA states that you cannot put up anything that would restrict water. (Discussion continued.) Mayor will review lease. Anything other citizens comments? Ms. Beverly Rose: Need volunteer for work to be done on pool, hope to have open this summer. Will know if walking grant is available April 26th. Have raffle tickets available for a Mossberg gun as a fund raiser. Mr. White: Would like to add park board meeting will be Monday at 7:00 p.m. Would like to see a lot of people there.

NEW BUSINESS:

1. Notice of Conditinal Approval of the Levy Estimate Budget was received by the Office of the State Auditor on Monday, March 31, 2008 Minor Changes, copies attached. Mr. Whtie; They accepted with the changes we made. Mayor Caldwell: Well they just received it and we won't know if they accepted it until we send it back. We'll have to have and in and out meeting to accept that budget. The third Tuesday April 15th @ 6:00, we'll need a quorum to "lay the levy". Recorder Webb: Read letter from Auditor's office and read changes made of Auditor's office. (*Note – Copy attached to Agenda.) Mayor Caldwell: If we don't get the letter back, (Auditor accepted changes recommend by their office made to budget.) we'll make every body aware of it, but it should come back. Any time they contest those changes then that's what we'll make and then they usually stamp it and send it back. Mr. White: With this letter they are telling us to do this. Mayor Caldwell: Have they stamped it and that's where they accepted it? Recorder Webb: No. Mr. White: But they are directing us to meet and accept the budget. Recorder Webb: "With this written conditional approval, the levying body shall meet on the third Tuesday in April (April 15th) to hear and consider any objections and to officially adopt the levy rates for property taxation". And the we can Lay the Levy.
2. Garage Roof Bids (See attached Municipal League Bidding Requirements). Mayor Caldwell: Frank (Mr. Whtie) go ahead, you've been working on the roof bids. Mr. Whtie: There was some discussion about the amount of money that a job had to cost before we could do before we could field bid request out. And we got those numbers from the WVML and the threshold for a municipality is $25,000.00. (*Note: See attachment.) So the bids we got on the garage roof, the first one is from New Hope Roofing was for $11,400.00 dollars for 26 gage R panel metal (I don't know what that is) and the second one we got was for $15,800.00. Mayor Caldwell: Is that for the same material? Mr. White: I cannot find it. (Public Comment: Jim Vannoy: The R panel is the same thing they put on.) Mr. White: The second bid does not say anything about that material. I do not know. At any rate we have two bids (repeated prices above) the garage is leaking to the point the Charlie (Mr. Madden) is having to move everything in it. Recorder Webb: Read D&C Services bid stating what was included in this work included materials, labor, etc. Contract payment terms and that that he would not be able to state work until June, as he is a school bus driver. Mr. Perez: Is there a warranty? Recorder Webb: No, it's not on this. Mayor Caldwell: State requires a one year warranty. Mr. Whtie: Read the New Hope. Recorder Webb: It has roofing and a job estimate for removal of metal roof and 26 gage R panel metal roof will be installed for $11,400.00. (Discussion about differences between the two bids with public suggestions.) Mr. Fitzpatrick: All quotes should be accompanied by proof of insurance liability up to $1 million dollars and contractor license for the State of West Virginia. That's standard for any quote. Mayor Caldwell: Yeah, it looks like we'll have to take another two weeks and bring it back next council. Find out exact material for both of them and exactly when starting, we had two other people look at it didn't we Frank? And they didn't give us any bids. Mr.

White: Well we had two other people look at and I haven't seen it. One of those companies was supposed to give us a bid on this building. Mayor Caldwell: Follow through and find out what kind of a warranty and guarantee they give with their work to. Mr. White: Do we want to write a letter. Mayor Caldwell: We should write them a letter and find our exactly what they both bid on and bring it back in two weeks. Find out the exact starting date, one said but he might move it up to. Put the date on there the 16th the day before for the next council meeting.

3. Garbage Truck Bids to be Opened on April 17, 2008.
4. Terrll Ellis Meeting for City of Richwood Five-Year Plan at City Hall on April 22, 2008 from 12:00 p.m. through 3:00 p.m. Mayor Caldwell: Again we need to know everybody invite their group and exactly know how many are coming because we're supposed to supply not a dinner but snack food. We need to know a couple of days ahead of time so we can contact whoever is going to bring the food up. That'll be April 22nd, a Tuesday.

5./6. Second Reading of the Sewer Rates increase. STRUCK OFF AGENDA. Mayor Caldwell: Which we cannot do so that's why we're going to have it on Tuesday. 1st Reading on Tuesday, 2nd reading on the 17th and the 3rd reading on May 1st. The Public Meeting will be held at 6:30 a half hour before the council meeting. It will be published in the paper. Recorder Webb: So you're taking the option B that Rodeker sent up. Mayor Caldwell: Do what now? Recorder Webb: You're taking option B that Rodeker sent up here. Right? Mayor Caldwell: Taking him off you said? Recorder Webb: No, No. You're taking his 2nd option, he gave us two options for the reading. Mayor Caldwell: No, as long as we have the 3rd and final reading by May 1st. That's all we need.

7. Monthly Police Department Report by Chief David Morris. Copy available. As for the month of March we had 134 calls through the 911 center. We had 16 Felony arrests, 29 misdemeanor arrests, 1 DUI, 17 written citations, and 54 warning citations. We had a busy month in March. Mayor Caldwell: Any questions from council on the police report?

8. Chief David Morris Rate of Pay Increase Effective April 1, 2008 per agreement with Mayor Caldwell. Mayor Caldwell: This is not an increase in pay or anything whenever Dan Silman left and Dave took over we didn't know where we were during the Christmas break and he agreed not to take full pay until April 1st. So basically this is raising him up to what the contract agreement was. Mr. Rose: Myles (Mayor Caldwell) when you say contract ... Mayor Caldwell: Yeah, this is the same contract for Dan Silman and council agreed to give Dave the same contract. Mr. Rose: So it says motion and 2nd. This doesn't require any action on our part does it? Mayor Caldwell: No, I don't know why they put it on there. Dave agreed to take a cut until April 1st. This is just kicking in the original contract amount. Mr. Fitzpatrick: Do we need a motion? Mayor Caldwell: No. Recorder Webb; So #8 effectively should be taken off here.

9. FYI: Copies of Work Order Submitted to Allegheny Power for Light Pole Repair Since Last Council Meeting. Mayor Caldwell: You should have copies. We keep copies here and anytime through the week if you want to call and ask about them or report other lights.

10. Fish Pond Repairs: Mr. Rose: Fish pond needs a new filter, the filter that's there has been there for years. My father cleans it every 3 days or so to keep the water clear. I called the Eco system for prices on the filter and back flow system and they said the cost would be $3,000.00 and I told them "no way". So I looked at other filters that would be $6 or 700.00 but I don't know what parts would come with that. I just wanted to bring it before council and see if they would approve a new filter for the pond? Mayor Caldwell: Would it okay to give and Okay for up to $1,000.00? And then if it's over that ... Mr. Rose: When I order the filter, I'll go ahead and order all the usual stuff (chemicals to treat the pond.) too. So shoot for under $1,000.00 for the filter? Mr. Fitzpatirck: I make a motion. Mayor Caldwell: Motion by Fitzpatrick. Do we have a 2nd? 2nd by Mr. Perez. Any other discussion? All in favor? Aye. Opposed? -0- Motion Carries.

Statements of Financial Condition & Request to Encumber.

General Fund Balance	$ 45,792.89
Less Payables	(8,309.52)
Remaining Balance	$ 37,483.37

Mayor Caldwell: B&O statements just went out last week so we should be getting our last B&O tax in. Recorder Webb: And we should be getting some of the excess levy and property taxes too, right? Mayor Caldwell: But

we'll be getting our property tax, plus our police and street fee plus our garbage. Mr. Rose: Make a motion to pay the bills. Mr. Fitzpatrick: 2nd. Any discussion? All in favor? Aye. Opposed: -0-. Motion carries.

Mayor Caldwell: We have no permits.
Next we have committee meetings. Don't know if we have any committee, because we reported two weeks ago on [redacted]e last of the problems, unless we have anything we want to bring up any committees forgot about.
Down to Council Member Concerns: Mr. Fitzpatrick: What about pay raises, where we'd put that. Mr. White: That's all the way at the end.
Mr. Dearfield: I would like to say something about Business license. Roger and them are tearing down these old houses, and he don't have a license, he needs to get a license. Cause that's not right. Mayor Caldwell: Cause if he's doing jobs in the City, he'll need to get licensed. Frank, why don't you go ahead and start and go around the table. Mr. White: Cats on Hill Street (40-50 cats). Mr. White: (Concerns from Mrs. Beckett (Absent). Logging on top of hill runoff on Cranberry St. Need name of logger that did that. Logs are stacked that could come loose. Lights out at Sculpture Garden. Trash dump in the alley between Walnut and Cranberry St. Obstruction on sidewalk, some one had piled firewood on sidewalk on E. Cranberry. Mayor Caldwell: Ben, do you have anything else? Mr. Dearfield: Gravel in potholes on Riverside. Mr. Rose: Alley between Walnut and Main St. behind the Laundry mat the backyard is full of trash. Mr. Perez: No, I had one but it has been taken care of. Mr. King: Sidewalk on Williams Ave. and Front St. is caving in. Mr. Heltzel: No. Mr. Fitzpatrick: Church at Dain wants to put gravel down does that need a permit? It's their property; they want to be able to park some more cars. (Okay for them to do this without permit.) For nuisance committee FYI; he is setting up a meeting with some people in Charleston and a coal company and it will probably be in July to get some litigation projects going to remove some homes. But I think we need to meet before so we'll have our ducks in a row and it will be part state money and part litigation money and it's not matching. Mr. White: The permit for the dump site we were trying to get down by the sewer plant … Mr. Fitzpatrick: I'm glad you brought that up, I forgot about that. I talked to the Westvaco man and he and two others are supposed to come up next week and I told Ben (Mr. Dearfield) he would be here next week and he'll go down with Mr. Madden and pick out one of the two sites. I would also like to mention I received yesterday a 116 page report from the EPA about the work done on the inside of the building on Commercial Ave. so [redacted]at's all taken care of legally. And I'll also be getting another letter that there will be no liability to the Mayor, Council members, the Building Commission or their members, or the citizens of the community and the cost will be covered by the Superfund. I can assure you that wasn't easy to do, believe me. If I told you what the cost was to do that you wouldn't believe me, $116,000.00 dollars.

Mayor Caldwell: Next we have employee pay raises. Mr. White: Do you have anything to report (Mayoral Report)? Mayor Caldwell: No. Mr. Rose: Do we need to move into Executive Session? (?) No. Mr. White: What are you looking at? What kind of amount are you looking at? Mr. Fitzpatrick: I was told by the girls that the Mayor told them and the Mayor mentioned it to me that he had worked in a 5% pay raise effective April 1, but it wasn't individual it was per department. Am I correct Myles? Mayor Caldwell: No, it was across the board for everybody. Mr. Fitzpatrick: I thought it was per department. Mayor Caldwell: It would be for every employee … Mr. Fitzpatrick: If you go by department it would be every employee. Wouldn't it? How many departments do you have? On the Water/Sewer side you've got ten people, on the city side you've got 25, I mean 15, so 25 people. Mayor Caldwell: Water /Sewer side, some of 'em's in the water some are in the sewer, on the city side some in the street, some in the police … Mr. White: I think everyone that works for this town deserves a pay raise. I also think they deserve an equal pay raise. Mayor Caldwell: Well the Federal this year was 3 and ½%. M. White: I'm talking about a percentage of their wages, then they wouldn't all be getting the same pay raise. Some of them would be getting a lot more than others. Mr. Fitzpatrick: Oh, sure. Mr. White: I think if we do a pay raise, I think it should be calculated from that amount of money you're going to spend and divided equally among all of them. People on the lower end of the pay scale are not going to get hardly anything. Mr. Fitzpatrick: When you figured it up Myles, what was the cost? Mayor Caldwell: To give all employees a 5%, it would be $1,000.00/month on the City side and $900.00/month on the Water/Sewer side. It figured out to be about 500.00 dollars a payday, $4.50 a [redacted]iece. Mr. Fitzpatrick: Roughly $25,000.00 with taxes. Did you figure taxes was it gross or just net? Mayor [redacted]aldwell: You're looking at about $12,000.00 dollars on the city side and about $10,000.00 dollars on the Water/Sewer side. Then taxes off that would be maybe a third so … Mr. Fitzpatrick: So you're saying take that

amount divide it by 25 and … Mr. White: Whatever the amount is should be split equally among all of them so everybody gets … Mr. Fitzpatrick: Equal raised each month or each hour. Mr. White: Yes, because if you don't do something like that all you're doing is widening the gap between the people that's making very little and the people that's making more. And I just don't think that's fair to the people that's working here. Mr. Fitzpatrick: Now are there a raise set up for next budget? Recorder Webb: Yeah, … Mr. Fitzpatrick: At 5%. … it was discussed in the last meeting. Mr. Rose: Yeah, it was allocated to that budget too. I would propose that we, when we set up a budget, we don't set up raises in our budget, there's not a category for raises. And I think there's people here that are going to be here there's some people on the council that are going to be here for the next two years, four years, the next year's administration that may be and the public … Mayor Caldwell: It's set up in your departments. If you're allowing 5% in the street department, the garbage department or the police department, you're figuring all their wages and all the taxes in the budget you're allowed so much for a raise there. Mr. Rose: Then that 5% is not is not really 5% for employees … I think we should forget about that, that's for the next people that handles it, that's their problem whatever the financial situation is then. I agree with Frank, we got to make it fair. Do we have the money for raises? Mayor Caldwell: Yeah, we'll have enough to finish out the year with no problem. Mr. Rose: So it's not the raise we're going to give for the next few months … Mayor Caldwell: Yeah it's for the whole next year. … it's forever. Mayor Caldwell: They haven't had a raise for what, at least a year or so and that was done a few at a time. Mr. White: Some of them didn't get any raises. Mayor Caldwell: I feel if we give a raise, it should be for everybody period. Mr. Fitzpatrick: Let me bring something else out and we can decide at the same time. We got three good young ladies that work here. You got two on the Water side and one on the City side. We got one on the city side that makes a dollar less then one on the water/sewer side. To me, to make things fair is to the water/sewer side should be equal to here as it is to there because there's a lot of work on the City side. Am I correct Myles? Mayor Caldwell: There is, but in a way I don't agree with that because your older employees should be making a little bit more than new employees. You know what I mean, everybody shouldn't be making the exact same. Mr. Fitzpatrick: The one I'm talking about is the oldest employee. Mayor Caldwell: She makes the most. Mr. Fitzpatrick: She makes the less. Mr. Rose: Are you talking about senior employee Myles? The one with the most seniority? Mayor Caldwell: No, let's see, Tressi's the oldest and Tammi's the second. Tammi makes a dollar more an hour. Mr. King: Aren't these positions cross-training? (Public Comment; James Thompson: Excuse me I've got to add is this something that should be exact wages is that something that should be discussed in open council? Because that's private information.) Mayor Caldwell: Well anybody can ask what not by name but anybody can ask what positions pay. Mr. Thompson: But these three people we all know their names. (Discussion about privacy and mentioning of specific names in open council ensued.) Discussion then returned to how to calculate and implement pay raise. Mr. Fitzpatrick: I make a motion for 35 cents across the board. 2nd by Mr. Rose. Any other discussion? All in favor? Aye. Opposed: -0- Motion will carry then.

Mayor Caldwell: Any other citizens comments before we adjourn? James Messenger: Wall at bottom of Greenbrier Rd. and Riverside Dr. is bowing way out. Mayor Caldwell: I'll have a look at it but I don't know if we can do anything about it. Riverside Dr. is State Road. Mrs. Beverly Rose: The awning that Baber took down, council told her to turn in an invoice (awning is missing, cannot be found to be put back up) and City would reimburse for it. Brought in invoice for $1300.00. Mayor Caldwell: Turn it in with the statements and let it go through with the billing. Mrs. Beverly Rose: Any body want to buy a raffle ticket for the pool? (General discussion and purchase of raffle tickets.)

Motion to adjourn by Mr. White. 2nd by Mr. Fitzpatrick.

_____Myles Caldwell, Mayor Alicia Webb, Recorder

The Nicholas Chronicle a division of Nicholas County Publishing Company Inc.

I, Raymond W. Corbin, News Editor of The Nicholas Chronicle, a weekly newspaper published at Summersville in the County of Nicholas, and the State of West Virginia, do certify that the hereto attached Legal Advertisement - City of Richwood, 6 White Avenue, Richwood WV 26261; PUBLIC NOTICE OF "PROPOSED" RATE CHANGE FOR WATER SERVICES appeared in said newspaper for 2 weeks, on the 25th day of October, 2007; and the 1st day of November, 2007.

Given under my hand this 1st day of November, 2007.

By Raymond W. Corbin, News Editor.

Fee for publication:

272 words @ $.12 per word, $32.64 for the first publication; 75% of first publication $24.48 for all subsequent publications; for a total cost of $57.12.

The foregoing instrument was acknowledged before me this the 1st day of November, 2007.

Brenda K. Shafer
Notary Public

My commission expires March 10, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BRENDA K. SHAFER
PO BOX 43
MT LOOKOUT WV 26678-0043
My commission expires March 10, 2012

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Legal Notices

PUBLIC NOTICE OF PROPOSED RATE CHANGE FOR WATER SERVICES RICHWOOD WATER DEPARTMENT

NOTICE is hereby given that the Common Council of the City of Richwood will enact "AN ORDINANCE AMENDING AND RE-ENACTING THE RATES OR CHARGES FOR WATER AND WATER SERVICES IN THE CITY OF RICHWOOD AND VICINITY, WEST VIRGINIA, INCREASING THE CURRENTLY EFFECTIVE RATES OR CHARGES FOR WATER AND WATER SERVICES AND FOR PROVIDING FOR THE COLLECTION OF SUCH INCREASED RATES OR CHARGES" on November 1, 2007 at 7:00 p.m. in Richwood City Hall, 6 White Avenue, Richwood, West Virginia 26261.

The proposed rate of increase equals thirty five percent (35%) to be implemented on December 17, 2007.

Copies of this Ordinance are available for public inspection at the Richwood Water Department Office located at 6 White Avenue, Richwood, West Virginia 26261, Monday through Friday, from 9:00 a.m. to 4:00 p.m.

THE PUBLIC MEETING is herewith scheduled for 6:00 p.m. on November 1, 2007 at the Richwood City Hall. You may appear and be heard at this time regarding the rate change.

Myles Caldwell
Mayor, City of Richwood

10/25, 11/1-2

The Nicholas Chronicle a division of Nicholas County Publishing Company Inc.

I, Raymond W. Corbin, News Editor of The Nicholas Chronicle, a weekly newspaper published at Summersville in the County of Nicholas, and the State of West Virginia, do certify that the hereto attached Legal Advertisement - City of Richwood, 6 White Avenue, Richwood WV 26261; PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES FOR WATER SERVICES appeared in said newspaper for 2 weeks, on the 8th day of November, 2007; and the 15th day of November, 2007.

Given under my hand this 15th day of November, 2007.

By Raymond W. Corbin, News Editor.

Fee for publication:

767 words @ $.12 per word, $92.04 for the first publication; 75% of first publication $69.03 for all subsequent publications; for a total cost of $161.07

The foregoing instrument was acknowledged before me this the 15th day of November, 2007.

Brenda K. Shafer
Notary Public

My commission expires March 10, 2012.

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SECRETARY'S OFFICE

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NOTARY PUBLIC
STATE OF WEST VIRGINIA
BRENDA K. SHAFER
PO BOX 67
MT LOOKOUT WV 26678-0043
My commission expires March 10, 2012

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SECRETARY'S OFFICE

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the Richwood Water Department, a public utility, has adopted by ordinance on November 1, 2007 a tariff containing increased rates, tolls and charges for furnishing water service to 1,231 customers at Richwood and vicinity (Richwood, Dain, Middletown, Fenwick and Holcomb) in the County of Nicholas.

The proposed increased rates and charges will become effective December 17, 2007 unless otherwise ordered by the Public Service Commission and will produce approximately $113,600.00 annually in additional revenue, and increase of 35%. The average monthly bill (4,000 gallons) for the various classes of customers will be changed as follows:

	($)INCREASE	INCREASE(%)
Residential	$7.18	35%
Commercial	$7.75	35%
Industrial	$8.41	35%

Resale – N/A (Rate Stipulated Under Separate Contract)

Resale customers of Fenwick Mountain PSD include Fenwick Mountain and New Hope.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the following office of the utility, 6 White Avenue, Richwood, West Virginia 26261.

A copy of the proposed rates is available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, Post Office Box 812, Charleston, West Virginia 25323.

11/8, 11/15 2t

The Nicholas Chronicle a division of Nicholas County Publishing Company Inc.

I, Raymond W. Corbin, News Editor of The Nicholas Chronicle, a weekly newspaper published at Summersville in the County of Nicholas, and the State of West Virginia, do certify that the hereto attached Legal Advertisement - Law Office of Robert R. Rodecker, P.O. Box 3713, Charleston, WV 25337: ORDINANCE ESTABLISHING AND FIXING RATES, FEES AND CHARGES OF THE MUNICIPAL SEWER SYSTEM OF THE CITY OF RICHWOOD, WEST VIRGINIA appeared in said newspaper for 2 weeks, on the 24th day of April, 2008, and on the 1st day of May, 2008.

Given under my hand this 1st day of May, 2008.

By Raymond W. Corbin, News Editor.

Fee for publication:
1,683 words @ $.12 per word, $201.96 for the first publication; 75% of first publication $151.47 for all subsequent publications; for a total cost of $353.43.
The foregoing instrument was acknowledged before me this the 1st day of May, 2008.

Brenda K. Shafer
Notary Public

My commission expires March 10, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BRENDA K. SHAFER
PO BOX 43
MT LOOKOUT WV 26678-0043
My commission expires March 10, 2012

Legal Notices

Legal Notices

Legal Notices

AN ORDINANCE ESTABLISHING AND FIXING RATES, FEES AND CHARGES OF THE MUNICIPAL SEWER SYSTEM OF THE CITY OF RICHWOOD, WEST VIRGINIA

WHEREAS, the City of Richwood has filed with the Public Service Commission of West Virginia a notice of intent to file an application seeking a certificate of convenience and necessity to construct improvements and renovations to its existing sewer collection system and pump station; and,

WHEREAS, it is anticipated that the $3,000,000.00 estimated project cost, $1,000,000.00 will be financed through a loan from the West Virginia Infrastructure and Development Council; and,

WHEREAS, in order to meet its current operational requirements and the debt service associated with the proposed sewer project, it is necessary to increase the City's current sewer rates which have been in effect since June 15, 2005; and,

WHEREAS, the increase in sewer rates will be implemented in two phases;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF RICHWOOD HEREBY ORDAINS, that the following increase in rates, fees and charges for sewer service provided by the City of Richwood to its customers throughout its territory served, are hereby fixed and determined as rates, fees and charges to be collected in lieu of those rates, fees and charges contained in its sewer tariff, P.S.C.W.Va. No. 6, currently on file with the Public Service Commission of West Virginia.

SECTION 1. SCHEDULE OF RATES.

PHASE I:

THE FOLLOWING PHASE I RATES ARE TO BECOME EFFECTIVE FORTY-FIVE (45) DAYS AFTER THE ENACTMENT OF THIS ORDINANCE

APPLICABILITY

Applicable within the entire area served.

AVAILABILITY OF SERVICE

Available for domestic and commercial sewer service.

RATE (Monthly, Based on Water Usage)

First	2,500 gallons used per month	$9.75 per 1,000 gallons
Next	3,000 gallons used per month	5.06 per 1,000 gallons
Next	5,000 gallons used per month	3.68 per 1,000 gallons
Next	20,000 gallons used per month	2.64 per 1,000 gallons
Next	30,000 gallons used per month	2.24 per 1,000 gallons
All Over	80,500 gallons used per month	0.88 per 1,000 gallons

MINIMUM CHARGE: (Customers with a metered water supply)

No bill will be rendered for less than $24.38 per month, which is the equivalent of 2,500 gallons.

MULTIPLE OCCUPANCY

In apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge per unit. Hotels and motels shall pay according to actual usage.

FLOW MEASUREMENT

In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premises is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building or premise uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and can not enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

PHASE II:

THE FOLLOWING PHASE II RATES ARE TO BECOME EFFECTIVE UPON COMMENCEMENT OF DEBT SERVICE ASSOCIATED WITH THE CITY'S UPCOMING SEWER COLLECTION SYSTEM AND PUMP STATION IMPROVEMENTS AND RENOVATIONS PROJECT OR UPON COMPLETION OF THE PROJECT, WHICHEVER FIRST OCCURS.

APPLICABILITY

Applicable within the entire area served.

AVAILABILITY OF SERVICE

Available for domestic and commercial sewer service.

RATE (Monthly, Based on Water Usage)

First	2,500 gallons used per month	$10.95 per 1,000 gallons
Next	3,000 gallons used per month	5.69 per 1,000 gallons
Next	5,000 gallons used per month	4.12 per 1,000 gallons
Next	20,000 gallons used per month	2.96 per 1,000 gallons
Next	30,000 gallons used per month	2.42 per 1,000 gallons
All Over	80,500 gallons used per month	0.98 per 1,000 gallons

MINIMUM CHARGE: (Customers with a metered water supply)

No bill will be rendered for less than $26.38 per month, which is the equivalent of 2,500 gallons.

MULTIPLE OCCUPANCY

In apartment buildings or other multiple occupancy buildings, each family or business unit shall be required to pay not less than the minimum charge per unit. Hotels and motels shall pay according to actual usage.

FLOW MEASUREMENT

In the event a building or premise discharging sewage, water or other liquid wastes into the municipal sewage system uses water supplied by other than a metered basis from either a private or public water supply, then in each such case the owner or occupant shall be required to install an approved measuring device and the quantity of flow measured by said device shall determine the rate at which said building or premises is to be charged. Pending the installation of such device, the rate of charge shall be based upon the estimated quantity of water discharging into the sewage system. Said estimation to be made by the Water Board and/or its representative.

In the event a lot, parcel of land, building or premise uses water in excess of 4,500 gallons per month, and it can be proved that a substantial portion of said excess water does not and can not enter the sewage system, then the Water Board may estimate the amount of excess water that does enter the sewage system and charge a rate equal to that amount. The Water board may, also, require the installation of additional measuring devices so as to measure the actual amounts entering the sewage system.

SECTION 2. EFFECTIVE DATE.

The rates and charges provided herein for Phase I shall become effective [illegible] days after the enactment hereof.

The rates and charges provided herein for Phase II shall become effective upon commencement of debt service associated with the City's upcoming sewer collection system and pumpstation improvements and renovations project or upon completion of said project, whichever first occurs.

SECTION 3. SEPARABILITY; REPEAL OF CONFLICTING ORDINANCES.

The provisions of this Ordinance are separable, and if any clause, provision or section hereof be held void or unenforceable by any court of competent jurisdiction, such holding shall not affect the remainder of this Ordinance. Upon the effective date of the rates and charges as herein set forth all ordinances, resolutions or parts thereof in conflict with the provisions of this Ordinance are, to the extent that the provisions of the Ordinance conflict upon the provisions of prior ordinances, resolutions [illegible] parts thereof, the same shall remain in full force and [illegible]

SECTION 4. STATUTORY NOTICE AND PUBLIC HEARING.

[illegible] hereof, the Town Clerk shall, pursuant to the provisions of West Virginia Code, §8-13-13 and §8-13-16, publish a notice of this Ordinance in *The Nicholas Chronicle*, being a newspaper published and of general circulation in Nicholas County, West Virginia. Said Notice shall be published as a Class II-0 legal advertisement, all publications occurring at least ten (10) days prior to the first publication occurring at least ten (10) days prior to the meeting of the City Council at which a final reading and a vote on the Ordinance shall be had. Said notice shall state that this Ordinance has been introduced, that any person interested may appear before the Council on the 1st day of May, 2008 at 7:00 p.m., and present protests, if any, to the passage of this Ordinance, and that such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Further, the Clerk shall advise the public that a copy of this ordinance is [illegible] for public inspection.

CITY OF RICHWOOD

4/24 5/1

The Nicholas Chronicle a division of Nicholas County Publishing Company Inc.

I, Raymond W. Corbin, News Editor of The Nicholas Chronicle, a weekly newspaper published at Summersville in the County of Nicholas, and the State of West Virginia, do certify that the hereto attached Legal Advertisement - Law Office of Robert R. Rodecker, P.O. Box 3713, Charleston, WV 25337: PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPILITIES TARIFF FORM NO. 12 FOR THE CITY OF RICHWOOD, WEST VIRGINIA appeared in said newspaper for 2 weeks, on the 15th day of May, 2008, and on the 22nd day of May, 2008.

Given under my hand this 22nd day of May, 2008.

By Raymond W. Corbin, News Editor.

Fee for publication:
1,097 words @ $.12 per word, $131.64 for the first publication; 75% of first publication $98.73 for all subsequent publications; for a total cost of $230.37.
The foregoing instrument was acknowledged before me this the 22nd day of May, 2008.

Brenda K. Shafer
Notary Public

My commission expires March 10, 2012.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
BRENDA K. SHAFER
PO BOX 44
MT LOOKOUT WV [illegible]
My commission expires March [illegible]

Tariff Form No. 12

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the City of Richwood, a municipality, has adopted by ordinance on May 8, 2008, an Ordinance adopting a two phase increase in its rates, tolls and charges for furnishing sewer service to approximately 961 customers at Richwood, Nicholas County.

Phase I of the proposed increased rates and charges will become effective June 22, 2008, unless otherwise ordered by the Public Service Commission and will produce approximately $39,747.00 annually in additional revenue, an increase of 13%. The average monthly bill for the various classes of customers will be changed as follows:

	($)INCREASE	INCREASE (%)
Residential (4,200 gal/mo)	$3.70	13%
Commercial (11,700 gal/mo)	$7.15	13%
Industrial (10,200 gal/mo)	$6.66	13%
Governmental (10,200 gal/mo)	$6.66	13%
Resale	$N/A	N/A%

Phase II of the proposed increased rates and charges will become effective upon completion of a sewer upgrade project to be undertaken by the City or upon commencement of debt service associated with said project, whichever first occurs, unless otherwise ordered by the Public Service Commission, and will produce approximately $28,474.00 annually in additional revenue, an increase of 8.25%. The average monthly bill for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential (4,200 gal/mo)	$2.71	8.25%
Commercial (11,700 gal/mo)	$5.12	8.25%
Industrial (10,200 gal/mo)	$4.76	8.25%
Governmental (10,200 gal/mo)	$4.76	8.25%
Resale	$N/A	N/A%

The City has no resale customers.

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P. O. Box 812, Charleston, West Virginia, 25323.

A complete copy of the proposed rates, as well as any explanation of the utility to provide any information requested concerning it, is available for customers or prospective customers, or their agents at any of the following offices of the utility:

City of Richwood
6 White Avenue
Richwood, West Virginia

A copy of the proposed rates is available for public inspection at the Office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P. O. Box 812, Charleston, West Virginia 25323.

5/15, 5/22 2t

CITY OF RICHWOOD

Water Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

EXCERPT OF MINUTES ON ADOPTION OF SUPPLEMENTAL RESOLUTION, DRAW RESOLUTION AND SWEEP RESOLUTION

The undersigned RECORDER of the City of Richwood hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said Town Council:

*** *** ***

The Town Council of the City of Richwood met in regular session, pursuant to notice duly posted, on the 20th day of August, 2009, in Nicholas County, West Virginia, at the hour of 7:00pm

PRESENT: John McClung, Mayor
James Fitzpatrick, Recorder
Frank White, Councilmember
Gary King, Councilmember
Rick Perez, Councilmember
James Vannoy, Councilmember
Kelly Comstock, Councilmember
Ernest Dearfield, Councilmember
Mike Little, Councilmember

ABSENT: Bill Heltzel, Councilmember

John McClung, Mayor, presided, and James Fitzpatrick, acted as Recorder. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Thereupon, the Mayor then presented a proposed Supplemental Resolution in writing entitled:

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 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND), OF THE CITY OF RICHWOOD; 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; APPROVING A CONFORMED BOND ORDINANCE; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Kelly Comstock and seconded by Ricky Perez, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect on and from the date hereof.

Next, the Mayor presented a proposed Draw Resolution for the approval of invoices. Thereupon, on motion duly made by James Vannoy and seconded by Gary King, it was unanimously ordered that the said Draw Resolution be adopted.

Next, the Mayor presented a proposed Sweep Resolution for the authorization of electronic monthly debt service and reserve fund payments to the Municipal Bond Commission. Thereupon, on motion duly made by Ricky Perez and seconded by James Vannoy, it was unanimously ordered that the said Sweep Resolution be adopted.

*** *** ***

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Richwood and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 2nd day of September, 2009.

Recorder

08.18.08
756770.00001

City of Richwood
6 White Avenue
Richwood, WV 26261

City of Richwood Common Council Meeting
July 2, 2009 7:00 p.m.

***Call to Order and Welcome by Mayor John D. McClung**
***Gary King, Mike Little, James Vannoy, and Frank White present**
***Pledge of Allegiance**
***Invocation – Pastor Jack Cole**
***Mayoral Reporting:** According to the Charter, The Recorder may act as a voting member of Council in order to have a quorum.
Mayor McClung reported that the Army Corp of Engineers declared the South Fork Lake Project not feasible will not pursue the project any longer.
***Acceptance of Minutes:**
Motion: Vannoy 2nd: Little
***Old Business:** None
***New Business:**
First Reading of the Sewer Bond Ordinance ✓
Motion: Vannoy 2nd: King
Recorder James L. Fitzpatrick explained the Resolution for $15,000.00 Starting Points/Nicholas County Empowerment Grant. The grant will be used for floor repair in order to install an x-ray machine.
Motion: Little 2nd: Vannoy
2008-2009 Budget Revision #6
Tressi Gray explained adjustments that were made to sum up the end of the fiscal year.
Motion: Vannoy 2nd: Little
Police Department Activity Report
39 Warning Citations, 32 Written Citations, 32 Misdemeanors, 5 Felonies, 0 DUI
Request for Tressi Gray and Abigail Hinkle to attend the Appalachian Software Annual Users Conference at Snowshoe on Saturday, September 12, 2009. Recorder Fitzpatrick commented that he felt it be very beneficial for the Tressi and Abigail to attend.
Motion: Vannoy 2nd: King
***Announcements: None**
***Statement of Financial Condition and Request to Encumber:**

Current Balance	133,178.49
Payables	11,438.61
Remaining Balance	121,739.88

Motion: Little 2nd: Vannoy
White, King opposed
***Permits:**
Building Permits:
Da[redacted]City) Replace roof siding and remove two skylights

Motion: Vannoy 2nd: King
US Cellular (1451 Earl Core Rd, #1A Morgantown, WV 26505) Installation of cell phone tower on existing AT&T tower.
Motion: Vannoy 2nd: King
Demolition Permits:
Beverly Rose (Riverside Dr.) Removal of wooden structure
Motion: White 2nd: Ling
Little, Vannoy opposed
Mayor McClung broke tie and voted yes
Roger Hager (3 West Oak Street) Removal of wooden structure
Motion: White 2nd: Vannoy
Kevin Bennett (6 Fourth Street) Removal of wooden Structure
Motion: White 2nd: Vannoy
Excavation Permit: None
Manufactured Home Permit: None
Business License:
Sunset Tanning (Oakford Ave)
Motion: White 2nd: Little
***Committee Reporting:**
Finance: None
Ordinance: None
Street: None
Nuisance: None
Election: None
Sanitation: None
Safety: None
Police: None
***Public Comments:**
Peggy Beckett questioned if Christina Frame had received a building permit on Elizabeth St. to build an out building.
Carolyn Bell questioned the age limit to wear a helmet. Chief Morris commented that the age limit was 15. Carolyn Bell also asked why the Armory was going to be used as a shooting range for the officers. Chief Morris commented that State Law requires each officer to be certified twice a year. Carolyn also questioned why the officers picked on the kids in town, and did not allow them to socialize on the corner. Councilman Little commented that the children needed to be home. Other citizens cannot even walk on the sidewalk due to the groups of kids blocking the sidewalk. A questioned was asked over the lights that need repaired at the Sculpture Garden.
***Council Member Concerns:**
Councilman White commented that a pot hole needed filled in front of Bob Wilfong's house. Councilman White commented that he appreciated the city cleanup.
Councilman King commented that the airport had a fly-in and he appreciated Recorder Fitzpatrick's assistance and support. Councilman Vannoy commented that on Morris Avenue there are dumping stations that need to be cleaned up. Councilman Little questioned the Betty Gardner property. Councilman Little also the progress of the

revision of the ordinances that the Ordinance Committee is completing. Councilman White also commented that a pot hole needed to be repaired at the bottom of Morris Ave.

***Adjournment:**

Motion: White 2nd: Vannoy

John D. McClung
Mayor

James L. Fitzpatrick
Recorder

City of Richwood
6 White Avenue
Richwood, WV 26261

City or Richwood Common Council Meeting
July 13, 2009 7:00 p.m.

***Call to order and welcome by Mayor John McClung**
***All members present except Frank White, William Heltzel**
***Pledge of Allegiance**
***Invocation – Brother Richard McKenna**
***Mayoral Reporting** – next meeting will be held on July 30, 2009. Mayor McClung reported that last week completed the annual Spring Clean-up and it was a success.
***Acceptance of Minutes**
Motion: Vannoy 2nd: Perez
***New Business:**
Flood Ordinance Review – Mayor McClung reported on the meeting with a FEMA representative concerning the Bartlett's building permit. A Cease and Desist order was served to the property owner earlier that day. Councilman Little asked if all building permits would be in question. Mayor McClung commented that FEMA would not be interested in permits form previous administrations. Councilman Little asked if FEMA was interested in buildings that are presently being built. Councilman Little and Councilman Perez felt that a Cease and Desist Order needed to be issued to Victor Degregory as well. Mayor McClung commented that he had met with the Bartlett family concerning this matter. Mayor McClung commented that this administration was unaware of the ordinance upon granting the permit. Jason Bartlett commented that he had copies of building permits from 2004-current and the majority of the permits were not signed of completed correctly. Mayor McClung commented that in the future that all permits would be completed and signed off on by this administration. Mayor McClung mentioned that even though he may not agree with this ordinance, he has the duty of Mayor to uphold the ordinances of the City. Mayor McClung also commented that the City Attorney was looking into all of the City's permit and the process that it entails. Councilman Little commented that if the Bartlett's permit is rescinded, then all permits that are not correct, need to be rescinded as well. Mayor McClung commented that these concerns would be reviewed.
Second reading of the Sewer Bond Ordinance.
Motion: Vannoy 2nd: Perez
2009-2010 Budget Revision #1 General Fund unencumbered Balance.
Tressi Gray explained adjustments that had to be made.
Motion: Perez 2nd: Little
2009-2010 Budget Revision #1 Coal Severance Fund Unencumbered Balance
Motion: Comstock 2nd: King
*A[illegible]

***Statement of Financial Condition**

Current Balance	$196,308.50
Payables	32,116.46
Remaining Balance	164,192.04

Motion: Perez 2nd: Vannoy

***Permits:**

Building: Ray Kinser (2 Park Place) Replace existing concrete wall with brick retaining wall. Mayor McClung commented that he has the authority to sign off on all permits if necessary. The reason Mr. Kinser's permit was not signed was due to an oversight on his part.

Motion: Perez 2nd: Vannoy

King- opposed

Demolition Permits: None

Excavation/Driveway Permits: None

Manufactured Home Permit: None

Business License: None

***Committee Reporting**: None

***Public Commnets:** None

***Council Member Concerns:** Councilman King requested a speed bump be placed on South Side beside Gary Gordon's House. There is a problem with speeders in this area. Councilman Little commented that grass needs to be cut coming down Marlinton Road Mayor McClung mentioned that the Community Service Workers had done a great job keeping the grass cut. Councilman Little asked the progress of the pool. Councilman Dearfield updated the council on the progress. Mayor McClung also thanked the World Servants for their work in Richwood. Councilman Little mentioned that there was an issue with speeders in Johnstown. Recorder Fitzpatrick mentioned that the garage door replacement expense was an insurance claim.

***Adjournment:**

Perez 2nd: Vannoy

John D. McClung
Mayor

James L. Fitzpatrick
Recorder

City of Richwood
6 White Avenue
Richwood, WV 26261

City of Richwood Common Council Meeting
July 30, 2009 7:00 p.m.

***Call to order and welcome b Mayor John D. McClung**
***Frank White, Kelly Comstock, William Heltzel and Ben Dearfield not present**
***Pledge of Allegiance**
***Invocation** – Reverend Jack Tolbert
***Mayor Reporting:** Mayor McClung commented on the work that has been done by the Community Service Workers and Summer Youth Program Workers. He also commented on work that has been done in several areas of town by City Workers.
***Acceptance of Minutes:**
Motion: Perez 2nd: Vannoy
***Old Business**: None
***New Business:**
✓Third Reading of the proposed Sewer Bond Ordinance:
✓To conduct a public hearing and consider on third reading and act upon a proposed bond Ordinance providing for the issuance of its Combined Waterworks and Sewerage System Revenue Bonds. The proceeds of the Bonds will be used to pay portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the wastewater portion of the existing public combined waterworks and sewerage system of the Issuer; and to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived form the ownership and operation of the system of the city.
Motion: Vannoy 2nd: Perez
5-0 in favor of
200-2010 Budget Revision #2
Tressi Gray explained adjustments that needed to be made due to flow through grant funds. Also an adjustment was made to the Judge's Office department.
***Announcements**: None
***Statement of Financial Condition:**

Current	$161,647.37
Payables	21,322.02
Remaining	140,325.35

Councilman Little questioned the auto maintenance for the Police Department. Mayor McClung commented that it was repairs that were made to the Durango.

Mayor McClung also commented on the poor condition of the vehicles and the expenses that had to be made in order to keep these vehicles on the road, in the future there will hopefully be a remedy to this problem.
Motion: Perez 2nd: Little
***Permits:**
Building – Karensue Matthews (90 Front St.) installation of a handicap ramp.
Motion: Perez 2nd: Vannoy
Demolition: None
Excavation/Driveway: None
Manufactured Home: None
Business License: None
***Committee Reporting:**
Finance: None
Ordinance: None
Street: None
Nuisance: None
Election: None
Sanitation: None
Safety: None
Police: None
***Public Comments**: Rusty Barnett has water problems in front of his house on Short Street.
Carolyn Shad had a problem with the police not allowing people to sit on the sidewalk around town. Mayor McClung commented that he did not a group of people blocking the sidewalks or stairs on the sidewalks by sitting there. Mayor McClung also stressed that there are other citizens that use those sidewalks and they do not need to be blocked by individuals congregating there. There have also been instances of public drunkenness, drug dealing, and obscene language in these groups of people.
A concern was made by Shirley Truman over a handicap sign that was taken down by Mike Brugnoli on Junior St.
Mayor McClung commented that since the last meeting he was able to resolve the situation with FEMA and the Bartlett Family. Mayor McClung mentioned that although he is glad that the issue is resolved, this is not an apology on his behalf, he was just enforcing the City's Ordinance. Jeromy Rose addressed the issue of the fish being killed in the pond at the Sculpture Garden and gave the council an update on that situation. He also commented on the cost of the new fish. Tressi Gray commented that donations were being made to purchase the fish. Mayor McClung commented on the planters that were being replaced on Main St.
***Council Concerns.**
Jim Vannoy questioned that since the permit was not on the Agenda, could the council vote on the permit. Recorder Fitzpatrick commented that if the permit was addressed under concerns it would then be on the agenda and legal. Councilman Little had a concern over road repair that needed to be completed on Johnstown Rd. and Green St. Councilman also made a motion to accept the Bartlett building permit.
Motion: Little 2nd: Vannoy
Perez against.

Councilman Perez had a concern over brush that was in the alley on West Walnut St, and repair that needed to be repaired on the road beside the Methodist Church.
Councilman King had a concern about a ditch that needs to be cleaned out on Green St. Also, South Side is having a problem with children playing in the street. Recorder Fitzpatrick commented on the Bartlett Permit. He expressed that this issue was new to this administration and he regrets that it happen and he is glad to see that the issue is resolved. He also mentioned that this was a learning experience and FEMA regretted that it happened as well. Recorder Fitzpatrick also expressed that he was happy to see construction continue on the new restaurant. Officer Whitney introduced new officer Seth Louden. Officer Whitney expressed his excitement over the new officer.
Councilman Little congratulated Whitney on his recent big arrest. Mayor McClung also mentioned that he was very proud of Whitney.

***Adjournment:**

Perez 2nd: Little

Mayor John D. McClung

Recorder James L. Fitzpatrick

The Nicholas Chronicle a division of Nicholas County Publishing Company Inc.

I, Raymond W. Corbin, News Editor of The Nicholas Chronicle, a weekly newspaper published at Summersville in the County of Nicholas, and the State of West Virginia, do certify that the hereto attached Legal Advertisement - Steptoe & Johnson, Attorneys at Law, P. O. Box 2190, Clarksburg, WV 26302-2190: NOTICE OF PUBLIC HEARING ON THE CITY OF RICHWOOD BOND ORDINANCE appeared in said newspaper for 2 weeks, on the 16th day of July, 2009 and on the 23rd day of July, 2009.

Given under my hand this 23rd day of July, 2009.

By Raymond W Corbin, News Editor.

Fee for publication:

602 words @ $.12 per word, $72.24 for the first publication; 75% of first publication $54.18 for all subsequent publications; for a total cost of $126.42.

The foregoing instrument was acknowledged before me this the 23rd day of July, 2009.

Matthew R. Yeager

Notary Public

My commission expires July 7, 2018.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MATTHEW R. YEAGER
THE NICHOLAS CHRONICLE
718 BROAD STREET
SUMMERSVILLE, WV 26651
My commission expires July 7, 2018

NOTICE OF PUBLIC HEARING ON THE
CITY OF RICHWOOD BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a special meeting of the Council of the City of Richwood (the "City") to be held on Thursday, July 30, 2009, at 7:00 p.m. at the City Hall, Six White Avenue, Richwood, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF RICHWOOD

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE WASTEWATER PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF RICHWOOD AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2009 A (WEST VIRGINIA INFRASTRUCTURE FUND); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to (i) to pay a portion of the costs of acquisition and construction of certain extensions, additions, betterments and improvements to the wastewater portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance hereof and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the City of Richwood on July 13, 2009. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

/s/ John McClung
Mayor

7/16, 7/23 2t

WV MUNICIPAL BOND COMMISSION
1207 Quarrier Street
Suite 401
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: 9/2/2009

ISSUE: City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ADDRESS: Six White Avenue, Richwood, West Virginia 26261 COUNTY: Nicholas

PURPOSE OF ISSUE:
New Money: x
Refunding:

REFUNDS ISSUE(S) DATED: NA

ISSUE DATE: 9/2/2009
CLOSING DATE: 9/2/2009
ISSUE AMOUNT: $1,308,155.00
RATE:
1ST DEBT SERVICE DUE: 3/1/2011
1ST PRINCIPAL DUE 3/1/2011
1ST DEBT SERVICE AMOUNT $8,440.00
PAYING AGENT: Municipal Bond Commission

BOND COUNSEL:
Firm: Steptoe & Johnson PLLC
Contact John Stump, Esquire
Phone: (304) 353.8196

UNDERWRITERS COUNSEL
Firm: Jackson Kelly, PLLC
Contact: Samme Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK:
Bank: First Community Bank
Contact: Connie Griffin
Phone: 304.872.4402

ESCROW TRUSTEE:
Firm:
Contact:
Phone:

KNOWLEDGEABLE ISSUER CONTACT
Contact: Jim Fitzpatrick
Position: Recorder
Phone: (304) 846-2596

OTHER:
Agency: West Virginia Infrastructure & Jobs Development Council
Contact: Angela Chestnut, P.E.
Position: Director
Phone: (304) 558-4607

DEPOSITS TO MBC AT CLOSE
By: ____ Wire ____ Accrued Interest: $
____ Check ____ Capitalized Interest: $
____ Reserve Account: $
____ Other: $

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: ____ Wire ____ To Escrow Trustee $
____ Check ____ To Issuer $
____ IGT ____ To Cons. Invest. Fun $
____ To Other: ____ $

NOTES: The Series 2009 A Bonds Reserve Account to be funded over 10 years.

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED:
TRANSFERS REQUIRED:

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

First Community Bank, Richwood, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Richwood (the "Issuer") enacted by the Council of the Issuer on July 30, 2009, and a Supplemental Resolution of the Issuer adopted by the Council of the Issuer on August 20, 2009 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated September 2, 2009, in the principal amount of $1,308,155 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 2nd day of September, 2009.

FIRST COMMUNITY BANK

Authorized Officer

08.13.09
756770.00001

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

ACCEPTANCE OF DUTIES AS REGISTRAR

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Richwood Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated September 2, 2009, in the principal amount of $1,308,155 (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 2nd day of September, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

08.13.09
756770.00001

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned bond issue of the City of Richwood (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered City of Richwood Combined Waterworks and Sewerage System Revenue Bond, Series 2009 A (West Virginia Infrastructure Fund), of the Issuer, dated September 2, 2009, in the principal amount of $1,308,155, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 2nd day of September, 2009.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

08.13.09
756770.00001

CITY OF RICHWOOD

Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 2nd day of September, 2009, by and between the CITY OF RICHWOOD, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $1,308,155 principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund), dated the date hereof, in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted July 30, 2009, and a Supplemental Resolution of the Issuer duly adopted August 20, 2009 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations

promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Richwood
Six White Avenue
Richwood, West Virginia 26261
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate, register and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the date first written above.

CITY OF RICHWOOD

By: _____
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

08.14.09
756770.00001

EXHIBIT A

Included in transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date September 2, 2009

City of Richwood
Account Number 6089001809

City of Richwood
Combined Waterworks and Sewerage
System Revenue Bonds, Series 2009 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR September, 2009

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
* .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 . . . . . *

PLEASE INCLUDE A COPY OF THIS INVOICE WITH YOUR PAYMENT

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

WEST VIRGINIA
Water Development Authority
Celebrating 35 Years of Service 1974 - 2009

September 2, 2009

City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A
(West Virginia Infrastructure Fund)

TO WHOM IT MAY CONCERN:

In reliance upon a certificate of Smith Cochran & Hicks, PLLC, an independent certified public accountant, and an opinion of Steptoe & Johnson PLLC, as bond counsel stating that the coverage and parity requirements have been met, the undersigned duly authorized representative for the West Virginia Water Development Authority, the registered owner of the entire outstanding aggregate principal amount of the Series 2002 Bonds, hereinafter defined and described, hereby consents to the issuance of the Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund) (the "Bonds"), in the original aggregate principal amount of $1,308,155 by the City of Richwood (the "Issuer"), under the terms of the bond ordinance authorizing the Bonds, on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated December 18, 2002, issued in the original aggregate principal amount of $682,314 (the "Series 2002 Bonds").

Carol A. Cummings
Authorized Representative

08.13.09
756770.00001

180 Association Drive, Charleston, WV 25311-1217
phone (304) 558-3612 / fax (304) 558-0299
www.wvwda.org

IC-2
(7/09)

GRANT AGREEMENT
(2001S-577a)

This Grant Agreement entered into by and between the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority"), on behalf of the WEST VIRGINIA INFRASTRUCTURE AND JOBS DEVELOPMENT COUNCIL (the "Council") and the TOWN OF RICHWOOD (the "Governmental Agency").

RECITALS

WHEREAS, the Council has authorized the Authority to make a grant to the Governmental Agency in the amount not to exceed $500,000 (the "Grant") for the purposes of the design, acquisition or construction of a project for which a preliminary application has been submitted and approved by the Council;

WHEREAS, the Governmental Agency wishes to accept the Grant upon such terms and conditions as are hereinafter set forth for the purposes of designing, acquiring or constructing the project described in Exhibit A attached hereto and incorporated herein by reference (the "Project");

WHEREAS, this Grant Agreement sets forth the Council, the Authority and the Governmental Agency's understandings and agreements with regard to the Grant.

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

TERMS

1. Prior to the distribution of the Grant, the Governmental Agency shall provide the Authority with a Project budget and an anticipated monthly draw schedule reflecting the receipt dates and amounts from other funding sources. The Project budget shall not be amended unless the Governmental Agency has received the prior written consent of the Council.

2. The Authority shall advance the Council's share of the Project costs from the Grant from time to time upon receipt of a requisition evidencing the costs incurred, which requisition must be satisfactory to the Authority. Unless agreed to by the Council prior to the commencement of construction, the Grant shall be the last dollars expended on the Project.

3. The monthly requisition will also set forth (i) the amounts requested for that requisition period from all other funding agencies, and (ii) the amounts advanced for the Project to date from all other funding agencies.

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

TOWN OF RICHWOOD

By: _____
Its: Mayor
Date: September 2, 2009

(SEAL)

Attest: _____
Its: Recorder

WEST VIRGINIA WATER
DEVELOPMENT AUTHORITY

By: _____
Its: Executive Director
Date: September 2, 2009

(SEAL)

Attest: _____
Its: Secretary-Treasurer

Exhibit B

Project Description

The Project will consist of the acquisition and construction of certain extensions, additions, betterments and improvements to the wastewater portion of the existing public combined waterworks and sewerage system of the Governmental Agency, consisting of the replacement of two major pumping stations, separation of storm and sanitary sewers, removal of several mains from flood impacted areas, and repairs of mains and manholes, together with all appurtenant facilities.

State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, E.
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wvgov.org

November 1, 2006

The Honorable Bob Henry Baber
Mayor
City of Richwood
Six White Avenue
Richwood, West Virginia 26261-1338

Dear Mayor Baber:

On February 10, 2006, the City of Richwood received a commitment of $1,500,000 in Small Cities Block Grant funds to enable you to eliminate a health threat to 921 households by separating and upgrading the combined sanitary and storm drain system.

The Small Cities Block Grant award was based upon your immediate need for funds. Therefore, only $300,000 was made available from the FY2005 allocation, with a commitment to evaluate your progress and provide the remaining funding from future allocations.

Based upon the City of Richwood's ability to proceed with this worthwhile project, I am committing the remaining $1,200,000 from the FY2006 Small Cities allocation. Your existing Small Cities Block Grant contract will be amended to include the additional funds.

The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations. Please be advised that a letter of intent is contingent upon the availability of federal funds.

I am pleased to assist with these improvements for the citizens of the City of Richwood.

With warmest regards,

Joe Manchin III
Governor

JM:trs

State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, E.
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wvgov.org

February 10, 2006

The Honorable Bob Henry Baber
Mayor
City of Richwood
Six White Avenue
Richwood, West Virginia 26261

Dear Mayor Baber:

Thank you for your application to the Small Cities Block Grant Program (SCBG). Your request has been approved. These funds will enable the City of Richwood to assist in Phase I of the City's rehabilitation of its existing sanitary sewers, replacement of sewage pumping stations, separation of sanitary and storm sewers, and elimination of dry weather overflows.

To effectively use the limited dollars available, I hereby commit $300,000 from our state administered fiscal year 2005 SCBG allocation that will immediately be available to you. The remaining $1,200,000 necessary to complete the project will be evaluated in the coming year. Be advised that the balance of $1,200,000 is contingent upon the project's readiness to proceed and continued funding from the United States Department of Housing and Urban Development. I encourage you to expedite this project and reach its completion as quickly as possible with this funding strategy in mind.

Please contact Mr. Michael Browning of the West Virginia Development Office, at (304) 558-4010, extension 723, to complete the necessary contract in order to proceed with your project. The West Virginia Development Office reserves the right to withdraw these funds if your project does not proceed on schedule. These funds would be replaced with a letter of intent for consideration from future allocations.

I am pleased to assist with these improvements for the citizens of the City of Richwood.

With warmest regards,

Joe Manchin III
Governor

JM:mbs

West Virginia USA West Virginia Development Office

April 12, 2006

The Honorable Bob Henry Baber
Mayor
City of Richwood
Six White Avenue
Richwood, West Virginia 26261

Dear Mayor Baber:

RE: Fiscal Year 2005 Small Cities Block Grant
City of Richwood – Sewer Upgrade
SCBG Grant Number: 05SCBG0061X

Enclosed is your copy of the executed grant award and state/local contract for the above-referenced project. Please retain this contract and grant award with your project files.

Sincerely,

Michael P. Browning
Community Development Specialist

MPB:sm

Enclosure

cc: Region IV
T. White

WEST VIRGINIA DEVELOPMENT OFFICE
GRANT AWARD

	Grant Number: -06-626
CFDA Number 14.228	**State Acct. No.:** 8746-2006-0307-096-128
Fiscal Year: 2006	**Program Name:** SCBG

Grantee Name & Address:

City of Richwood
Six White Avenue
Richwood, West Virginia 26261

F.E.I.N. 556-000-240

Grant Period:
From: February 10, 2006
To: February 10, 2009

Project Name: Sewerage Improvements

Grant ID: B-05-DC-54-0001

Project Number: 05SCBG0061X

Project Description

Shall do, perform and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to assist the City of Richwood to rehabilitate its existing sanitary sewers, replace sewage pumping stations, separate sanitary and storm sewers, and eliminate dry weather overflows.

Change Orders

Number:	Date:	Purpose:

TERMS AND CONDITIONS ARE ON FILE IN THE WEST VIRGINIA DEVELOPMENT OFFICE AND AVAILABLE FOR INSPECTION. A COPY OF THE ORIGINAL AGREEMENT IS ATTACHED TO TRANSMITTAL _____, PROCESSED ON OR ABOUT _____.
.YMENT NUMBER_____.

Submitted By: _____

TOTAL AMOUNT OF THIS GRANT $ 300,000.00

Authorized Signature: _____

Title: for Executive Director

Date: 4/3/2006

SMALL CITIES BLOCK GRANT CONTRACT
between the
WEST VIRGINIA DEVELOPMENT OFFICE
and the
City of Richwood

THIS AGREEMENT, entered into this tenth day of February, 2006, by the West Virginia Department of Finance and Administration on behalf of the West Virginia Development Office, hereinafter called the "State," and the City of Richwood and its authorized officers, agents, and representatives, hereinafter called the "Grantee."

WITNESS THAT:

WHEREAS, the State has elected to administer the nonentitlement portion of the Community Development Block Grant Program as authorized by Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended, subject to the applicable regulations of the Department of Housing and Urban Development, including but not limited to 24 CFR Part 570, Sub-Part I, as amended or revised, and subject to the scope of the State of West Virginia's Grants Management Handbook and other Program Guidelines, receipt of which is hereby acknowledged by the Grantee.

WHEREAS, the Grantee has identified its housing and community development needs, including those of low- and moderate-income persons and the activities to be undertaken to meet such needs.

WHEREAS, the Grantee has prepared a written citizen's participation plan which provides opportunities for citizen participation, hearings, and access to information with respect to the proposed project statement in such a manner as to afford affected citizens an opportunity for examination and comment regarding the proposed project and on the

community development performance of the Grantee, a Community Development Plan, and an Anti-displacement and Relocation Assistance Plan.

WHEREAS, for audit purposes, the Catalog of Federal Domestic Assistance number is 14.228, Community Development Block Grant/State's Program, funded by the Department of Housing and Urban Development.

WHEREAS, the Grantee has requested assistance from the State and has offered assurances that maximum feasible priority has been given to activities which will benefit low- and moderate-income families, or aid in the prevention or elimination of slums or blight, or to meet other community needs having a particular urgency because an existing condition poses a serious and immediate threat to the health and welfare of the community where other financial resources are not available to meet such needs.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. **Assistance to Grantee**. The State shall obligate to the Grantee, from funds allocated to the State by Grant Agreement B-05-DC-54-0001, $300,000 to perform such tasks hereafter described in the Scope of Services.

2. **Scope of Services**. The Grantee, or its designated agent, in accordance with the Small Cities Block Grant Handbook other Program Guidelines to be used in administration of the Small Cities Block Grant, and in accordance with the approved application of the Grantee which is attached hereto and made a part hereof as Attachment A, shall do, perform, and carry out, in a satisfactory and proper manner all duties, tasks, and functions necessary to assist the City of Richwood to rehabilitate it's existing sanitary sewers, replace sewage pumping stations, separate sanitary and storm sewers, and eliminate dry weather overflows in the City of Richwood.

3. **Changes**. The State and the Grantee, from time to time, may require changes in the Scope of the Services of the work to be performed hereunder. Such changes, including any increase or decrease in the amount of the Grantee's compensation and work to be performed which are mutually agreed upon by and between the State and the Grantee, shall be incorporated in written amendments to this Contract. Major changes in the Scope of

Services which substantially deviate from that originally approved shall require the same citizen participation process as performed for the initial submission of the grant proposal. The State reserves the right to make final determination on questions regarding changes in the Scope of Services.

4. **Time of Performance**. The Grantee will commence its duties under this Contract on February 10, 2006, and such duties shall be undertaken and completed in such sequences as to assure their expeditious completion in light of the purpose of the Contract; but, in any event, all of the services required hereunder shall be completed by February 10, 2009. Completion date of this Contract may only be extended by mutual written agreement of both parties.

5. **Performance Measures**. Performance measures establish that the Grantee should have all other funding in place and design and engineering completed within twelve months. Furthermore, construction should be started within eighteen months after the execution of this Agreement by both parties. These performance measures establish goals against which performance under this contract can be measured and evaluated during regular scheduled monitoring visits by the State. Failure to meet these performance measures can result in termination of this contract (see Provision 10 of this agreement).

6. **Administrative Requirements and Procedures**.

(A) *Personnel.* The Grantee represents that it has or will secure personnel with the necessary qualifications and experience required to perform the services under this Contract. Such personnel shall not be employees of, or have any contractual relationship with the State, consistent with the procedures identified in the Small Cities Block Grant Handbook.

(B) *Applicable Law.* The Grantee, its agents, and subrecipients shall comply with all the restrictions, conditions, policies, guidelines, and requirements of Title I of the Housing and Community Development Act of 1974 (Public Law 93-383), as amended; with all applicable State and Federal Laws and regulations including 24 CFR Part 570; 24 CFR

Part 85; OMB Circulars A-87, A-110, A-122, and A-133, as applicable, in administering and distributing funds provided under this Agreement including, but not limited to, the following:

(1) P.L. 88-352: Refers to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) which provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance. Implementing regulations are found in 24 CFR Part I.

(2) P.L. 90-284: Refers to Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-20 et. seq.) popularly known as the Fair Housing Act which provides for fair housing throughout the United States and prohibits any person from discriminating in the sale or rental of housing, the financing of housing, or the provision of brokerage services, including otherwise making unavailable or denying a dwelling to any person, because of race, color, religion, sex, national origin, handicap, or familial status. The Grantee further certifies that it will take actions necessary to affirmatively further fair housing.

(3) Executive Order 11063, as amended by Executive Order 12259, requires that taking of all actions necessary and appropriate to prevent discrimination because of race, color, religion (creed), sex, or national origin, in the sale, leasing, rental, or other disposition of residential property and related facilities (including land to be developed for residential use), or in the use of occupancy thereof. Implementing regulations are contained in 24 CFR 107.

(4) Section 109 of P.L. 93-383 requires that no person in the United States shall, on the grounds of race, color, national origin or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with community development funds.

Section 109 of the Act further provides any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et. seq.) or with respect to an otherwise qualified handicapped person as provided in Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply.

(5) Section 110 of P.L. 93-383 requires compliance with the Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5). By reason of the foregoing requirement, the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et. seq.) also applies. In addition , the West Virginia Act on Construction of Public Improvements, Article 5A, Chapter 21 of the West Virginia Code applies.

(6) Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701U) requiring that to the greatest extent feasible opportunities for employment and training be given to lower income persons residing within the unit of local government or metropolitan area or nonmetropolitan county in which the project is located, and that Contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the same area.

(7) Executive Order 11246, as amended by Executive Order 12086 shall apply and provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or Federally assisted construction contracts.

(8) Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831b) prohibits the use, and requires the elimination and/or abatement of the hazards of lead-based paints in residential structures constructed or rehabilitated with Federal assistance to include notification of the hazards of lead-based paint. The Lead Safe Housing Regulation (24 CFR Part 35) established the requirements for notification, evaluation, and reduction of lead-based paint hazards in federally-owned residential property and housing that receives federal assistance.

(9) The Grantee agrees to assume all of the responsibilities for environmental review, decision making, and action as specified and required in regulations issued by the Secretary of Housing and Urban Development pursuant to Section 104(g) of the Act and published in 24 CFR Part 58. In addition to assuming responsibility for National Environmental Policy Act (P.L. 91-190), the Grantee must take into account, where applicable, the criteria, standards, policies, and regulations of the following: (a) Historic

Preservation Act of 1966; (b) Executive Order 11593; (c) The Reservoir Salvage Act of 1960; (d) Flood Disaster Protection Act of 1973; (e) Executive Order 11988, Floodplain Management; (f) Executive Order 11990, Protection of Wetlands, (g) Coastal Zone Management Act of 1972; (h) the Safe Drinking Water Act of 1974; (i) the Endangered Species Act of 1973; (j) the Wild and Scenic Rivers Act of 1968; (k) the Clean Air Act ; (l) Environmental Criteria and Standards (44 FR 40860-40866, July 12, 1979); (m) 24 CFR Part 51, Subpart B, Noise Abatement and Control; (n) Subpart C - Siting of HUD Projects Near Hazardous Operations Handling Conventional Fuels or Chemicals of an Explosive or Flammable Nature; (o) and Subpart D - Siting of HUD Projects in Runway Clear Zones and Accident Potential Zones at Military Airfields. Before committing any funds (other than for exempt activities), the Grantee must certify to the State that it has complied with all requirements and obligations that are set forth by 24 CFR Part 58. In addition, the Grantee must submit all requested Evidentiary Material to the State for approval prior to the obligation of any funds (other than for exempt activities).

(10) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4601) and HUD implementing regulations at 24 CFR Part 42 apply to the acquisition of real property for an activity assisted under this part and to the displacement of any family, individual, business, nonprofit organization or farm that results from such acquisition. The West Virginia Code, Chapter 54-3 also applies.

The Grantee must certify compliance with URA. Under Section 104(d) of the Act, each Grantee must adopt, make public and certify that it is following a residential anti-displacement and relocation assistance plan providing one-for-one replacement units and relocation assistance. The plan must also indicate the steps that will be taken to minimize the displacement of persons from their homes as a result of any activities assisted under this part all in accordance with 24 CFR Part 570.488(b).

(11) The State and the Grantee will comply with the provisions of the Department of Treasury Circular 1075 and/or the State's Small Cities Block Grant Handbook,

as revised, in the process of requesting and administering funds from the State's Letter of Credit.

(12) Funds provided under this agreement shall not be expended for acquisition or construction purposes in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless the community in which the area is situated is participating in the National Flood Insurance Program; and flood insurance is obtained in accordance with Section 102(a) of the Flood Disaster Protection Act of 1973.

(C) *Accounting.* The Grantee will establish a separate account for the proper recording of project costs in accordance with generally accepted accounting principles and procedures so as to reflect all receipts and allowable expenditures, including program income in connection with the said project and the purpose thereof. PI generated prior to project closeout must be expended as received for project related activities in accordance with 24 CFR 570. If the Grantee received less that $25,000 per state fiscal year in program income after closeout, the dollars received are not subject to provision of 24 CFR 570 and may be used at the Grantees discretion. If program income exceeds $25,000 in any given state fiscal year after closeout, all program income earned must be expended in accordance with 24 CFR 570.489.

(D) *Audit.* Pursuant to provisions of Chapter 6, Article 9, Section 7 of the West Virginia Code, the Community Development Division has adopted the policy of accepting annual financial audits contracted or performed by the State Auditor's Office. The Grantee will include these funds to be audited with its yearly organization-wide audit. Audits shall be conducted in accordance with the provisions of the Office of Management and Budget (OMB) Circular A-133, and with standards established by the Comptroller General as specified in Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. Units of local government will make audit reports available for public inspection within thirty (30) days after the completion of the audit.

(E) *Record Retention*. Financial records, supporting documents, statistical records, and all other records pertinent to the grant shall be retained for a period of three years, with the following qualifications:

(1) If any litigation, claim, or audit is started before the expiration of the three-year period, the records shall be retained until all litigations, claims, or audit findings involving the records have been resolved.

(2) Records for nonexpendable property acquired with Federal funds shall be retained for three years after its final disposition.

(3) Records for displacement shall be retained in accordance with the Small Cities Block Grant Handbook.

(4) The retention period starts from the date of the issuance of the final audit report.

(F) *Access to Records*. The Grantee shall, at any time during normal business hours and as often as the State or its designated representatives deem necessary, make available for examination all records, books, accounts, reports, files, and other papers, things or property of the Grantee with respect to the matters covered by this Contract. All negotiated contracts awarded by the Grantee shall include a provision that the Comptroller General or any duly authorized representative of the State or HUD shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to a specific grant program for the purpose of making audit, examination, excerpts, and transcriptions.

(G) *Repayment*. The Grantee shall refund to the State or Federal government any expenditures determined to be made for an ineligible purpose for which Federal funds were received.

(H) *Competitive Procurement Procedures*. All procurement transactions, including professional services, regardless of whether negotiated or advertised and without regard to dollar value, shall be conducted in a manner that provides maximum open and free

The Grantee shall procure construction contracts in accordance with Chapter 5-22-1 of the West Virginia State Code and be in compliance with federal regulations 24 CFR Part 85.

The Grantee shall solicit sealed bids for all construction-related contracts or supplies related to their project which has an estimated value of over $25,000. All transactions under $25,000 whether construction-related contracts, supplies, or professional services should be procured in a manner that provides maximum open and free competition and files are to be maintained to document such activities. Any attempts by the Grantee to segregate the project into sections in order to circumvent competitive procurement may be cause for termination of this Agreement under the provisions of Paragraph 9. These bids shall be obtained by public notice as a Class II legal advertisement in compliance with the provisions of Article Three, Chapter Fifty-Nine of the Code of West Virginia. This notice shall be published by the Grantee in the newspaper with the largest circulation serving the general area within a period of fourteen consecutive days with at least an interval of six full days within such period between the date of the first publication and the date of the second publication preceding the final date of submitting bids. The Grantee shall also, where feasible, solicit sealed bids by listing the project in the F. W. Dodge Reports, sending requests by mail to prospective suppliers or contractors, sending notification to the State's Small Business Development Center Division, and by posting notice on a bulletin board in a public place. The Grantee shall have available upon request for review by the State or its designated representative, bid documents and other evidence of compliance with these procedures. The resolution of bid and contract disputes is the responsibility of the Grantee.

Grantees have the ability to procure professional and construction services, therefore, the design-build method (5-22A-1). Public agencies can only utilize design-build on building project. Highways, water, sewer, and all other public works projects are specifically prohibited from using the design-build method.

(l) *Bonding and Insurance.* As otherwise required by law, a grant that requires the contracting or subcontracting for construction or facility improvements under

$100,000 shall provide for the Grantee to follow local or State requirements relating to bid guarantees, performance bonds, and payment bonds provided that the Grantee's and State's interest is adequately protected and that such contracts can be executed in a timely manner; otherwise, bonding requirements shall be the same as for contracts exceeding $100,000. If the contracts or subcontracts exceeds $100,000, the minimum bonding and insurance requirements shall be as follows:

(1) A bid guarantee from each bidder equivalent to five percent of the bid price. This bid guarantee shall consist of a firm commitment such as bid bond, certified check, or other negotiable instrument accompanying a bid that the bidder will, upon acceptance of the bid, execute the contractual documents as may be required within the time specified.

(2) A performance bond on the part of the contractor for 100 percent of the contract price. This performance bond shall be executed by the successful contractor in connection with a contract to secure fulfillment of the contractor's obligations under such contract.

(3) A payment bond on the part of the contractor for 100 percent of the contract price. This payment bond shall be executed in connection with a contract to assure payment is required by law of all persons supplying labor or materials in the execution of the work provided for in the Contract.

(J) *Facilities Operation*. The Grantee shall operate and maintain all facilities to which the general public has right of access constructed under the auspices of this Contract in accordance with minimum standards as may be required or prescribed by the applicable Federal, State and local statute, law, ordinance, or regulation as to actual construction procedures. The Grantee shall be responsible for maintenance and operation of such facilities upon completion. The Grantee may not change the use or planned use of any such facility (including the beneficiaries of such use) from that purpose initially approved unless the Grantee provides affected citizens with reasonable notice thereof and opportunity to comment on any proposed change all in accordance with 24 CFR Part 570.489(j).

(K) *Conflict of Interest.* No officer, agent, consultant, employee, elected or appointed official of the State, the Grantee, or any public agency or subrecipient receiving Community Development Block Grant funds who exercises or has exercised any function or responsibilities with respect to activities assisted with Community Development Block Grant funds or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit from such activity or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one (1) year thereafter. The conflict of interest provision of 24 CFR 85.36; 24 CFR 570.489 (g) and (h); and OMB Circular A-110 also apply as appropriate.

7. **Recovery of Capital Costs**. The Grantee will not attempt to recover any capital costs of public improvements assisted in whole or in part with funds from this program by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements unless: (a) funds received are used to pay the proportion of such fee or assessment that relates to the capital costs of such public improvements that are financed from other revenue sources; or (b) for purposes of assessing any amount against properties owned and occupied by persons of low and moderate income who are not persons of very low income, the Grantee certifies to the State of West Virginia that it lacks sufficient funds received under the program to comply with the requirements of clause (a).

8. **Method of Payment**. In order to receive any and all payments under the terms of this Agreement, the Grantee shall submit the following: (a) a Letter of Transmittal containing a progress report, and (b) a Request for Payment Financial Report. Upon receipt of said documents, the State shall review the same for reasonableness, appropriateness and eligibility and, if approved, will cause a warrant to be made on that sum to the Grantee for

authorized expenditures from the State's Letter of Credit with the Department of Housing and Urban Development.

9. **Cost Underuns**. The State reserves the right to recapture all SCBG funds remaining due to cost underuns. The amount to be recovered will be prorated and proportional to the percent of actual total project expenditures.

10. **Termination of Contract for Cause**. If, through any cause, the Grantee shall fail to fulfill in a necessary and proper manner its obligations under this Contract or if the Grantee shall violate any of the covenants, agreements, or stipulations of this Contract, the State shall thereupon have the right to terminate this Contract by giving written notice to the Grantee to such termination and specifying the effective date thereof, at least fifteen days before the effective date of such termination. The Grantee shall be entitled to receive just and equitable compensation for any satisfactory work completed on the described project.

Notwithstanding the above, the Grantee shall not be relieved of liability to the State for damages sustained by the State by virtue of any breach of the Contract by the Grantee, and the State may withhold any payments to the Grantee for the purpose of off-setting those damages until such time as the exact amount of damages due the State from the Grantee is determined.

11. **Termination for Convenience of the State**. The State may terminate this Contract at any time by giving written notice to the Grantee of such termination and specifying the effective date of termination. If the Contract is terminated by the State as provided herein, the Grantee will be paid an amount which bears the same ratio to the total compensation as the services actually performed bear to the total services of the Grantee covered by this Contract, less payments of compensation previously made.

12. **Termination by the Grantee**. The Grantee may unilaterally rescind this Agreement at any time prior to the commencement of the project. After project commencement, this Agreement may be rescinded, modified, or amended only by mutual agreement. A project shall be deemed commenced when the State makes any expenditure or incurs any obligation with respect to the project.

13. **Reporting**. A Final Performance Report shall be submitted to the State with the final request for payment for project costs, excluding audit. Said Performance Report shall be made on the forms provided by the State and meet the requirements of said report as set forth in the appropriate Small Cities Block Grant Handbook of the State of West Virginia. Other reports may be requested by the State during the grant period as the State deems necessary and directs.

14. **Final Closeout**. Final Closeout shall be completed when the State: (a) is in receipt of a Final Performance Report; (b) has determined that all monitoring findings have been formally addressed and are resolved; and (c) has received a completed, final project audit and has determined that any findings have been resolved.

15. **Resolution of Disputes.** Resolution of disputes between the State and the Grantee concerning administrative and programmatic matters during the terms of this Agreement shall be initiated through consultation and discussion at the State's Administrative Offices with final decision on questions of policy or fact being determined by the Director of the Community Development Division of the West Virginia Development Office or his/her designated representative. Nothing in this Agreement shall be construed as making the final decision on a question of law, or to limit in any manner any remedies or recourses available under applicable laws. Citizen's complaints or disputes regarding Grantee performance or actions relative to the approved project are the responsibility of the Grantee.

16. **Notice**. The parties hereto agree that notice shall be served when mailed certified U.S. Mail to the following addresses:

West Virginia Development Office
Community Development Division
Capitol Complex
Building 6, Room 553
Charleston, West Virginia 25305-0311

GRANTEE City of Richwood
Six White Avenue
Richwood, West Virginia 26261

[WITNESSETH] that the parties hereto have entered their signatures hereafter with each representing to the other that the execution of this Agreement is done with full authority and that attached hereto and made a part hereof as Attachment B, is a certified copy of the resolution, motion, or similar action of the governing body of the Grantee directing and authorizing its official representative to act in connection with this Agreement.

STATE OF WEST VIRGINIA
WEST VIRGINIA DEVELOPMENT OFFICE

Stephen E. Spence, Executive Director

City of Richwood

By: Bob Henry Baber, Mayor

FEDERAL EMPLOYER IDENTIFICATION NUMBER

55-6-000240

F.E.I.N.

SECTION II: Project Budget Continued

8. **Activity Name:** Wastewater System Improvements

Cost Category	SCBG Funds	Other Funds	Source of Other Funds	Available (Yes or No)	Total Cost
Administration	$ 50,000.00	$			$ 50,000.00
Arch/Engineer	$	$ 239,200.00	IJDC		$ 239,200.00
Land Acquisition	$	$ 10,000.00	IJDC		$ 10,000.00
Legal	$	$ 15,000.00	IJDC		$ 15,000.00
Bond Counsel	$	$ 30,000.00	IJDC		$ 30,000.00
Construction	$ 1,450,000.00	$ 1,023,758.00	IJDC		$ 2,523,758.00
Accountant	$	$ 15,000.00	IJDC		$ 15,000.00
Contingency	$	$ 117,042.00	IJDC		$ 117,042.00
LMI Assessments	$	$			$
Other					
Total	$ 1,500,000.00	$ 1,500,000.00			$ 3,000,000.00

Water and Sewer
*LMI tap fee assistance must be provided to low income persons/families. If funds are available, it should be provided to moderate-income persons/families.

Attach cost estimates and documentation regarding "other" funds status. If other funds are not currently available for expenditure, list the milestones to be achieved to obtain the other funds and estimated dates when milestones will be achieved.

MILESTONE	ESTIMATED DATE

Name of firm or individual who completed the cost estimate(s):

Ghosh Engineers, Inc., 723 Kanawha Boulevard, East, Charleston, WV 25301

Date of cost estimate(s) December 15, 2004

SECTION 4

ASSURANCES

Community Development Block Grant Small Cities Program

The applicant hereby assures and certifies that:

A. It possess legal authority for the grant and to execute the proposed program

B. Its governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the filing of the application, including all understandings and assurances contained therein and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

C. Prior to submission of its application to the state, the applicant has met the citizen participation requirements of the Act.

D. It will not attempt to recover any capital costs of public improvements assisted in whole or in part with the Title 1 funds by assessing any amount against properties owned and occupied by persons of low and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvement, unless: (a) Title 1 funds are used to pay the proportion of such fee or assessment that related to the capital costs of such public improvements that are financed from revenue sources other than Title 1 funds; or (b) for purposes of assessing any amount against properties owned and occupied by persons of low- and moderate-income who are not persons of very low income, it certifies to the state that it lacks sufficient Title 1 funds to comply with the requirements in clause (a).

E. It is following a **written and detailed** citizen participation plan which:

1. provides for and encourages citizen participation, with particular emphasis on participation by persons of low- and moderate-income who are residents of slums and blighted areas and of areas in which funds are proposed to be used and provides for participation of residents in low- and moderate-income neighborhoods as defined by the local jurisdiction.

2. provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by regulations of the Secretary of the U.S. Department of Housing and Urban Development and relating to the actual use of funds under this title;

3. provides for technical assistance to groups representative of persons of low-and moderate-income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;

4. provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development needs, the review of proposed activities, and review of program performance, the hearings which shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodations for the handicapped.

5. Provides for a timely written answer to written complaints and grievances within 15 working days where practicable; and

6. Identifies how the needs of non-English residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

F. The applicant further certifies that it has, prior to submitting its Final Statement to the state:

1. Furnished citizens with information concerning the amount of funds available for proposed community development and housing activities and the range of activities that may be undertaken, including the estimated amount proposed to be used for activities that will benefit persons of low- and moderate-income and plans for minimizing displacement of persons as a result of activities assisted with such funds and to assist persons actually displaced as a result of these activities.

2. Developed a community development plan for the grant period that identifies community development and housing needs and specifies both short- and long-term community development objectives that have been developed in accordance with the primary objectives and requirements of the Act and, if the activities selected serve beneficiaries that are not residents of its jurisdiction, has determined that the activities selected are meeting its needs in accordance with Section 106(d)(2)(D) of the Act;

3. Published a proposed statement in such manner and in sufficient detail to afford affected citizens an opportunity to examine its content and to submit comments on the proposed statement and on the community development performance of the applicant;

4. Provided adequate notice of public hearings;

5. Held one or more public hearings to obtain the views of citizens on community development and housing needs;

6. Considered all comments and views prior to completing the Final Statement; and

7. Made the Final Statement available to the public.

G. Its chief executive officer or other officer:

1. Consents to assume the status of a responsible federal official under the National Environmental Policy Act of 1969, and

2. Authorizes and consents on behalf of the applicant and himself/herself to accept the jurisdiction of the federal courts for the purpose of enforcement of their responsibilities as such an official.

H. The Community Development Program has been developed so as to give maximum feasible priority to activities which will benefit low- and moderate-income families; meet other community development needs having particular urgency because of an existing condition poses a serious immediate threat to the health and welfare of the community, and other financial resources are not available to meet such needs; or aid in the prevention or elimination of blighted or deteriorated areas.

I. It will comply with the regulations, policies, guidelines and requirements of the state as they relate to the application, and acceptance and use of funds to include Subpart 1 of 24 CFR 570 and supplemental parts of 24 CFR Part 570 as specifically made applicable by the state to the extent expressly referred to.

J. It will administer and enforce the labor standards requirement set forth in 24 CFR 570.603 and HUD regulations issued to implement such requirements.

K. It will comply with all requirements by the state and/or federal government concerning special requirements of law, program requirements, and other administrative requirements.

L. It will comply with the provisions of Executive Order 11988 relating to evaluation of flood hazard and Executive Order 11990 relating to the prevention, control, and abatement of water pollution.

M. Its notification, inspection, testing and abatement procedures concerning lead-based paint will comply with 24 CFR 570.487, and procedures adopted by the state.

N. It will require every building or facility (other than a privately-owned residential structure) designed, constructed, or altered with funds provided under this part, to comply with the "American Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped," Number A-118.1-R-1971, subject to the exceptions contained in 41 CFR 101-19-604. The applicant will be responsible for conducting inspections to ensure compliance with these specifications by the contractor.

O. It will comply with:

1. Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352) and the regulations issued pursuant thereto (24 CFR Part 601) which provides that no persons in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which the applicant received federal financial assistance, and will immediately take any measures necessary to effectuate this assurance. If any real property or structure thereon is provided or improved with the aid of federal financial assistance extended to the applicant, this assurance shall obligate the applicant or, in the case of any transfer of such property, any transfer, for the period during which the real property or structure is used for a purpose for which the federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits.

2. Title VIII of the Civil Rights act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing in the sale or rental of housing, the financing of housing, and the provision of brokerage services.

3. Section 109 of the Housing and Community Development Act of 1974, and the regulations issued pursuant thereto (24 CFR Part 570.602), which provides that no persons in the United States shall, on the grounds of race, color, national origin, religion, or sex, be subjected to discrimination on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 and the regulations issued pursuant thereto (24 CFR Part 8).

4. Executive Order 11063 on equal opportunity in housing and nondiscrimination in the sale or rental of housing built with federal assistance.

5. Executive Order 11246, and the regulations issued pursuant thereto (24 CFR Part 130 and 41 CFR Chapter 60), which provides that no persons shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of federal or federally assisted construction contracts shall take affirmative action to ensure fair treatment in employment upgrading, demotion or transfer; recruitment or recruiting; advertising; layoff or termination, rates or pay or other forms of compensation; and selection for training and apprenticeship.

P. It will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended, requiring that, to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by persons residing in, the area of the project.

Q. Will comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and Federal Implementing Regulation at 49 CFR Part 24, and the requirements of Section 570.488, and is following a residential anti-displacement and relocation assistance plan under section 104(d) of the Act, and will minimize displacement of persons as a result of activities assisted with CDBG funds.

R. It will establish safeguards to prohibit employees from using positions for a purpose that is, or gives the appearance of being, motivated by a desire for a private gain for themselves or others, particularly those with who, they have family, business, or other ties as required by State Law and 24 CFR 570.489(h).

S. It will comply with the provisions of the Hatch Act, which limits the political activity of employees.

T. It will give the State of West Virginia, HUD, and the General Accounting Office, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the grant.'

U. It will ensure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) List of Violating Facilities, and it will notify the state of the receipt of any communication from the Director of the EPA Office of Federal Activities indicating that a facility to be used in the project under consideration for listing by EPA.

V. It will comply with the flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, P.L. 93-234, 97 Stat. 875, approved December 31, 1973. Section 103(a) required on and after March 2, 1974, the purchase of flood insurance in communities where such insurance is available as a condition for the receipt of any federal assistance for construction or acquisition purposes for use in any area that has been identified by the Secretary of the Department of Housing and Urban Development as an area having special flood hazards. The phrase "federal financial assistance" includes any form of loan, grant, guaranty, insurance payment, rebate, subsidy, disaster assistance loan or grant, or any form of direct or indirect federal assistance.

W. It will, in connection with its performance of environmental assessments under the National Environmental Policy Act of 1969, comply with Section 106 of the National Historic

Preservation Act of 1968 (16 U.S.C. 470), Executive Order 11593, and the Preservation of Archaeological and Historical Data Act of 1966 (16 U.S.C. 468a-11et. Seq.) by:

1. Consulting with the State Historic Preservation Officer to identify properties listed in or eligible for inclusion in the National Register of Historic Places that are subject to adverse effects (see 26 CFR Part 800.8) by the proposed activity, and

2. Complying with all requirements established by HUD to avoid or mitigate adverse effects upon such properties.

X. It will provide and maintain competent and adequate architectural engineering supervision and inspection at all construction sites to ensure that the complete work conforms to the approved plans and specifications and that all contract provisions have been complied with.

Y. It will not use funds directly or indirectly to employ, award contracts to, or otherwise engage the services of a debarred, suspended, or ineligible contractor or subcontractor.

Z. It will assume responsibility to ensure that all program funds are accounted for consistent with program objectives and all federal, state, and local laws and regulations.

AA. It will cause the project to be audited in accordance with OMB Circular A-133, and will promptly refund to the state any funds received that are not supported by audit.

BB. It certifies to the best of its knowledge and belief, that:

1. No federally appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any persons for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any persons for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit standard Form-LL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontractors, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to civil penalty of not less that $10,000 and not more than $100,000 for each such failure.

CC. It has been adopted and is enforcing a policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individual engaged in non violent civil

rights demonstrations; and is enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction.

DD. It is in compliance with the provisions of Section 504 of the HUD Act, or will take appropriate steps to ensure compliance.

EE. It will comply with Section 102 of the HUD Reform Act of 1989, and 24 CFR Part 12 in regard to the disclosure of interest in projects exceeding $200,000 in the aggregate.

Bob Henry Baber

Name

Bob Henry Baber, Mayor
Chief Elected Official

March 3, 2005
Date

RECEIVED
MAR 20 2006
By

RESOLUTION

RESOLUTION BY THE CITY OF RICHWOOD OF NICHOLAS COUNTY, WEST VIRGINIA, AUTHORIZING THE ACCEPTANCE OF THE GRANT AWARD FROM THE STATE OF WEST VIRGINIA, WEST VIRGINIA DEVELOPMENT OFFICE FOR SMALL CITIES COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS. THESE FUNDS WILL BE USED FOR THE CITY OF RICHWOOD'S WASTEWATER SYSTEM IMPROVEMENTS PROJECT.

BE IT RESOLVED BY THE CITY OF RICHWOOD, NICHOLAS COUNTY, WEST VIRGINIA, AS FOLLOWS:

1. That Bob Henry Baber, Mayor of the City of Richwood, Nicholas County, West Virginia, who is the official duly and legally authorized to execute agreements, be and he is authorized to execute, to have acknowledged, and to have delivered on behalf of the City of Richwood, a State/Local Contract with the State of West Virginia/WV Development Office and the City of Richwood for Community Development Block Grant Funds, including all understandings and assurances contained therein, and is directed and authorized to act in connection with the grant and to provide such additional information as may be requested.

2. That the Recorder does properly attest the signature of said official and affix the seal of the City of Richwood on said agreement.

On motion duly made by Jeromy Rose, and seconded by Alicia Webb, the City of Richwood, Nicholas County, West Virginia does hereby approve and authorize the adoption of said Resolution.

STATE OF WEST VIRGINIA
COUNTY OF NICHOLAS

I, **Myles Caldwell, Recorder** of said **City**, do hereby certify that the foregoing are true copies from the records or order made and entered into by the **City of Richwood** of said County on the 16 day of March, 2006.

Bob Henry Baber
Bob Henry Baber, Mayor

Myles Caldwell
Myles Caldwell, Recorder

ACORD CERTIFICATE OF LIABILITY INSURANCE

INSURED COPY | DATE (MM/DD/YY) 08/27/09

PRODUCER

WV BOARD OF RISK & INSURANCE MGT.
90 MACCORKLE AVE. SW, SUITE 203
SOUTH CHARLESTON, WV 25303

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE

INSURED

City of Richwood
6 White Avenue
Richwood, WV 26261

INSURER A:	NATIONAL UNION FIRE CO OF PITTSBURGH, PA
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A	GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE [X] OCCUR X WRONGFUL ACT X PROFESSIONAL GEN'L AGGREGATE LIMIT APPLIES PER: POLICY [ ] PRO-JECT [ ] LOC		07/01/2009	07/01/2010	EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (Any one fire)	$ 100,000
					MED EXP (Any one person)	$ 0
					PERSONAL & ADV INJURY	$ INCLUDED
					GENERAL AGGREGATE	$ N/A
					PRODUCTS - COMP/OP AGG	$ N/A
A	AUTOMOBILE LIABILITY ANY AUTO X ALL OWNED AUTOS X SCHEDULED AUTOS X HIRED AUTOS X NON-OWNED AUTOS		07/01/2009	07/01/2010	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE (Per accident)	$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
					OTHER THAN AUTO ONLY: EA ACC	$
					AGG	$
	EXCESS LIABILITY OCCUR CLAIMS MADE DEDUCTIBLE RETENTION $				EACH OCCURRENCE	$
					AGGREGATE	$
						$
						$
						$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY STOPGAP		07/01/2009	07/01/2010	WC STATU-TORY LIMITS [ ] OTH-ER	
					E.L. EACH ACCIDENT	$
					E.L. DISEASE - EA EMPLOYEE	$
					E.L. DISEASE - POLICY LIMIT	$
B	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS

SUBJECT TO THE PROVISIONS, CONDITIONS AND EXCLUSIONS OF THE POLICIES LISTED ABOVE, IT IS AGREED THAT THE CERTIFICATE HOLDER IS AN "ADDITIONAL INSURED" WITH RESPECTS TO:

CERTIFICATE HOLDER | ADDITIONAL INSURED; INSURER LETTER: ____

WV Water Development Authority
180 Association Drive
Charleston, WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE: Jennifer Stadwell

ACORD 25-S (7/97)
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CITY OF RICHWOOD

COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2002

(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

CITY OF RICHWOOD
COMBINED WATERWORKS AND SEWERAGE SYSTEM
REVENUE BONDS, SERIES 2002
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

ORDINANCE AUTHORIZING THE DESIGN OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE FACILITIES PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF RICHWOOD, THE ACQUISITION OF CERTAIN EQUIPMENT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF RICHWOOD OF NOT MORE THAN SIX HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED FOURTEEN DOLLARS ($682,314) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF RICHWOOD COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (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 BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION 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 ENACTED AND ORDAINED BY THE COUNCIL OF THE CITY OF RICHWOOD:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any order, ordinance 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 Richwood (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Nicholas County of said State.

B. It is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be designed certain additions, betterments and improvements to the public sewerage facilities portion of the existing public combined waterworks and sewerage system of the Issuer and that there be acquired certain equipment, all as described in Exhibit A hereto (collectively, the "Project") (the existing combined waterworks and sewerage system of the Issuer, the Project and any further additions thereto or extensions thereof are herein called the "System"), which Project will be designed by Ghosh Engineers Incorporated, Charleston, West Virginia.

C. The acquisition and construction of the System was financed in part with the proceeds from $530,000 in aggregate principal amount of the Issuer's Water System Revenue Bonds, Series 1974 (the "Series 1974 Bonds"), dated March 26, 1975, authorized pursuant to a Bond Ordinance enacted by the Issuer on September 3, 1974, as supplemented and amended (the "Series 1974 Bonds Ordinance"); and $888,000 in aggregate principal amount of the Issuer's Water System Revenue Bonds, Series 1975 (the "Series 1975 Bonds"), dated September 23, 1975, authorized pursuant to a Bond Ordinance enacted by the Issuer on September 2, 1975, as supplemented and amended (the "Series 1975 Bonds Ordinance") (the Series 1974 Bonds Ordinance and the Series 1975 Bonds Ordinance are collectively referred to herein as the "Prior Ordinances").

D. The Issuer derives revenues from the System, and, except for the pledges thereof to secure and pay the Series 1974 Bonds and the Series 1975 Bonds (collectively, the "Prior Bonds"), said revenues are not pledged or encumbered in any manner.

E. The estimated maximum cost of the design of the Project, the acquisition of certain equipment and the issuance of the Series 2002 Bonds, as hereinafter defined, is $682,314, which will be permanently financed with the proceeds of the Issuer's Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program) (the "Series 2002 Bonds") herein authorized.

F. The estimated revenues to be derived in each year from the operation of the System will be sufficient to pay all the costs of the operation and maintenance of the System, the principal of and interest on the Series 2002 Bonds and the Prior Bonds, and all sinking funds, reserve accounts and other payments provided for herein and in the Prior Ordinances.

G. It is further deemed necessary for the Issuer to issue the Series 2002 Bonds, in the total aggregate principal amount of not more than $682,314, to permanently finance the costs of the design of the Project, the costs of the acquisition of certain equipment and the costs of issuance of the Series 2002 Bonds. Said costs shall be deemed to include the cost of all amounts which may be deposited in the Series 2002 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 and the DEP (each as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2002 Bonds and such other expenses as may be necessary or incidental to the financing herein authorized, the design of the Project, the costs of acquiring equipment for the System, 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 2002 Bonds or the repayment of indebtedness incurred by the Issuer for such purposes, shall be deemed Costs of the Project, as hereinafter defined.

H. The period of usefulness of the System is not less than 30 years.

I. It is in the best interest of the Issuer that its Series 2002 Bonds be issued and sold to the Authority (as hereinafter defined) pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the DEP (as hereinafter defined), the execution, delivery and form of which are ratified and approved herein.

J. The Issuer has met the requirements of the Prior Ordinances for the issuance of the Series 2002 Bonds on a parity with the Prior Bonds and has received, or will receive prior to the bond closing date, written consent from the respective Holders of the Prior Bonds to issue the Series 2002 Bonds on a parity with the liens of the Prior Bonds and a certificate of an Independent Certified Public Accountant stating that the coverage and parity tests of the Prior Bonds have been met. There are no outstanding obligations of the Issuer other than the Prior Bonds which will rank either senior and prior to or on parity with the Series 2002 Bonds as to liens and sources of and security for payment.

K. The Series 2002 Bonds shall be issued with a lien on the Net Revenues, as hereinafter defined, on a parity with the lien held by the Holders of the Prior Bonds.

L. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the design of the Project and the operation of the System, and issuance of the Series 2002 Bonds or will have so complied prior to issuance of any thereof.

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2002 Bonds by those who shall be the registered owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the registered owners of any and all of such Bonds, as the case may be, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

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

"Act" means, collectively, Chapter 8 Article 20 and Chapter 22C, Article 2 of the Code of West Virginia 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 2002 Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Bondholder," "Holder of the Bonds," "Holder" or "Registered Owner" 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 Purchase Agreement" shall mean the Water Pollution Control Revolving Fund Bond Purchase Agreement heretofore entered into or to be entered into by and among the Authority, the DEP and the Issuer, providing for the purchase of the Series 2002 Bonds from the Issuer by the Authority, attached hereto as Exhibit B, the form of which is approved, and the execution and delivery by the Issuer are authorized and directed by Section 3.11 hereof and by the Supplemental Resolution.

"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 2002 Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Series 2002 Bonds in substantially the form set forth in the bond form contained herein.

"Closing Date" means the date upon which there is an exchange of the Series 2002 Bonds for an advance of more than a de minimis amount of the principal of the Series 2002 Bonds by the Authority.

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

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

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

"Consulting Engineers" means Ghosh Engineers Incorporated, Charleston, West Virginia, or any professional engineer or firm of professional engineers, licensed by the State, who shall not be a regular, full-time employee of the State or any of its agencies, commissions or political subdivisions, that shall at any time hereafter be retained by the Issuer as Consulting Engineers for the System, or portion thereof in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended.

"Costs" or "Costs of the Project" means those costs described in Section 1.02 G hereof to be a part of the cost of the design of the Project and the cost of acquisition of certain equipment for the System.

"Council" means the West Virginia Infrastructure and Jobs Development Council or any successor thereto.

"DEP" means the West Virginia Department of Environmental Protection or any agency, board or department of the State that succeeds to the functions of the DEP.

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

"Event of Default" means any occurrence or event specified in Section 9.01.

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

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including without limitation (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

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

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

"Independent Certified Public Accountants" shall mean any public accountant or certified public accountant or firm of public accountants or 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.

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

"Mayor" means the Mayor of the Issuer.

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

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

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

"Outstanding," when used with reference to Bonds 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 and (iv) for purposes of consents or other action by a specified percentage of Bondholders, 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 West Virginia Municipal Bond Commission, or such entity or authority as may be designated by the Issuer with the consent of the Authority.

"Prior Bonds" means, collectively, the Series 1974 Bonds and the Series 1975 Bonds.

"Prior Bonds Reserve Accounts" means the Series 1974 Bonds Reserve Account and the Series 1975 Bonds Reserve Account established for the respective Prior Bonds in the Prior Ordinances.

"Prior Bonds Sinking Funds" means the Sinking Fund or Funds established for the Prior Bonds in the Prior Ordinances.

"Prior Ordinances" means, collectively, the Series 1974 Bonds Ordinance and the Series 1975 Bonds Ordinance.

"Project" means the project described in Exhibit A attached hereto, constituting additions, betterments and improvements to the public sewerage facilities portion of the existing combined waterworks and sewerage system of the Issuer.

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

A. Government Obligations;

B. 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;

C. 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;

D. 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;

E. Money market funds or similar funds whose only assets are investments of the type described in paragraphs (A) through (D) above;

F. Repurchase agreements, fully secured by investments of the types described in paragraphs (A) through (D) 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;

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

H. 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.

"Recorder" means the Recorder of the Issuer.

"Registered Owner," "Bondholder," "Holder" or any similar term means whenever used herein with respect to an outstanding Bond, 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 continued by Section 5.01 hereof.

"Reserve Accounts" means, collectively, the Prior Bonds Reserve Accounts and the Series 2002 Bonds Reserve Account.

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

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

"Series 1974 Bonds" means the Issuer's Water System Revenue Bonds, Series 1974, dated March 26, 1975, issued in the original principal amount of $530,000.

"Series 1975 Bonds" means the Issuer's Water System Revenue Bonds, Series 1975, dated September 23, 1975, issued in the original principal amount of $888,000.

"Series 1974 Bonds Ordinance" means the Bond Ordinance enacted by the Issuer on September 3, 1974, authorizing, among other things, the issuance of the Series 1974 Bonds, as supplemented and amended.

"Series 1975 Bonds Ordinance" means the Bond Ordinance enacted by the Issuer on September 2, 1975, authorizing the issuance of the Series 1975 Bonds, as supplemented and amended.

"Series 1974 Bonds Reserve Account" means the Series 1974 Bonds Reserve Account established by Section 3.02(B)(4) of the Series 1974 Bonds Ordinance.

"Series 1975 Bonds Reserve Account" means the Series 1975 Bonds Reserve Account established by Section 3.02(B)(4) of the Series 1975 Bonds Ordinance.

"Series 2002 Bonds" means the not more than $682,314 in aggregate principal amount of Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), of the Issuer, authorized by this Ordinance.

"Series 2002 Bonds Design Trust Fund" means the Series 2002 Bonds Design Trust Fund established by Section 5.01 hereof.

"Series 2002 Bonds Reserve Account" means the Series 2002 Bonds Reserve Account established in the Series 2002 Bonds Sinking Fund pursuant to Section 5.02 hereof.

"Series 2002 Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Series 2002 Bonds in the then concurrent or any succeeding year.

"Series 2002 Bonds Sinking Fund" means the Series 2002 Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the Prior Bonds Sinking Funds and the Series 2002 Bonds Sinking Fund.

"SRF Administrative Fee" means any administrative fee required to be paid under the Bond Purchase Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local government 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 2002 Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2002 Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Bonds or any other obligations of the Issuer, including the Sinking Funds, the Reserve Accounts and the Renewal and Replacement Fund, as further defined in Section 5.03(D) hereof.

"System" means, collectively, the complete existing 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 additions, betterments and improvements thereto or extensions thereof hereafter acquired or constructed from any sources whatsoever, both within and without said Issuer.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with generally accepted accounting principles.

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.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF DESIGN OF THE PROJECT

Section 2.01. Authorization of Design of the Project. There is hereby authorized the design of the Project, at an estimated cost of $682,314, by the Consulting Engineers. The proceeds of the Series 2002 Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has entered into a contract with the Consulting Engineers for the design of the Project in an amount and otherwise compatible with the financing plan submitted to the DEP and the Authority.

The costs of the design of the Project and the issuance of the Series 2002 Bonds are estimated not to exceed $682,314, which amount is to be paid with the proceeds of the Series 2002 Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2002 Bonds, funding a reserve account for the Series 2002 Bonds, paying Costs of the Project not otherwise provided for, and paying certain costs of issuance of the Series 2002 Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued negotiable Series 2002 Bonds of the Issuer. The Series 2002 Bonds shall be issued in one series to be designated "Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program)," in the aggregate principal amount of not more than $682,314, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2002 Bonds remaining after the funding of the Series 2002 Bonds Reserve Account (if funded from the Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2002 Bonds Design Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2002 Bonds shall be issued in such principal amount; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2002 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 2002 Bonds, if any, shall be paid by check or draft of the Paying Agent mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2002 Bonds shall 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 2002 Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2002 Bonds shall be exchangeable at the option and expense of the Holder for other fully registered Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds, if any, shall be issued in fully registered form and in such denominations, dated such dates and bear interest at such rates as determined by a Supplemental Resolution or subsequent ordinance enacted by the Issuer.

Section 3.03. Execution of Bonds. The Series 2002 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 Recorder. In case any one or more of the officers who shall have signed or sealed any of the Series 2002 Bonds shall cease to be such officer of the Issuer before the Series 2002 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 2002 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 2002 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 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 2002 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 2002 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 Series 2002 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 Bond shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Series 2002 Bonds remain Outstanding, the Issuer, through the Bond Registrar or its agent, shall keep and maintain the books for the registration and transfer of the Series 2002 Bonds.

The registered Series 2002 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 2002 Bonds or transferring the registered Series 2002 Bonds are exercised, Series 2002 Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2002 Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2002 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 2002 Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2002 Bonds or, in the case of any proposed redemption of Series 2002 Bonds, next preceding the date of the selection of Series 2002 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 2002 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 2002 Bonds shall not, in any event, be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No holder or holders of any of the Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2002 Bonds or the interest, if any, thereon.

Section 3.08. Series 2002 Bonds Secured by Pledge of Net Revenues, Lien Positions With Respect to Prior Bonds. The payment of the debt service of all the Series 2002 Bonds shall be secured forthwith equally and ratably with each other by a first lien on the Net Revenues derived from the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Prior Bonds and the Series 2002 Bonds and to make the payments into the Sinking Funds and the Reserve Accounts therein, are hereby irrevocably pledged to the payment of the principal of and interest on the Prior Bonds and the Series 2002 Bonds as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2002 Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2002 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 2002 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 2002 Bonds to the original purchasers;

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

D. An executed copy of the Bond Purchase Agreement; and

E. The approving opinion of bond counsel on the Series 2002 Bonds.

Section 3.10. Form of Series 2002 Bonds. The text of the Series 2002 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 2002 Bond]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RICHWOOD
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND, SERIES 2002
(WEST VIRGINIA SRF PROGRAM)

No. R-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That CITY OF RICHWOOD, a municipal corporation and political subdivision of the State of West Virginia in Nicholas 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 EIGHTY-TWO THOUSAND THREE HUNDRED FOURTEEN DOLLARS ($682,314), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2003, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

This Bond shall bear no interest. The SRF Administrative Fee (as defined in the hereafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2003, as set forth on Exhibit B attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may only be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Water Pollution Control Revolving Fund Bond Purchase Agreement among the Issuer, the West Virginia Division of Environmental Protection, a division of the West Virginia Bureau of Environment (the "DEP") and the Authority, dated August 22, 2002.

This Bond is issued (i) to permanently finance the costs of design of certain additions, betterments and improvements to the public sewerage facilities portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project") and the costs of acquisition of certain equipment for such system; 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 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"), an Ordinance duly enacted by the Issuer on September ____,

2002 and a Supplemental Resolution duly adopted by the Issuer on _____, 2002 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds of this Series (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 (1) THE WATER SYSTEM REVENUE BONDS, SERIES 1974, OF THE ISSUER, DATED MARCH 26, 1975, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $530,000 (THE "SERIES 1974 BONDS"); AND (2) THE WATER SYSTEM REVENUE BONDS, SERIES 1975, OF THE ISSUER, DATED SEPTEMBER 23, 1975, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $888,000 (THE "SERIES 1975 BONDS"AND COLLECTIVELY WITH THE SERIES 1974 BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), on a parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, to be derived from the operation of the System, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2002 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2002 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 on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2002 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 on a parity with the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of _____, 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 the payment of the Costs of the Project and the costs of issuance hereof as 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.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

IN WITNESS WHEREOF, CITY OF RICHWOOD has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated _____, 2002.

CITY OF RICHWOOD

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 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: _____.

_____,
as Registrar

By_____
Its 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

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

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

Dated: _____, 2002.

_____

In the presence of:

_____

Section 3.11. Sale of Series 2002 Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, is hereby approved. The Series 2002 Bonds shall be sold to the Authority pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "Exhibit B" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

Section 3.12. Series 2002 Bonds are Issued as Parity Bonds With Respect to Prior Bonds. The Series 2002 Bonds are issued as and shall constitute parity bonds with respect to the Prior Bonds. The Issuer has met the requirements of the Prior Ordinances for the issuance of the Series 2002 Bonds on a parity with the Prior Bonds.

Section 3.13. Filing of Amended Schedule. Within sixty (60) days following the Completion Date, the Issuer will file with the DEP and the Authority a schedule, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created (or continued if previously established by one of the Prior Ordinances or other ordinance of the Issuer) 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:

A. Revenue Fund (previously established by the Issuer);

B. Renewal and Replacement Fund (previously established by Issuer);

C. Series 1974 Bonds Reserve Account (established by the Series 1974 Bonds Ordinance);

D. Series 1975 Bonds Reserve Account (established by the Series 1975 Bonds Ordinance); and

E. Series 2002 Bonds Design Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with the Commission:

A. Series 2002 Bonds Sinking Fund; and

B. Within the Series 2002 Bonds Sinking Fund, the Series 2002 Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds.

A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner herein provided. 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 each month pay from the Revenue Fund all current Operating Expenses of the System.

2. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the National Finance Office the amounts required by the Prior Ordinances for payment of interest on the Prior Bonds.

3. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the National Finance Office the amounts required by the Prior Ordinances for payment of principal of the Prior Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2002 Bonds, remit to the Commission for deposit in the Series 2002 Bonds Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Series 2002 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 2002 Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date; provided that, if insufficient funds are available in the Revenue Fund to make all of the payments listed above, the Issuer shall make the payments pro rata.

4. The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously (i) remit to the Depository Bank the amount required by the Series 1974 Bonds Ordinance to be deposited in the Series 1974 Bonds Reserve Account; (ii) remit to the Depository Bank the amount required by the Series 1975 Bonds Ordinance to be deposited in the Series 1975 Bonds Reserve Account; and (iii) commencing 3 months prior to the first date of principal of the Series 2002 Bonds, if not fully funded upon the issuance of the Series 2002 Bonds, remit to the Commission for deposit in the Series 2002 Bonds Reserve Account, an amount equal to 1/120th of the Series 2002 Bonds Reserve Requirement; provided that no further payments shall be made into the Series 2002 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 2002 Bonds Reserve Requirement.

5. The Issuer shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account, provided that, so long as any of the Prior Bonds remain Outstanding, the Issuer shall transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund the greater of: (i) the amount, if any, required by the Prior Ordinances to be transferred to the Renewal and Replacement Fund, or (ii) 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 any of the Reserve Accounts [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 2002 Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2002 Bonds as the same shall become due. Moneys in the Series 2002 Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2002 Bonds, as the same shall come due, when other moneys in the Series 2002 Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account (if equal to the Series 2002 Bonds Reserve Requirement) shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during design of the Project, be deposited in the Series 2002 Bonds Design Trust Fund, and following completion of design of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2002 Bonds, and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2002 Bonds Reserve Account which result in a reduction in the balance of the Series 2002 Bonds Reserve Account to below the Series 2002 Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the order set forth above.

As and when additional Bonds ranking on a parity with the Series 2002 Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve accounts in an amount equal to the requirement thereof.

The Issuer shall not be required to make any further payments into the Series 2002 Bonds Sinking Fund or into the Series 2002 Bonds Reserve Account therein when the aggregate amount of funds in said Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account are at least equal to the aggregate principal amount of the Series 2002 Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the respective maturities thereof. Whenever the aggregate amount of funds in said Series 2002 Bonds Sinking Fund and Series 2002 Bonds Reserve Account are sufficient to prepay the Series 2002 Bonds in, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay, at the earliest date and in accordance with the applicable provisions hereof, the Series 2002 Bonds and accrued interest, if any, thereon to such prepayment date.

Principal, interest and reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Prior Bonds and the Series 2002 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 2002 Bonds Sinking Fund and the Series 2002 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. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into said

accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Moneys in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2002 Bonds Sinking Fund, including the Series 2002 Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2002 Bonds under the conditions and restrictions hereinafter set forth.

B. The Issuer shall on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission the required principal, interest and reserve payments with respect to the Series 2002 Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall also on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission, the SRF Administrative Fee, if any, due on such date as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds and accounts, 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 and accounts during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

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

F. The moneys in excess of the sum insured by the maximum amounts insured by FDIC in any of the funds and accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

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

H. 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; DESIGN DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Series 2002 Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2002 Bonds, there shall first be deposited with the Commission in the Series 2002 Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2002 Bonds, there shall be deposited with the Commission in the Series 2002 Bonds Reserve Account the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2002 Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2002 Bonds, such moneys shall be deposited with the Depository Bank in the Series 2002 Bonds Design Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 and until so expended, are hereby pledged as additional security for the Series 2002 Bonds.

D. After completion of design of the Project, as certified by the Consulting Engineers, and all Costs of the Project have been paid, any remaining proceeds of the Series 2002 Bonds shall be used to fund the Series 2002 Bonds Reserve Account, if not funded upon issuance of the Series 2002 Bonds, in an amount not to exceed the Series 2002 Bonds Reserve Requirement; provided that, in no event shall more than 10% of the proceeds of the Series 2002 Bonds be deposited in the Series 2002 Bonds Reserve Account, and if any such proceeds remain after funding the Series 2002 Bonds Reserve Account, the same shall be expended as directed by the Authority and DEP.

Section 6.02. Disbursements From the Series 2002 Bonds Design Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the DEP and the Authority a report listing the specific purposes for which the proceeds of the Series 2002 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 2002 Bonds Design Trust Fund shall be made only after submission to, and approval from, the Authority and DEP of the following:

A. A "Payment Requisition Form," the form of which is attached to the Bond Purchase Agreement as Exhibit C, in compliance with the design schedule; and

B. A certificate, signed by an Authorized Officer and the Consulting Engineers, stating that:

1. None of the items for which the payment is proposed to be made has formed the basis for any disbursement theretofore made;

2. 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;

3. Each of such costs has been otherwise properly incurred; and

4. Payment for each of the items proposed is then due and owing.

Pending such application, moneys in the Series 2002 Bonds Design Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2002 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 2002 Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Series 2002 Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Series 2002 Bonds not to be Indebtedness of the Issuer. The Series 2002 Bonds shall not be or constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory 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 of the Series 2002 Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay said Bonds or the interest, if any, thereon.

Section 7.03. Series 2002 Bonds Secured by Pledge of Net Revenues; Lien Positions With Respect to Prior Bonds. The payment of the debt service of the Series 2002 Bonds issued hereunder shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the operation of the System on a parity with the lien on such Net Revenues in favor of the Holders of the Prior Bonds. Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2002 Bonds and to make the payments into all funds and accounts, and all other payments provided for in the Bond Legislation and the Prior Ordinances are hereby irrevocably pledged, in the manner provided herein, to such payments as the same become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Initial Schedule of Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance enacted by the Issuer on August 2, 1998, and the water rate ordinance enacted by the Issuer on August 2, 1998.

So long as the Series 2002 Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2002 Bonds

shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent and in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as any of the Prior Bonds are Outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of the System, or any part thereof, except as provided in the applicable Prior Ordinances. Additionally, so long as the Series 2002 Bonds are Outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to 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 immediately be remitted, with respect to the Prior Bonds, to the National Finance Office designated in the Prior Bonds, and with respect to the Series 2002 Bonds, to the Commission for deposit in the Series 2002 Bonds Sinking Fund, pro rata, with respect to the principal amount of each of the Bonds then Outstanding, and, with the written permission of the Authority, or in the event the Authority is no longer a Bondholder, the Issuer shall direct said National Finance Office and the Commission to apply such proceeds to the payment of principal at maturity of and interest on the Bonds in such manner. Any balance remaining after the payment of all the Bonds and interest thereon shall be remitted to the Issuer 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 $50,000, the Issuer shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the 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 $50,000 but not in excess of $200,000, the Issuer shall first, in writing, determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding in accordance with the laws of the State. The proceeds derived from any such sale, lease or other disposition of such property shall be deposited in the Renewal and Replacement Fund. Such payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said fund by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $200,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided in this Section 7.06 and in Section 7.07, so long as any of the Series 2002 Bonds are Outstanding, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2002 Bonds. All obligations issued by the Issuer after the issuance of the Series 2002 Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2002 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 at the time of the issuance of such subordinate obligations have been made and are current. Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2002 Bonds, and the interest thereon, if any, upon any of the income and revenues of the System pledged for payment of the Series 2002 Bonds and the interest thereon, if any, in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as any of the Prior Bonds are Outstanding, the limitations on the issuance of parity obligations set forth in the respective Prior Ordinances shall be applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2002 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 2002 Bonds, and must have the prior written consent of the Authority and the DEP.

No such Parity Bonds shall be issued except for the purpose of financing the costs of the design, construction or acquisition of extensions, improvements or betterments to the System or refunding one or more series of the Bonds, or both such purposes.

So long as the Prior Bonds are outstanding, no Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues for the Fiscal Year following the year in which such Parity Bonds are to be issued shall be at least 120% of the average annual debt service requirements on the following:

(1) The Bonds 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 foregoing limitation may be waived or modified by the written consent of the Holder or Holders of the Prior Bonds, representing 75% of the then-outstanding principal indebtedness. In the event the foregoing limitation is waived or when such Prior Bonds are no longer outstanding, the following parity requirement shall be met:

No Parity Bonds shall be issued at any time, however, unless there has been procured and filed with the Recorder a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months, within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues 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 (without successful appeal) prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Independent Certified Public Accountants, which shall be filed in the office of the Recorder 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 said Independent Certified Public Accountants, as stated in a certificate filed with the Recorder, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the period for appeal of which has expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Holders of the Bonds and the Holders of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. Bonds issued on parity, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System and their source of and security for payment from 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 lien of the Series 2002 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 2002 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 and the Prior Ordinances 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.

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

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all records pertaining to the operation and maintenance of the System at all reasonable times.

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 Authority and the DEP, or any other original purchaser of the Bonds, and shall mail in each year to any Holder or Holders of 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 with respect to said Bonds and the status of all said funds and accounts.

C. The amount of any Bonds or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of Series 2002 Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2002 Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Bond Purchase Agreement and this Bond Legislation, and that the Issuer's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements.

The Issuer shall permit the Authority and the DEP, or their agents and representatives, to enter and inspect the System at all reasonable times. Prior to, during and after completion of design, 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.

Subject to the terms, conditions and provisions of the Bond Purchase Agreement and the Act, the Issuer has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do all things necessary to design the Project. All real estate and interests in real

estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Issuer.

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

Section 7.09. Rates. Equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds; provided that, in the event that amounts equal to or in excess of the reserve requirements are on deposit, respectively, in the Series 2002 Bonds Reserve Account and reserve accounts for obligations on a parity with the Series 2002 Bonds, including the Prior 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 2002 Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2002 Bonds, including the Prior Bonds.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within 30 days of adoption thereof. The Issuer, with the approval of the Governing Body, may from time to time amend the budget during the subject Fiscal Year provided that the budget remains balanced after such amendment. If the budget is so amended, a copy of the amended budget shall be submitted to the Authority and the DEP within 15 days of the adoption of such amendment. After the adoption of any such amendment, the budget, as amended, shall be the budget of the Issuer for the balance of the subject Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by 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 within 30 days of adoption mail copies of such annual budget, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and the DEP and to any Holder of any Bonds who shall file his or her address with the Issuer and request in writing that copies of all such budgets, any amendments thereto and resolutions be furnished him or her and shall make available such budgets, any amendments thereto and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Commencing on the date contracts are executed for the design 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 Bond Purchase Agreement and forward a copy of such report to the Authority and the DEP by the 10th day of each month.

Section 7.11. Engineering Services and Operating Personnel. The Issuer will obtain a certificate from the Consulting Engineers in the form attached to the Bond Purchase Agreement, stating, among other things, that the Project will be designed in accordance with the application submitted to the Authority and the DEP, the Project will be adequate for the purposes for which it will be designed, the funding plan as submitted to the Authority and the DEP is sufficient to pay the costs of design of the Project, and, prior to construction, the Consulting Engineers will work with the Issuer to obtain all permits required by federal and state laws for construction of the Project.

The Issuer shall provide and maintain competent and adequate engineering services satisfactory to the Authority and the DEP covering the design of the Project.

The Issuer shall employ qualified operating personnel properly certified by the State to operate the System so long as the Series 2002 Bonds are Outstanding.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be

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

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

Section 7.15. Insurance and Construction Bonds. The Issuer hereby covenants and agrees that so long as the Series 2002 Bonds remain Outstanding, the Issuer shall, 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.

(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) WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR.

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

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

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

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

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

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

The Issuer has obtained all permits required by State and federal laws for the design of the Project and the operation of the System, all orders and approvals from the Public Service

Commission of West Virginia, the DEP and the Council necessary for the design of the Project and the operation of the System and all approvals for issuance of the Series 2002 Bonds required by State law, with all requisite appeal periods having expired without successful appeal.

Section 7.18. Compliance With Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all terms and conditions of the Bond Purchase Agreement. Notwithstanding anything herein to the contrary, the Issuer will provide the DEP with all copies submitted to the Authority.

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

Section 7.19. Securities Laws Compliance. The Issuer will provide the Authority, in a timely manner, with any and all information that may be requested of it (including its annual audit report, financial statements, related information and notices of changes in usage and customer base) so that the Authority may comply with the provisions of SEC Rule 15c2-12 (17 CFR Part 240).

Section 7.20. Covenants with Respect to Erosion and Wetlands. The Issuer covenants and agrees that the Project shall not contribute to excessive erosion of highly erodible land or conversion of wetlands to produce an agricultural commodity.

Section 7.21. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2002 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 2002 Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

Section 7.22. Contracts. The Issuer shall, simultaneously with the delivery of the Series 2002 Bonds or immediately thereafter, enter into written contracts for the immediate design of the Project.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

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.

Section 8.02. Certificate as to the Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2002 Bonds as a condition to issuance of the Series 2002 Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2002 Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use of the proceeds of the Series 2002 Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the Council or the DEP, as the case may be, from which the proceeds of the Series 2002 Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the Council or the DEP, to ensure compliance with the covenants

and agreements set forth in this Section regardless of whether such actions may be contrary to any of the provisions of this Ordinance.

The Issuer shall annually furnish to the Authority and the DEP information with respect to the Issuer's use of the proceeds of the Series 2002 Bonds and any additional information requested by the Authority or the DEP.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2002 Bonds:

A. If default occurs in the due and punctual payment of the principal of or interest on the Series 2002 Bonds; or

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

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

D. If default occurs with respect to any of the Prior Bonds or any of the Prior Ordinances.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Holders of the Bonds, 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 Holders 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 2002 Bonds shall be on a parity with the Holders of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Holder of a Bond, may, by proper legal action, compel the performance of the duties of the Issuer under the Bond Legislation and the Act, including, after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Holder 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 design 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 avenues in conformity with the provisions of this Bond Legislation and the Act.

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

Whenever all that is due upon the 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 Holder 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 Holders of the Bonds. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System for the sole purpose of the protection of both the Issuer and Registered Owners of such Bonds, and the curing and making good of any Event of Default with respect thereto under the provisions of this Bond Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2002 Bonds, the principal of and interest, if any, due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2002 Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2002 Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2002 Bonds, no material modification or amendment of this Bond Legislation, or of any resolution amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2002 Bonds shall be made without the consent in writing of the Registered Owners of the Series 2002 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.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Holders of the Series 2002 Bonds and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution, or the Series 2002 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. Except for the Prior Ordinances, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed. In the event of any conflict between this Ordinance and the Prior Ordinances (so long as the respective Prior Bonds are Outstanding), 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, Recorder and members of the Governing Body were at all times when any

actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 11.07. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, substantially in the form attached hereto as Exhibit C, which is determined by the Issuer 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 14 consecutive days, with at least 6 full days intervening between each publication, in a qualified newspaper of general circulation in the City of Richwood, together with the notice set forth therein 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 10 days subsequent to the date of the first publication of the said abstract and notice, and present protests, and that a certified copy of the Ordinance is on file in the office of the Recorder for review by interested parties during the office hours of the Recorder.

At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

Section 11.08. Effective Date. This Ordinance shall take effect following the public hearing described in Section 11.07 above.

Passed on First Reading	September 12, 2002
Passed on Second Reading	September 19, 2002
Effective following public hearing held on	October 17, 2002

Robert C. Johnson
Mayor

James M Caldwell
Recorder

Exhibit A

DESCRIPTION OF PROJECT

The design of certain additions, betterments and improvements to the public sewerage facilities portion of the Issuer's existing public combined waterworks and sewerage system, in the City of Richwood, Nicholas County, West Virginia, including without limitation, sewer line improvements and replacements, upgrade of lift station and improvements to the sewage treatment facilities, and the acquisition of certain equipment for the System, including a vactor truck, line inspection camera and miscellaneous maintenance equipment.

Exhibit B

BOND PURCHASE AGREEMENT

SRF-BPA-1
(06/06/02)

BOND PURCHASE AGREEMENT

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

CITY OF RICHWOOD
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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; and

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

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

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

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

1.6 "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.

1.7 "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.

1.8 "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.

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

1.10 "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.

1.11 Additional terms and phrases are defined in this Bond Purchase 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 Bond Purchase Agreement and the Local Act, the Local Government has acquired, or shall do all things necessary to acquire, the proposed site of the Project and shall do, is doing or has done all things necessary to construct the Project in accordance with the plans, specifications and designs prepared for the Local Government by the Consulting Engineers.

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

(a) The Local Government shall have delivered to the Authority and DEP a report listing the specific purposes for which the proceeds of the Local Bonds will be expended and the procedures as to the disbursement of bond 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 Bond Purchase 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 proceeds of the Local Bonds will refund an interim construction financing, the Local Government must either be constructing or have constructed its Project for a cost and as

otherwise compatible with the plan of financing described in the Application; and, in either case, the Authority and DEP shall have received a certificate of the Consulting Engineers to such effect, the form of which certificate is attached hereto as Exhibit D;

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

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

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

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

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

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

3.2 Subject to the terms and provisions of this Bond Purchase 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 purchase the Local Bonds of the Local Government and the Local Government shall issue and sell the Local Bonds to the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall purchase 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 Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase 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 Closing." Notwithstanding the foregoing, the Date of Closing shall in no event occur more than ninety (90) days after the date of execution of this Bond Purchase Agreement by the Authority or such later date as is agreed to in writing by DEP.

3.5 The Local Government understands and acknowledges that it is one of several local governments which have applied to the Authority and DEP for financing of wastewater treatment projects and that the obligation of the Authority to purchase the Local

Bonds is subject to the Local Government's fulfilling all of the terms and conditions of this Bond Purchase Agreement on or prior to the Date of 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 bonds will be purchased in conjunction with the SRF Regulations and with the prior approval of DEP.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by any outstanding loan resolution, indenture or other act or document and beginning on the date set forth in Schedule X, to provide debt service on the Local Bonds by depositing in a sinking fund one-third (1/3) of the interest payment next coming due on the Local Bonds and one-third (1/3) of the principal payment next coming due on the Local Bonds and, beginning three (3) months prior to the first date of payment of principal of the Local Bonds, if the reserve account for the Local Bonds (the "Reserve Account") was not funded from proceeds of the Local Bonds or

otherwise concurrently with the issuance thereof in an amount equal to the maximum amount of principal and interest which will come due on the Local Bonds in the then current or any succeeding year (the "Reserve Requirement"), by depositing in the Reserve Account an amount not less than one-twelfth (1/12) of one-tenth (1/10) of the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4.6 The obligation of the Authority to purchase the Local Bonds 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 purchase the Local Bonds.

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

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

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Local Government

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

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Bond Purchase 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 purchasing and receiving the Local Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Bond Purchase Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the issuance of the Local Bonds shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Bond Purchase Agreement.

6.3 The Local Government hereby agrees to repay on or prior to the Date of 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 Local Bonds.

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

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

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

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

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

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Bond Purchase Agreement by the Authority as soon as practicable after the Date of 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 Bond Purchase 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 Bond Purchase Agreement, and this Bond Purchase Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.3 This Bond Purchase 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 Bond Purchase Agreement.

7.4 No waiver by any party of any term or condition of this Bond Purchase 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 Bond Purchase Agreement.

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

7.6 By execution and delivery of this Bond Purchase 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 Bond Purchase Agreement shall terminate upon the earlier of:

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

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

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

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

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

CITY OF RICHWOOD
[Name of Local Government]

(SEAL)

By: Robert E. Johnson
Its: Mayor
Date: October 17, 2002

Attest:

Myla Caldwell
Its: Recorder

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER RESOURCES

By: Allyn S. Turner
Its: Director
Date: October 21, 2002

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Frank Blatnik
Its: Director
Date: August 22, 2002

Attest:

Barbara B Meadows
Its: Secretary-Treasurer

000832/00372
06/06/02

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

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

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

_____

By _____

West Virginia License No. __

[SEAL]

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

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

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$_____
Principal	$_____
Total:	$_____
Reserve Account:	$_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection
1560 Kanawha Boulevard, East
Charleston, WV 25311

Ladies and Gentlemen:

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

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

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

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

(collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Local Government without the consent of the Authority and the DEP.

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $682,314
Purchase Price of Local Bonds $682,314

The Local Bonds shall bear no interest. Commencing September 1, 2003, principal of the Local Bonds is payable quarterly, with an administrative fee of ½%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

None.

City of Richwood
Loan of $682,314
30 Years, 0% Interest Rate, 1/2% Administrative Fee
Closing Date: December 18, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2002	-	-	-
3/01/2003	-	-	-
6/01/2003	-	-	-
9/01/2003	5,686.00	-	5,686.00
12/01/2003	5,686.00	-	5,686.00
3/01/2004	5,686.00	-	5,686.00
6/01/2004	5,686.00	-	5,686.00
9/01/2004	5,686.00	-	5,686.00
12/01/2004	5,686.00	-	5,686.00
3/01/2005	5,686.00	-	5,686.00
6/01/2005	5,686.00	-	5,686.00
9/01/2005	5,686.00	-	5,686.00
12/01/2005	5,686.00	-	5,686.00
3/01/2006	5,686.00	-	5,686.00
6/01/2006	5,686.00	-	5,686.00
9/01/2006	5,686.00	-	5,686.00
12/01/2006	5,686.00	-	5,686.00
3/01/2007	5,686.00	-	5,686.00
6/01/2007	5,686.00	-	5,686.00
9/01/2007	5,686.00	-	5,686.00
12/01/2007	5,686.00	-	5,686.00
3/01/2008	5,686.00	-	5,686.00
6/01/2008	5,686.00	-	5,686.00
9/01/2008	5,686.00	-	5,686.00
12/01/2008	5,686.00	-	5,686.00
3/01/2009	5,686.00	-	5,686.00
6/01/2009	5,686.00	-	5,686.00
9/01/2009	5,686.00	-	5,686.00
12/01/2009	5,686.00	-	5,686.00
3/01/2010	5,686.00	-	5,686.00
6/01/2010	5,686.00	-	5,686.00
9/01/2010	5,686.00	-	5,686.00
12/01/2010	5,686.00	-	5,686.00
3/01/2011	5,686.00	-	5,686.00
6/01/2011	5,686.00	-	5,686.00
9/01/2011	5,686.00	-	5,686.00
12/01/2011	5,686.00	-	5,686.00
3/01/2012	5,686.00	-	5,686.00
6/01/2012	5,686.00	-	5,686.00
9/01/2012	5,686.00	-	5,686.00
12/01/2012	5,686.00	-	5,686.00
3/01/2013	5,686.00	-	5,686.00
6/01/2013	5,686.00	-	5,686.00
9/01/2013	5,686.00	-	5,686.00
12/01/2013	5,686.00	-	5,686.00
3/01/2014	5,686.00	-	5,686.00
6/01/2014	5,686.00	-	5,686.00

City of Richwood
Loan of $682,314
30 Years, 0% Interest Rate, 1/2% Administrative Fee
Closing Date: December 18, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
9/01/2014	5,686.00	-	5,686.00
12/01/2014	5,686.00	-	5,686.00
3/01/2015	5,686.00	-	5,686.00
6/01/2015	5,686.00	-	5,686.00
9/01/2015	5,686.00	-	5,686.00
12/01/2015	5,686.00	-	5,686.00
3/01/2016	5,686.00	-	5,686.00
6/01/2016	5,686.00	-	5,686.00
9/01/2016	5,686.00	-	5,686.00
12/01/2016	5,686.00	-	5,686.00
3/01/2017	5,686.00	-	5,686.00
6/01/2017	5,686.00	-	5,686.00
9/01/2017	5,686.00	-	5,686.00
12/01/2017	5,686.00	-	5,686.00
3/01/2018	5,686.00	-	5,686.00
6/01/2018	5,686.00	-	5,686.00
9/01/2018	5,686.00	-	5,686.00
12/01/2018	5,686.00	-	5,686.00
3/01/2019	5,686.00	-	5,686.00
6/01/2019	5,686.00	-	5,686.00
9/01/2019	5,686.00	-	5,686.00
12/01/2019	5,686.00	-	5,686.00
3/01/2020	5,686.00	-	5,686.00
6/01/2020	5,686.00	-	5,686.00
9/01/2020	5,686.00	-	5,686.00
12/01/2020	5,686.00	-	5,686.00
3/01/2021	5,686.00	-	5,686.00
6/01/2021	5,686.00	-	5,686.00
9/01/2021	5,686.00	-	5,686.00
12/01/2021	5,686.00	-	5,686.00
3/01/2022	5,686.00	-	5,686.00
6/01/2022	5,686.00	-	5,686.00
9/01/2022	5,686.00	-	5,686.00
12/01/2022	5,686.00	-	5,686.00
3/01/2023	5,686.00	-	5,686.00
6/01/2023	5,686.00	-	5,686.00
9/01/2023	5,686.00	-	5,686.00
12/01/2023	5,686.00	-	5,686.00
3/01/2024	5,686.00	-	5,686.00
6/01/2024	5,686.00	-	5,686.00
9/01/2024	5,686.00	-	5,686.00
12/01/2024	5,686.00	-	5,686.00
3/01/2025	5,686.00	-	5,686.00
6/01/2025	5,686.00	-	5,686.00
9/01/2025	5,686.00	-	5,686.00
12/01/2025	5,686.00	-	5,686.00
3/01/2026	5,686.00	-	5,686.00

City of Richwood
Loan of $682,314
30 Years, 0% Interest Rate, 1/2% Administrative Fee
Closing Date: December 18, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2026	5,686.00	-	5,686.00
9/01/2026	5,686.00	-	5,686.00
12/01/2026	5,686.00	-	5,686.00
3/01/2027	5,686.00	-	5,686.00
6/01/2027	5,686.00	-	5,686.00
9/01/2027	5,686.00	-	5,686.00
12/01/2027	5,686.00	-	5,686.00
3/01/2028	5,686.00	-	5,686.00
6/01/2028	5,686.00	-	5,686.00
9/01/2028	5,686.00	-	5,686.00
12/01/2028	5,686.00	-	5,686.00
3/01/2029	5,686.00	-	5,686.00
6/01/2029	5,686.00	-	5,686.00
9/01/2029	5,686.00	-	5,686.00
12/01/2029	5,686.00	-	5,686.00
3/01/2030	5,686.00	-	5,686.00
6/01/2030	5,686.00	-	5,686.00
9/01/2030	5,686.00	-	5,686.00
12/01/2030	5,686.00	-	5,686.00
3/01/2031	5,686.00	-	5,686.00
6/01/2031	5,686.00	-	5,686.00
9/01/2031	5,686.00	-	5,686.00
12/01/2031	5,686.00	-	5,686.00
3/01/2032	5,685.00	-	5,685.00
6/01/2032	5,685.00	-	5,685.00
9/01/2032	5,685.00	-	5,685.00
12/01/2032	5,685.00	-	5,685.00
3/01/2033	5,685.00	-	5,685.00
6/01/2033	5,685.00	-	5,685.00
Total	**682,314.00**	**-**	**682,314.00 ***

***Plus $430 one-half percent administrative fee paid quarterly. Total fee paid over the life of the loan is $51,600.**

YIELD STATISTICS

Bond Year Dollars	$10,721.72
Average Life	15.714 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	4.77E-13
Bond Yield for Arbitrage Purposes	4.77E-13
All Inclusive Cost (AIC)	0.4806497%

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	15.714 Years

Exhibit C

NOTICE OF PUBLIC HEARING

CITY OF RICHWOOD
NOTICE OF PUBLIC HEARING
ON BOND ORDINANCE

A public hearing will be held on the following entitled Ordinance at a special meeting of the Council of the City of Richwood to be held on Thursday, October ___, 2002, at 6:00 p.m., in the Council Chambers at the City Hall, 6 White Street, Richwood, West Virginia, and at such hearing all objections 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 DESIGN OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE FACILITIES PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF RICHWOOD, THE ACQUISITION OF CERTAIN EQUIPMENT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF RICHWOOD OF NOT MORE THAN SIX HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED FOURTEEN DOLLARS ($682,314) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF RICHWOOD COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (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 BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bond issue contemplated thereby. The Bonds are to provide permanent financing of a portion of the costs of the design of certain improvements to the public sewerage facilities portion of the public combined waterworks and sewerage system for the City of Richwood and the acquisition of certain equipment for such system. The Bonds are payable solely from revenues derived from the ownership and operation of the public combined waterworks and sewerage system of the City of Richwood. No taxes may at any time be levied for the payment of the Bonds or the interest thereon.

A certified copy of the above-entitled Ordinance is on file at the office of the Recorder of the City of Richwood for review by interested parties during regular office hours.

Following the said public hearing, the City Council intends to put said Ordinance into effect.

Dated: _____, 2002.

/s/ _____, Recorder

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF RICHWOOD on the 19th day of September, 2002, and put into effect following a public hearing held on October 17, 2002.

Dated: December 18, 2002.

James M Caldwell

Recorder

[SEAL]

1047867

CITY OF RICHWOOD
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002
(WEST VIRGINIA SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, INTEREST RATE, DATE, MATURITY DATE, REDEMPTION PROVISIONS, PRINCIPAL PAYMENT DATES, SALE PRICE AND OTHER TERMS OF THE COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF RICHWOOD; AUTHORIZING, RATIFYING AND APPROVING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY, DESIGNATING A BOND REGISTRAR, DEPOSITORY BANK AND PAYING AGENT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of the City of Richwood (the "Issuer") has duly and officially enacted an Ordinance, on September 19, 2002, and has put such Ordinance into effect following a public hearing held on this date (the "Ordinance") entitled:

BOND ORDINANCE

ORDINANCE AUTHORIZING THE DESIGN OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE PUBLIC SEWERAGE FACILITIES PORTION OF THE EXISTING PUBLIC COMBINED WATERWORKS AND SEWERAGE SYSTEM OF THE CITY OF RICHWOOD, THE ACQUISITION OF CERTAIN EQUIPMENT AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF RICHWOOD OF NOT MORE THAN SIX HUNDRED EIGHTY-TWO THOUSAND THREE HUNDRED FOURTEEN DOLLARS ($682,314) IN AGGREGATE PRINCIPAL AMOUNT OF CITY OF RICHWOOD COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BONDS, SERIES 2002 (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 BOND PURCHASE AGREEMENT WITH THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY AND THE WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION 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 Ordinance when used herein;

WHEREAS, the Ordinance provides for the issuance of Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program) of the Issuer (the "Series 2002 Bonds"), in an aggregate principal amount not to exceed $682,314, and has authorized the execution and delivery of a Water Pollution Control Revolving Fund Bond Purchase Agreement relating to the Series 2002 Bonds dated August 22, 2002, including all schedules and exhibits attached thereto (sometimes referred to herein as the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department 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 Ordinance it is provided that the form of the Bond Purchase Agreement and exact principal amount, interest rate, date, maturity date, redemption provisions, principal payment dates, sale price and other terms of the Series 2002 Bonds should be established by a supplemental resolution pertaining to the Series 2002 Bonds; and that other matters relating to the Series 2002 Bonds be herein provided for;

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

WHEREAS, the Series 2002 Bonds are proposed to be purchased by the Authority pursuant to the Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be ratified, approved and entered into by the Issuer, that the exact principal amount, interest rate, date, maturity date, redemption provisions, principal payment dates, sale price and other terms of the Series 2002 Bonds should be fixed hereby in the manner stated herein, and that other matters relating to the Series 2002 Bonds be herein provided for;

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

Section 1. Pursuant to the 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 2002 (West Virginia SRF Program) of the Issuer, originally represented by a single bond, numbered R-1, in the principal amount of $682,314. The Series 2002 Bonds shall be dated the date of delivery thereof, shall finally mature on June 1, 2033, and shall bear no interest. The principal of the Series 2002 Bonds shall be payable in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing September 1, 2003 and maturing June 1, 2033, and in the amounts set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made part of

the Series 2002 Bonds. The Series 2002 Bonds shall be subject to redemption upon the consent of the Authority and the DEP and otherwise in compliance with the Bond Purchase Agreement, as long as the Authority shall be registered owner of the Series 2002 Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2002 Bonds set forth in the Schedule Y attached to the Bond Purchase Agreement.

Section 2. All other provisions relating to the Series 2002 Bonds and the text of the Series 2002 Bonds shall be in substantially the form provided in the Ordinance.

Section 3. The Issuer does hereby authorize, ratify, approve and accept the Bond Purchase Agreement, a copy of which is incorporated herein by reference, and the execution and delivery by the Mayor and the Recorder of the Bond Purchase Agreement, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, ratified, approved and directed. The price of the Series 2002 Bonds shall be 100% of par value, there being no interest accrued thereon, provided that, the proceeds of the Series 2002 Bonds shall be advanced from time to time as requisitioned by the Issuer. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the application to the DEP and the Authority.

Section 4. The Issuer does hereby appoint and designate either First Community Bank, National Association, Richwood, West Virginia, or United Bank, Inc., Charleston, West Virginia, as finally determined by the Mayor, to serve as Registrar for the Series 2002 Bonds under the Ordinance.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2002 Bonds under the Ordinance.

Section 6. The Issuer does hereby appoint and designate First Community Bank, National Association, Richwood, West Virginia, to serve as Depository Bank under the Ordinance.

Section 7. Series 2002 Bonds proceeds in the amount of $-0- shall be deposited in the Series 2002 Bonds Sinking Fund as capitalized interest.

Section 8. Series 2002 Bonds proceeds in the amount of $-0- shall be deposited in the Series 2002 Bonds Reserve Account.

Section 9. The remaining proceeds of the Series 2002 Bonds shall be deposited in the Series 2002 Bonds Design Trust Fund as received from time to time for payment of costs of the Project and payment of cost of issuance of the Series 2002 Bonds, Without limiting the generality of the foregoing, the payment of the Issuer's Sewerage System Design Note, Series 1999, in the approximate amount of $52,000, is hereby authorized and directed, said payment to be made with (i) a portion of the proceeds of the Bonds, (ii) a portion of the monies remaining in the debt service and reserve accounts for the Issuer's Water and Sewer Revenue Bonds, Series

1965 which were redeemed on September 1, 2002, and/or (iii) other monies of the Issuer lawfully available for such purpose.

Section 10. The Mayor and Recorder are hereby authorized and directed to execute and deliver the Series 2002 Bonds and such other documents, agreements, instruments and certificates required or desirable in connection with the Series 2002 Bonds hereby and by the Ordinance approved and provided for, and to affix thereon the seal of the Issuer, as appropriate, to the end that the Series 2002 Bonds may be delivered to the Authority pursuant to the Bond Purchase Agreement on or about October 29, 2002, or as soon thereafter as practicable.

Section 11. The design and acquisition of the Project and the permanent financing of the Costs thereof with the proceeds of the Series 2002 Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Governing Body hereby determines that it is in the best interest of the Issuer to invest all monies in the funds and accounts established by the Ordinance held by the Depository Bank in time deposits of the Depository Bank, secured by a pledge of Government Obligations, and therefore the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such time deposits, until further directed by the Issuer. Monies in the Series 2002 Bonds Sinking Fund and the Series 2002 Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 13. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 17th day of October, 2002.

CITY OF RICHWOOD

Mayor

[SEAL]

ATTEST:

Recorder

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Richwood on the 17th day of October, 2002.

Dated: December 18, 2002.

[SEAL]

Recorder

12/18/02

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF RICHWOOD
COMBINED WATERWORKS AND SEWERAGE SYSTEM REVENUE BOND
SERIES 2002
(WEST VIRGINIA SRF PROGRAM)

SPECIMEN

No. R-1 $682,314

KNOW ALL MEN BY THESE PRESENTS: That CITY OF RICHWOOD, a municipal corporation and political subdivision of the State of West Virginia in Nicholas 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 EIGHTY-TWO THOUSAND THREE HUNDRED FOURTEEN DOLLARS ($682,314), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as Exhibit A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing on September 1, 2003, as set forth on the "Debt Service Schedule" attached as Exhibit B hereto and incorporated herein by reference.

This Bond shall bear no interest. The SRF Administrative Fee (as defined in the hereafter described Bond Legislation) shall be payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing September 1, 2003, as set forth on Exhibit B attached hereto. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may only be redeemed prior to its stated date of maturity in whole or in part upon the terms and conditions prescribed by, and otherwise in compliance with, the Water Pollution Control Revolving Fund Bond Purchase Agreement among the Issuer, the West Virginia Department of Environmental Protection (the "DEP") and the Authority, dated August 22, 2002.

This Bond is issued (i) to pay in full the entire outstanding principal of and all interest accrued on the Issuer's Sewerage System Design Note, Series 1999; (ii) to permanently finance the costs of design of certain additions, betterments and improvements to the public sewerage facilities portion of the existing public combined waterworks and sewerage system of the Issuer (the "Project") and the costs of acquisition of certain equipment for such system; and (iii) to pay certain costs of issuance of the Bonds of this series (the "Bonds") and related costs. The existing public combined waterworks

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and sewerage system of the Issuer, the Project and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 8, Article 20 and Chapter 22C, Article 6 of the West Virginia Code of 1931, as amended (collectively, the "Act"), an ordinance duly enacted by the Issuer on September 19, 2002 and a Supplemental Resolution duly adopted by the Issuer on October 17, 2002 (collectively called the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH (1) THE WATER SYSTEM REVENUE BONDS, SERIES 1974, OF THE ISSUER, DATED MARCH 26, 1975, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $530,000 (THE "SERIES 1974 BONDS"); AND (2) THE WATER SYSTEM REVENUE BONDS, SERIES 1975, OF THE ISSUER, DATED SEPTEMBER 23, 1975, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $888,000 (THE "SERIES 1975 BONDS"AND COLLECTIVELY WITH THE SERIES 1974 BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation), on a parity with the pledge of the Net Revenues in favor of the holders of the Prior Bonds, to be derived from the operation of the System, and from moneys in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2002 Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon except from said special fund provided from the Net Revenues, the moneys in the Series 2002 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 on a parity with the Bonds, including the Prior Bonds, provided however, that so long as there exists in the Series 2002 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

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

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of First Community Bank, National Association, Richwood, 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 the payment of the Costs of the Project and the costs of issuance hereof as 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.

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

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IN WITNESS WHEREOF, CITY OF RICHWOOD has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated December 18, 2002.

CITY OF RICHWOOD

[SEAL]

Robert Johnson SPECIMEN

Mayor

ATTEST:

James Caldwell SPECIMEN

Recorder

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CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2002 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: December 18, 2002.

FIRST COMMUNITY BANK, NATIONAL ASSOCIATION,
as Registrar

SPECIMEN

By: _____
Its: Authorized Officer

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EXHIBIT A

RECORD OF ADVANCES

SPECIMEN

	Amount	Date		Amount	Date
(1)	$96,247	December 18, 2002	(7)	$	
(2)	$		(8)	$	
(3)	$		(9)	$	
(4)	$		(10)	$	
(5)	$		(11)	$	
(6)	$		(12)	$	

Total $_____

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EXHIBIT B

DEBT SERVICE SCHEDULE

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City of Richwood
Loan of $682,314
30 Years, 0% Interest Rate, 1/2% Administrative Fee
Closing Date: December 18, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
12/01/2002	-	-	-
3/01/2003	-	-	-
6/01/2003	-	-	-
9/01/2003	5,686.00	-	5,686.00
12/01/2003	5,686.00	-	5,686.00
3/01/2004	5,686.00	-	5,686.00
6/01/2004	5,686.00	-	5,686.00
9/01/2004	5,686.00	-	5,686.00
12/01/2004	5,686.00	-	5,686.00
3/01/2005	5,686.00	-	5,686.00
6/01/2005	5,686.00	-	5,686.00
9/01/2005	5,686.00	-	5,686.00
12/01/2005	5,686.00	-	5,686.00
3/01/2006	5,686.00	-	5,686.00
6/01/2006	5,686.00	-	5,686.00
9/01/2006	5,686.00	-	5,686.00
12/01/2006	5,686.00	-	5,686.00
3/01/2007	5,686.00	-	5,686.00
6/01/2007	5,686.00	-	5,686.00
9/01/2007	5,686.00	-	5,686.00
12/01/2007	5,686.00	-	5,686.00
3/01/2008	5,686.00	-	5,686.00
6/01/2008	5,686.00	-	5,686.00
9/01/2008	5,686.00	-	5,686.00
12/01/2008	5,686.00	-	5,686.00
3/01/2009	5,686.00	-	5,686.00
6/01/2009	5,686.00	-	5,686.00
9/01/2009	5,686.00	-	5,686.00
12/01/2009	5,686.00	-	5,686.00
3/01/2010	5,686.00	-	5,686.00
6/01/2010	5,686.00	-	5,686.00
9/01/2010	5,686.00	-	5,686.00
12/01/2010	5,686.00	-	5,686.00
3/01/2011	5,686.00	-	5,686.00
6/01/2011	5,686.00	-	5,686.00
9/01/2011	5,686.00	-	5,686.00
12/01/2011	5,686.00	-	5,686.00
3/01/2012	5,686.00	-	5,686.00
6/01/2012	5,686.00	-	5,686.00
9/01/2012	5,686.00	-	5,686.00
12/01/2012	5,686.00	-	5,686.00
3/01/2013	5,686.00	-	5,686.00
6/01/2013	5,686.00	-	5,686.00
9/01/2013	5,686.00	-	5,686.00
12/01/2013	5,686.00	-	5,686.00
3/01/2014	5,686.00	-	5,686.00
6/01/2014	5,686.00	-	5,686.00

City of Richwood
Loan of $682,314
30 Years, 0% Interest Rate, 1/2% Administrative Fee
Closing Date: December 18, 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Total P+I
6/01/2026	5,686.00	-	5,686.00
9/01/2026	5,686.00	-	5,686.00
12/01/2026	5,686.00	-	5,686.00
3/01/2027	5,686.00	-	5,686.00
6/01/2027	5,686.00	-	5,686.00
9/01/2027	5,686.00	-	5,686.00
12/01/2027	5,686.00	-	5,686.00
3/01/2028	5,686.00	-	5,686.00
6/01/2028	5,686.00	-	5,686.00
9/01/2028	5,686.00	-	5,686.00
12/01/2028	5,686.00	-	5,686.00
3/01/2029	5,686.00	-	5,686.00
6/01/2029	5,686.00	-	5,686.00
9/01/2029	5,686.00	-	5,686.00
12/01/2029	5,686.00	-	5,686.00
3/01/2030	5,686.00	-	5,686.00
6/01/2030	5,686.00	-	5,686.00
9/01/2030	5,686.00	-	5,686.00
12/01/2030	5,686.00	-	5,686.00
3/01/2031	5,686.00	-	5,686.00
6/01/2031	5,686.00	-	5,686.00
9/01/2031	5,686.00	-	5,686.00
12/01/2031	5,686.00	-	5,686.00
3/01/2032	5,685.00	-	5,685.00
6/01/2032	5,685.00	-	5,685.00
9/01/2032	5,685.00	-	5,685.00
12/01/2032	5,685.00	-	5,685.00
3/01/2033	5,685.00	-	5,685.00
6/01/2033	5,685.00	-	5,685.00
Total	**682,314.00**	**-**	**682,314.00 ***

***Plus $430 one-half percent administrative fee paid quarterly. Total fee paid over the life of the loan is $51,600.**

YIELD STATISTICS

Bond Year Dollars	$10,721.72
Average Life	15.714 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	4.77E-13
Bond Yield for Arbitrage Purposes	4.77E-13
All Inclusive Cost (AIC)	0.4806497%

IRS FORM 8038

Net Interest Cost	-
Weighted Average Maturity	15.714 Years

ASSIGNMENT

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

_____

_____

_____

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

Dated: _____, 20__.

_____

In the presence of:

_____

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Lexington, Kentucky 40507
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Martinsburg, West Virginia 25401
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3 West Piccadilly Street
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Telephone (540) 723-8877

Camden P. Siegrist
Telephone — (304) 347-1129
Facsimile — (304) 343-3058

December 18, 2002

City of Richwood
6 White Avenue
Richwood, West Virginia 26261-1338

West Virginia Department of
Environmental Protection
1560 Kanawha Boulevard, East
Charleston, West Virginia 25311

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

RE: City of Richwood
Combined Waterworks and Sewerage System Revenue Bonds,
Series 2002 (West Virginia SRF Program)

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Richwood (the "Governmental Agency"), a municipal corporation and political subdivision of the State of West Virginia, of its $682,314 Combined Waterworks and Sewerage System Revenue Bonds, Series 2002 (West Virginia SRF Program), dated the date hereof (the "Local Bonds").

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a Water Pollution Control Revolving Fund Bond Purchase Agreement dated August 22, 2002, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Governmental Agency, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") and (ii) the issuance of the Local Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal

amount of $682,314, in the form of one bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, beginning September 1, 2003 and maturing June 1, 2033, as set forth in "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

The Local Bonds are issued for the purposes of (i) paying in full the entire outstanding principal of and all interest accrued on the Issuer's Sewerage System Design Note, Series 1999; (ii) paying the costs of the design of certain additions, betterments and improvements to the sewerage portion of the existing combined waterworks and sewerage system of the Governmental Agency and the acquisition of certain equipment for such system (collectively, the "Project"), and (iii) paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 8, Article 20 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Local Statute"), and the Bond Ordinance duly enacted by the Governmental Agency on September 19, 2002, and effective October 17, 2002, as supplemented by a Supplemental Resolution duly adopted by the Governmental Agency on October 17, 2002 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Bond Purchase Agreement has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Bond Purchase 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 Bond Purchase 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 Bond Purchase Agreement inures to the benefit of the Authority and the DEP and cannot be amended so as to affect adversely the rights of the Authority or the DEP or diminish the obligations of the Governmental Agency without the consent of the Authority and the DEP.

3. The Governmental Agency is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to design and acquire the Project, to operate and maintain the System, to enact the Local

Act and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary orders and resolutions have been duly and effectively enacted or adopted by the Governmental Agency in connection with the issuance and sale of the Local Bonds and constitute valid and binding obligations of the Governmental Agency enforceable against the Governmental Agency in accordance with their terms. The Local Act contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

5. The Local Bonds have been duly authorized, issued, executed and delivered by the Governmental Agency to the Authority and are valid, legally enforceable and binding 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, on a parity with (1) the outstanding Water System Revenue Bonds, Series 1974, of the Issuer, dated March 26, 1975, issued in the original principal amount of $530,000; and (2) the Water System Revenue Bond, Series 1975, of the Issuer, dated September 23, 1975, issued in the original principal amount of $888,000, all in accordance with the terms of the Local Bonds and the Local Act.

6. The Local Bonds are, under the Local Statute, exempt from all taxation by the State of West Virginia, and any county, municipality, political subdivision or agency thereof.

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

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

We have examined the executed and authenticated Local Bond No. R-1, and are of the opinion that the form of said Bond and its execution and authentication are regular and proper.

Very truly yours,

BOWLES RICE McDAVID GRAFF & LOVE, PLLC

Bowles Rice McDavid Graff & Love PLLC

west virginia department of environmental protection

Division of Water and Waste Management
601 57th Street SE
Charleston, WV 25304
Phone: (304) 926-0495
FAX: (304) 926-0496

Bob Wise, Governor
Stephanie R. Timmermeyer, Cabinet Secretary
www.wvdep.org

November 18, 2004

Honorable Bob Henry Barber
Mayor, City of Richwood
City Hall Building
6 White Avenue
Richwood, WV 26261

RE: City of Richwood
Plans & Specifications Approval (Phase II)
SRF No. C-544308

Dear Mayor Barber:

The plans and specifications for the above referenced project are hereby approved.

This approval DOES NOT constitute authority to advertise for bids. You will be advised by separate letter from this agency as to when such an advertisement can be initiated.

Please be advised it will be necessary to issue an addendum to the contract documents prior to opening of bids to include the current minimum prevailing wages, as promulgated by the WV Division of Labor. This and all addenda and revisions to the contract documents must be telefaxed to this office for approval and issued to plan holders five (5) days prior to bid opening. Failure to submit addenda in a timely manner will automatically nullify approval to open bids. Any addenda issued inside the five (5) day period prior to the bid opening must include an automatic extension to the bid opening date of a minimum of seven (7) days.

If any questions arise, please contact Paul Frantz, P.E., at (304) 926-0499 Ext. 1592.

Sincerely,

Allyn G. Turner
Director

AGT/pfl
cc: Cliff Whyte, P.E., Permits, DEP
John Fredricks, OEE
Paul Ghosh, Ghosh Engineers

west virginia department of environmental protection

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

Joe Manchin III, Governor
Randy C. Huffman, Cabinet Secretary
www.wvdep.org

April 7, 2009

Honorable John McClung
Mayor, City of Richwood
4 White Avenue
Richwood, WV 26261

CERTIFIED RETURN RECEIPT REQUESTED

Re: WV/NPDES Permit Modification
WV0022004-A, Nicholas County

Dear Mr. McClung:

This correspondence shall serve as Modification No. 1 of your existing WV/NPDES Water Pollution Control Permit No. WV0022004 issued the 25th day of March 2008.

After review and consideration of all information submitted on, and with, WV/NPDES Water Pollution Control Permit Modification Application No. WV0022004-A, dated the 26th day of March 2009, and other relevant information, the subject permit is hereby modified to incorporate the following changes:

1. To acquire, construct, install, operate and maintain improvements to an existing wastewater collection system to be comprised of approximately 310 linear feet of 30 inch diameter PVC gravity sewer line, 1,230 linear feet of 20 inch diameter DIP storm sewer line, 150 linear feet of 18 inch diameter DIP gravity sewer line, 70 linear feet of 16 inch diameter DIP gravity sewer line, 650 linear feet of 15 inch diameter PVC gravity sewer line, 445 linear feet of 12 inch diameter DIP gravity sewer line, 770 linear feet of 12 inch diameter PVC gravity sewer line, 1,120 linear feet of 10 inch diameter DIP gravity sewer line, 770 linear feet of 10 inch diameter PVC gravity sewer line, 570 linear feet of 8 inch diameter DIP gravity sewer line, 9,440 linear feet of 8 inch diameter PVC gravity sewer line, 50 linear feet of 6 inch diameter DIP gravity sewer line, 740 linear feet of 6 inch diameter PVC gravity sewer line, 110 linear feet of 16 inch steel casing, construction of three (3) new sewage pumping stations and demolition of two (2) existing sewage pumping stations, associated storm sewer line work relative to the wastewater collection system improvements; and all requisite appurtenances.

2. The wastewater collection system improvements project shall be constructed in accordance with the plans and specifications, approved the 17th day of November 2004, prepared by Ghosh Engineers Inc.; 4710 Chimney Drive; Charleston, WV 25302, and entitled " City of Richwood, Nicholas County, West Virginia; Wastewater System Improvements; Contract 2; SRF Project No 544308-02."

All other terms and conditions of the subject WV/NPDES Water Pollution Control Permit shall remain in effect and unchanged. If you have any questions in this regard, please contact Rubina Tabassum, P.E. of this office at (304) 926-0499 ext. 1096.

Sincerely,

Scott G. Mandirola
Acting Director

SGM: rt

cc: E.E. Supervisor
E.E Inspector

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **September 2, 2009**

Re: **City of Richwood Combined Waterworks and Sewerage System Revenue Bonds, Series 2009 A (West Virginia Infrastructure Fund)**

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1. DISBURSEMENTS TO THE CITY OF RICHWOOD

Payor:	West Virginia Infrastructure & Jobs Development Council
Amount:	$24,500
Form:	Wire
Payee:	City of Richwood
Bank:	First Community Bank
Routing No.	051501299
Account No.	9913471
Contact:	Debbie Goheen
Account:	Series 2009 A Bonds Construction Trust Fund

08.13.09
756770.00001

TERRALEX®

State of West Virginia

WATER DEVELOPMENT AUTHORITY

180 Association Drive, Charleston, WV 25311-1217
(304) 558-3612 - (304) 558-0299 (Fax)
Internet: www.wvwda.org - Email: contact@wvwda.org

PRECLOSING ATTENDANCE LIST

Date 9/1/09 Time 10:30 AM LGA Richwood/IC Program IC

NAME	COMPANY, AGENCY, OR ORGANIZATION	TELEPHONE	FAX	E-MAIL
Carol Cummings	WDA	558-3612	558-0299	Ccummings@wvwda.org
Ryan White	Jackson Kelly	304 340-1263	304 340-1272	srwhite@jacksonkelly.com
John Stump	Steptoe & Johnson PLLC	304.353.8196	304.353.8181	john.stump@steptoe-johnson.com
Rachel Pett	Steptoe & Johnson PLLC	304-353-8275	304-353-8181	rachel.pett@steptoe-johnson.com
Stamie Lee	Jacksonkelly PLLC	304.340.1318	304.340.1272	slgee@jacksonkelly.com

The Authority requests that the following information concerning the individual who will be responsible for sending Debt Service Payments to the Municipal Bond Commission be provided. (If that individual is in attendance, he/she should also sign above.) Please Print:

Name Jim Fitzpatrick, Recorder Telephone 304.846.2596 E-Mail N/A

Address Six White Avenue, Richwood, West Virginia 26261

REMINDER: As a participant in this program, the Local Governmental Agency (LGA) agrees and is required to submit annually to the WDA a copy of its audited financial statements and a copy of its adopted budget. Also, pursuant to the Loan Agreement and the NonArbitrage Certificate (both of which are contained in the bond transcript) you are to provide annually to the WDA a rebate calculation certificate or an exception opinion showing whether a rebate amount is due to the US Government under arbitrage requirements in Section 148(f) of the US Internal Revenue Code, 1986, as amended.

CITY OF RICHWOOD

RESOLUTION APPROVING INVOICES RELATING TO CONSTRUCTION AND OTHER SERVICES FOR THE PROPOSED WASTEWATER PROJECT AND AUTHORIZING PAYMENT THEREOF,

WHEREAS, the City of Richwood has reviewed the invoices attached hereto and incorporated herein by reference relation to the construction of the Wastewater Project funded by the West Virginia Infrastructure & Jobs development Council ("IJDC) and a Small Cities Block Grant ("SCBG") and find as follows:

a) That none of the items for which 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 paid 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.

d) That the payment for each of the items proposed is due and owing.

NOW, THEREFOR, BE IT RESOLVED The City of Richwood by as follows: There is hereby authorized and directed the payment of the attached invoices as follows:

Vendor	Total	IJDC
Huntington Banks (Registrar)	500.00	500.00
Steptoe & Johnson (Bond Counsel)	24,000.00	24,000.00
Total	24,500.00	24,500.00

ADOPTED BY the City of Richwood, at the meeting held on the 20th day of August, 2009.

By: John McClung

Its: Mayor

SWEEP RESOLUTION

City of Richwood

WHEREAS, the City of Richwood (the "Issuer") is a governmental body and political subdivision of West Virginia;

WHEREAS, the Issuer has issued bonds, as more specifically set forth on Exhibit A, attached hereto and incorporated herein by reference (the "Bonds");

WHEREAS, the Issuer makes or will make monthly debt service payments on and transfers reserve funds for the Bonds by check to the West Virginia Municipal Bond Commission (the "MBC") which in turn pays the owners of the Bonds and deposits funds in the reserve accounts;

WHEREAS, the MBC may accept such monthly payments by electronic funds transfer, thereby eliminating delay in payments and lost checks;

WHEREAS, the Issuer finds and determines that it is in the best interest of the Issuer, its citizens and the owners of the Bonds that the monthly debt service and reserve fund payments be made by electronic funds transfer with the State Treasurer sweeping the Issuer's account.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

1) The monthly debt service payments on, and reserve funds, for the Bonds, as set forth in Exhibit A, shall be made to the MBC by an electronic transfer by the State Treasurer from the accounts set forth in Exhibit A in such form and at such directions as are provided by the MBC.

2) The Mayor and Recorder are hereby authorized to sign and execute all such documents as are necessary to facilitate the electronic transfer of the Bond debt service and reserve fund payments.

3) This resolution shall be effective immediately upon adoption.

Adopted this 20th day of August, 2009.

Mayor