The City of South Charleston
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

Date of Closing: September 5, 2003

JACKSONKELLY
ATTORNEYS AT LAW PLLC

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
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TRANSCRIPT OF PROCEEDINGS

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State of West Virginia

Certificate

I, Joe Manchin, III, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF WEST VIRGINIA CODE CHAPTER 16, ARTICLE 13, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

August 28, 2003

Secretary of State

If a majority of the votes cast at such election shall be in favor of disconnection, and if the trustees of such sanitary district shall, by ordinance, disconnect such territory, thereupon the county court of the county in which the original petition for the formation of such sanitary district was filed, shall enter an appropriate order in the records of the said county court and thereafter such territory shall henceforth be deemed disconnected from such sanitary district. (1933, Ex. Sess., c. 24, § 14.)

Editor's notes. — For construction of the county court as the county commission, see W.Va. Const. art. IX, § 9.

ARTICLE 13.

SEWAGE WORKS AND STORMWATER WORKS.

Sec.
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(2) A stormwater collection system and control system, including all lines, pumping stations and all other facilities and appurtenances necessary or useful and convenient for the collection and control of stormwater, and an associated stormwater management program.

(b) Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to acquire by gift, grant, purchase, condemnation, or otherwise, all necessary lands, rights-of-way and property therefor, within and/or without the corporate limits of such municipal corporation and/or sanitary district, and to issue revenue bonds to pay the cost of such works and property.

(c) Any municipality may serve and supply the facilities of such sewerage system and a stormwater system and associated stormwater management program within the corporate limits of the municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, however, That the municipality may not serve or supply the facilities of such sewerage system or stormwater system within the corporate limits of any other municipality without the consent of the governing body thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

(d) No obligations shall be incurred by any municipality and/or sanitary district in construction or acquisition except such as is payable solely from the funds provided under the authority of this article.

(e) No municipal corporation or sanitary district may acquire, construct, establish, extend, repair or equip or thereafter repair, maintain and operate a combined waterworks, sewerage or stormwater system, which includes highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia Division of Highways without the express agreement of the commissioner of highways. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132; 1986, c. 118; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, added subsection designations, substituted "the" for "such" throughout; in (a)(1), deleted "waterworks and sewerage" preceding "system", deleted "shall have authority" from the end; added (a)(2); in (b), added "Any municipality... empowered", deleted "and any such" from the end; in (c), added "Any", inserted "and a stormwater system and associated stormwater management program", substituted "may not serve" for "shall not serve", inserted "or stormwater system", added the proviso; in (d), deleted "such" preceding "municipality" and "construction"; and added (e).

Use of territory in adjoining state authorized. — By this section and § 16-13-22 the legislature intended, insofar as it could, to confer upon such municipalities as might find its exercise convenient, the right to make necessary and appropriate arrangements for the disposal of their sewage, even where that course involved the use of territory in an adjoining state. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Cited in City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, added subsection designations; in present (a), deleted "such" preceding "works", inserted "and, in addition, for the collection and control of stormwater", deleted "The term 'works'" from the end; and rewrote (b) to include the definitions of "sewerage works", "stormwater system" or "stormwater works", "stormwater management program", and "works".

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Stated in Berkeley County Pub. Serv. Sewer Dist. v. West Va. Pub. Serv. Comm'n, 204 W. Va. 279, 512 S.E.2d 201 (1998).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 16-13-3. Powers of sanitary board; contracts; employees; compensation thereof; extensions and improvements; replacement of damaged public works.

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any works, or any trust indenture as provided for, shall be approved by the governing body of the municipality before the same shall be effective.

The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and other employees as in its judgment may be necessary in the execution of its powers and duties, and may fix their compensation, all of whom shall do the work as the board shall direct. All compensation and all expenses incurred in carrying out the provisions of this article shall be paid solely from funds provided under the authority of this article, and the board shall not exercise or carry out any authority or power herein given it so as to bind said board of said municipality beyond the extent to which money shall have been or may be provided under the authority of this article.

No contract or agreement with any contractor or contractors for labor and/or material, exceeding in amount the sum of ten thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids.

After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may consider expedient, if funds therefor be available or are made available as provided in this article, and shall establish rules and regulations for the use and operation of the works, and of other sewers, stormwater conduits, and drains connected therewith so far as they may affect the operation of such works, and do all things necessary or expedient for the successful operation thereof, including, but not limited to, those activities necessary to comply with all federal and state requirements, including stormwater and surface runoff water quality improvement activities.

The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be

ginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Stated in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-4. Payment of preliminary expenses of surveys, etc.

All necessary preliminary expenses actually incurred by the board of any municipality in the making of surveys, estimates of costs and of revenue, employment of engineers or other employees, the giving of notices, taking of options and all other expenses of whatsoever nature, necessary to be paid prior to the issue and delivery of the revenue bonds pursuant to the provisions of this article, may be met and paid in the following manner. Said board may from time to time certify such items of expense to the clerk or recorder of said municipality, directing him to pay the several amounts thereof, and thereupon said clerk or recorder shall at once draw a warrant or warrants upon the treasurer of said municipality, which warrant or warrants shall be paid out of the general funds of said municipality not otherwise appropriated, without a special appropriation being made therefor by the governing body; or, in case there are no general funds of such municipality not otherwise appropriated, the clerk or recorder shall recommend to the governing body the temporary transfer from other funds of such municipality of a sufficient amount to meet such items of expense, or the making of a temporary loan for such purpose, and such governing body shall thereupon at once make such transfer of funds, or authorize such temporary loan in the same manner that other temporary loans are made by such municipality: Provided, however, That the fund or funds of such municipality from which such payments are made shall be fully reimbursed and repaid by said board out of the first proceeds of the sale of revenue bonds hereinafter provided for, and before any other disbursements are made therefrom, and the amount so advanced to pay such preliminary expenses, shall be a first charge against the proceeds resulting from the sale of such revenue bonds until the same has been repaid as herein provided. (1933, Ex. Sess., c. 25, § 4.)

Advances. — Money used in preliminary engineering work prior to actually beginning construction of a sewage disposal system need not be handled by the sanitary board in accordance with the provisions of §§ 16-13-1, 16-13-18 and this section. The sanitary board is an agency of the city. This article merely requires that the construction and maintenance of the project be under the supervision and control of the sanitary board. A method is provided whereby the sanitary board may meet its own necessary preliminary expenses; but the city, in the early stages of the project, during that period in which the city has not even decided to go ahead with the work, and when there is no sanitary board in existence, is not prevented by any provision in the article from obtaining advances for plan preparation by any procedure which it may see fit to adopt. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

The United States was held entitled to recover from a city the amount of three advances of money made to the city by the federal works agency for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, and the city sanitary board was ordered to issue a requisition to the trustees, into whose hands proceeds of future bond issues came, to repay such advances out of any funds in its hands comprising proceeds of revenue bond issues. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956), commented on in 60 W. Va. L. Rev. 105 (1957).

Repayment. — A municipality is authorized to incur obligations for the purpose of defraying preliminary expenses of sewer projects, provided repayment of such obligations is to be made solely from the proceeds of revenue

therewith may have and exercise all the rights, powers and privileges of eminent domain granted to municipal corporations under the laws relating thereto. Title to property condemned shall be taken in the name of the municipality. Proceedings for such appropriation of property shall be under and pursuant to the provisions of chapter fifty-four [§§ 54-1-1 et seq.], of the Code of West Virginia, one thousand nine hundred thirty-one, and acts amendatory and supplemental thereto: Provided, That the municipality shall be under no obligation to accept and pay for any property condemned, and shall in no event pay for any property condemned or purchased, except from the funds provided pursuant to this article; and in any proceedings to condemn, such orders may be made as may be just to the municipality and to the owners of the property to be condemned, and an undertaking or other security may be required securing such owners against any loss or damage to be sustained by reason of the failure of the municipality to accept and pay for the property, but such undertaking or security shall impose no liability upon the municipality except such as may be paid from the funds provided under the authority of this article. In event of the acquisition by purchase the board may obtain and exercise an option from the owner or owners of said property for the purchase thereof, or may enter into a contract for the purchase thereof, and such purchase may be made upon such terms and conditions, and in such manner as the board may deem proper. In event of the acquisition of any works already constructed by purchase or condemnation, the board at or before the time of the adoption of the ordinance described in section five [§ 16-13-5] hereof, shall cause to be determined what repairs, replacements, additions, and betterments will be necessary in order that such works may be effective for their purpose, and an estimate of the cost of such improvements shall be included in the estimate of the cost required by section five hereof, and such improvement shall be made upon the acquisition of the works and as a part of the cost thereof. (1933, Ex. Sess., c. 25, § 7.)

§ 16-13-8. Cost of works.

The cost of the works shall be deemed to include the cost of acquisition or construction thereof, the cost of all property, rights, easements, and franchises deemed necessary or convenient therefor and for the improvements determined upon as provided in this article; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction or of acquisition of the improvement last mentioned; engineering and legal expenses; expense for estimates of cost and of revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the works and the placing of the works in operation and the performance of the things herein required or permitted in connection with any thereof. (1933, Ex. Sess., c. 25, § 8.)

§ 16-13-10. Interest on and redemption of bonds; form; statement on face of bond; negotiability; exemption from taxation; registration; execution; sale; disposition of surplus proceeds; additional and temporary bonds.

Such revenue bonds shall bear interest at not more than twelve percent per annum, payable at such times, and shall mature at such time or times as may be determined by ordinance. Such bonds may be made redeemable before maturity at the option of the municipality, to be exercised by said board, at not more than the par value thereof and a premium of five percent, under such terms and conditions as may be fixed by the ordinance authorizing the issuance of the bonds. The principal and interest of the bonds may be made payable in any lawful medium. Said ordinance shall determine the form of the bonds, either coupon or registered, shall set forth any registration and conversion privileges, and shall fix the denomination or denominations of such bonds and the place or places of payment of the principal and interest thereof, which may be at any bank or trust company within or without the State. The bonds shall contain a statement on their face that the municipality shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the works. All such bonds shall be, and shall have and are hereby declared to have all the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State. Said bonds shall be exempt from all taxation, state, county and municipal. Such bonds shall be executed by the proper legally constituted authorities of the municipality, and be sealed with the corporate seal of the municipality, and in case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers, before delivery of such bonds, such signatures shall nevertheless be valid and sufficient for all purposes the same as if they had remained in office until such delivery. Such bonds shall be sold at a price not lower than a price, which when computed upon standard tables of bond values, will show a net return of not more than thirteen per centum per annum to the purchaser upon the amount paid therefor, and the proceeds derived therefrom shall be used exclusively for the purposes for which said bonds are issued and same may be sold at one time or in parcels as funds are needed. Any surplus of bond proceeds over and above the cost of the works shall be paid into the sinking fund hereinafter provided. If the proceeds of the bonds, by error of calculation or otherwise, shall be less than the cost of the works, additional bonds may in like manner be issued to provide the amount of such deficit and, unless otherwise provided in said ordinance authorizing the issuance of the bonds first issued or in the trust indenture hereinafter authorized, shall be deemed to be of the same issue and shall be entitled to payment without preference or priority of the bonds first issued. Prior to the preparation of the definitive bonds, temporary bonds may under like restrictions be issued with or without coupons, exchangeable for definitive bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 10; 1970, c. 11; 1980, c. 33; 1981, 1st Ex. Sess., c. 2.)

contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper, not in violation of law, including covenants setting forth the duties of the municipality and the board in relation to the construction or acquisition of the works and the improvement, operation, repair, maintenance and insurance thereof, and the custody, safeguarding and application of all moneys, and may provide that the works shall be contracted for, constructed and paid for under the supervision and approval of consulting engineers employed or designated by the board and satisfactory to the original bond purchasers, successors, assigns or nominees, who may be given the right to require the security given by contractors and by any depository of the proceeds of bonds or revenues of the works or other moneys pertaining thereto be satisfactory to such purchasers, successors, assigns or nominees. Such indenture may set forth the rights and remedies of the bondholders and/or such trustee, restricting the individual right of action of bondholders as is customary in trust indentures securing bonds and debentures of corporations. Except as in this article otherwise provided, the governing body may provide by ordinance or in such trust indenture for the payment of the proceeds of the sale of the bonds and the revenues of the works to such officer, board or depository as it may determine for the custody thereof, and for the method of disbursement thereof, with such safeguards and restrictions as it may det (1933, Ex. Sess., c. 25, § 14.)

§ 16-13-15. Sinking fund; transfer of balance of net revenues.

At or before the issuance of any such bonds the governing body shall by said ordinance create a sinking fund, to be remitted to and administered by the West Virginia municipal bond commission, for the payment of the bonds and the interest thereon and the payment of the charges of banks or trust companies for making payment of such bonds or interest, and shall set aside and pledge a sufficient amount of the net revenues of the works, hereby defined to mean the revenues of the works remaining after the payment of the reasonable expense of operation, repair and maintenance, such amount to be paid by the board into said sinking fund at intervals to be determined by ordinance prior to issuance of the bonds, for: (a) The interest upon such bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the payment of the bonds as they fall due, or, if all bonds mature at one time, the proper maintenance of a sinking fund in such amounts as are necessary and sufficient for the payment thereof at such time; (d) a margin for safety and for the payment of premiums upon bonds retired by call or purchase as herein provided, which margin, together with any unused surplus of such margin carried forward from the preceding year, shall equal ten percent of all other amounts so required to be paid into the sinking fund. Such required payments shall constitute a first charge upon all the net revenue of the works. Prior to the issuance of the bonds the board may by ordinance be given the right to use or direct the West Virginia municipal bond commission to use such sinking fund or any part thereof in the purchase of any of the

to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates, fees or charges.

After introduction of the ordinance fixing such rates, fees or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates, fees or charges, shall be given by publication as a Class II-O legal advertisement in compliance with the provisions of article three [§§ 59-3-1 et seq.], chapter fifty-nine of this code, and the publication area for such publication shall be the municipality. The first publication shall be made at least ten days before the date fixed in such notice for the hearing.

After such hearing, which may be adjourned from time to time, the ordinance establishing rates, fees or charges, either as originally introduced or as modified and amended, shall be passed and put into effect. A copy of the schedule of such rates, fees and charges so established shall be kept on file in the office of the board having charge of the operation of such works, and also in the office of the clerk of the municipality, and shall be open to inspection by all parties interested. The rates, fees or charges so established for any class of users or property served shall be extended to cover any additional premises thereafter served which fall within the same class, without the necessity of any hearing or notice.

Any change or readjustment of such rates, fees or charges may be made in the same manner as such rates, fees or charges were originally established as hereinbefore provided: Provided, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. The aggregate of the rates, fees or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments.

All rates, fees or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate, fees or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the board in a civil action in the name of the municipality, and in connection with such action said lien may be foreclosed against such lot, parcel of land or building, in accordance with the laws relating thereto: Provided, That where both water and sewer services are furnished by any municipality to any premises the schedule of charges may be billed as a single amount or individually itemized and billed for the aggregate thereof.

Whenever any rates, rentals, fees or charges for services or facilities furnished shall remain unpaid for a period of thirty 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 rates, fees and charges are fully paid.

The board collecting such rates, fees or charges shall be obligated under reasonable rules and regulations, to shut off and discontinue both water and sewer services to all delinquent users of either water facilities, or sewer facilities, or both, and shall not restore either water facilities or sewer facilities, to any delinquent user of either until all delinquent rates, fees or charges for both water facilities, and sewer facilities, including reasonable

§ 16-13-18. Supervision of works by sanitary board; organization of board; qualifications, terms and compensation of members.

The governing body shall provide by ordinance the organization of the board, and that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided.

Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body: Provided, That, in the event of an acquisition or merger of an existing works, the governing body may increase the membership to a maximum of four members in addition to the mayor or city manager of the municipality served by the board.

During the construction period, one of the members must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his or her public office. The appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each term and each succeeding term, an appointment of a successor shall be made in like manner for a term of three years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. Each member shall give such bond, if any, as may be required by ordinance. The mayor or city manager shall act as chairman of the sanitary board, which shall elect a vice chairman from its members and shall designate a secretary and treasurer (but the secretary and the treasurer may be one and the same), who need not be a member or members of the sanitary board. The vice chairman, secretary and treasurer shall hold office as such at the will of the sanitary board.

The members of the sanitary board shall receive compensation for their services, either as a salary or as payments for meetings attended, as the governing body may determine, and shall be entitled to payment for their reasonable expenses incurred in the performance of their duties. The governing body shall fix the reasonable compensation of the secretary and treasurer in its discretion, and shall fix the amounts of bond to be given by the treasurer. All compensation, together with the expenses in this section referred to, shall be paid solely from funds provided under the authority of this article. The sanitary board shall have power to establish bylaws, rules and regulations for its own government. (1933, Ex. Sess., c. 25, § 18; 1939, c. 96; 1953, c. 146; 1957, c. 137; 1992, c. 95; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, made the section gender neutral; in the second paragraph, deleted "sewage" preceding "works", in the third paragraph, substituted "The appointees" for "Said appointees", deleted "such" pre-

thirtieth, one thousand nine hundred fifty-six, may be published any time during the year one thousand nine hundred fifty-seven. The statement shall be sworn to by the chairman and secretary and treasurer of the board. If a board fails or refuses to perform the duties hereinbefore named, every member of the board concurring in such failure or refusal shall be guilty of a misdemeanor, and, upon conviction thereof, shall be fined not less than one hundred nor more than five hundred dollars and the circuit court or criminal court and justices of the peace, of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

Editor's notes. — For construction of the justice of the peace as magistrate, see § 50-1-17 and W.Va. Const., art. VIII, § 15.

§ 16-13-19. Contract with other municipalities for service of works; powers of lessee as to rates; intercepting sewers.

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants or stormwater works as defined in this article, or which as herein provided has ordered the construction or acquisition of such works (in this section called the owner), is hereby authorized to contract with one or more other municipal corporations or political subdivisions within the state (in this section called the lessee), and such lessees are hereby authorized to enter into contracts with the owners, for the service of such works to such lessees and their inhabitants, but only to the extent of the capacity of the works without impairing the usefulness thereof to the owners, upon such terms and conditions as may be fixed by the boards and approved by ordinances of the respective contracting parties: Provided, That no contract shall be made for a period of more than forty years or in violation of the provisions of said ordinance authorizing bonds hereunder or in violation of the provisions of said trust indenture.

The lessee shall by ordinance have power to establish, change and adjust rates, fees and charges for the service rendered therein by the works against the owners of the premises served, in the manner hereinbefore provided for establishing, changing and adjusting rates, fees and charges for the service rendered in the municipality where the works are owned and operated, and such rates, fees or charges shall be collectible and shall be a lien as herein provided for rates, fees and charges made by the owner.

The necessary intercepting sewers and appurtenant works for connecting the works of the owner with the sewerage system of the lessee shall be constructed by the owner and/or the lessee upon such terms and conditions as may be set forth in said contract, and the cost or that part of the cost thereof which is to be borne by the owner may be paid as a part of the cost of the works from the proceeds of bonds issued under this article unless otherwise provided by said ordinance or trust indenture prior to the issuance of the bonds. The income received by the owner under any contract shall, if so provided in said ordinance or trust indenture, be considered to be a part of the revenues of the

provisions which it may now have or hereafter adopt. For all purposes of this article, all municipal corporations shall have jurisdiction for twenty miles outside the corporate limits thereof: Provided, That for stormwater systems, within the twenty miles beyond the municipality's corporate limits the only areas the municipality may serve and supply shall be those areas from which stormwater affects or drains into the municipality.

The jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1933, Ex. Sess., c. 25, § 22; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, in the first paragraph, substituted "twenty miles outside" for "ten miles outside", added the proviso; and added the last paragraph.

§ 16-13-22a. Grants, loans and advances.

Any municipality is authorized and empowered to accept loans or grants and procure loans or temporary advances evidenced by notes or other negotiable instruments issued in the manner, and subject to the privileges and limitations, set forth with respect to bonds authorized to be issued under the provisions of this article, for the purpose of paying part or all of the cost of acquisition or construction of said sewage works and the construction of betterments and improvements thereto, and for the other purposes herein authorized, from any authorized agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual, which loans or temporary advances, including the interest thereon, may be repaid out of the proceeds of bonds authorized to be issued under the provisions of this article, the revenues of the said sewage works or grants to the municipality from any agency of the state or from the United States of America or any federal or public agency or department of the United States or any private agency, corporation or individual or from any combination of such sources of payment, and to enter into the necessary contracts and agreements to carry out the purposes hereof with any agency of the state, the United States of America or any federal or public agency or department of the United States, or with any private agency, corporation or individual. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

In no event shall any such loan or temporary advance be a general obligation of the municipality and such loans or temporary advances, including the interest thereon, shall be paid solely from the sources specified in this section. (1949, c. 93; 1961, c. 107; 1980, c. 59; 1981, 1st Ex. Sess., c. 2; 1986, c. 118.)

Stated in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1956).

§ 16-13-22f. Exemption of bonds from taxation.

Said bonds and the interest thereon, together with all properties and facilities of said municipality owned or used in connection with the works, and all the moneys, revenues and other income of such municipality derived from such works shall be exempt from all taxation by the state of West Virginia or any county, municipality, political subdivision or agency thereof. (1955, c. 132; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "works" for "sewerage system" twice, and substituted "state" for "State".

§ 16-13-22g. Covenants with bondholders.

Any resolution authorizing the issuance of bonds hereunder, or any trust indenture with any bank or trust company within or without the state, for the security of the bonds, may contain covenants with the holders of such bonds as to:

(a) The purpose or purposes to which the proceeds of sale of such bonds, or the revenues derived from the sewerage system or stormwater system, may be applied and the securing, use and disposition thereof, including, if considered desirable, the appointment of a trustee or depositary for any of such funds;

(b) The pledging of all or any part of the revenues derived from the ownership, operation or control of such sewerage systems or stormwater system, including any part thereof heretofore or hereafter constructed or acquired or derived from any other sources, to the payment of the principal of or interest thereon of bonds issued hereunder and for such reserve or other funds as may be considered necessary or desirable;

(c) The fixing, establishing and collecting of such fees, rentals or other charges for the use of the services and facilities of such sewerage system or stormwater system, including the parts thereof heretofore or hereafter constructed or acquired and the revision of same from time to time, as will always provide revenues at least sufficient to provide for all expenses of operation, maintenance and repair of such sewerage system or stormwater system, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage system or stormwater system, and all reserve and other funds required by the terms of the ordinance authorizing the issuance of such bonds;

(d) The transfer from the general funds of the municipality to the account or accounts of such sewerage system or stormwater system of an amount equal to the cost of furnishing the municipality or any of its departments, boards or agencies with the services and facilities of such sewerage system or stormwater system;

(e) Limitations or restrictions upon the issuance of additional bonds or other obligations payable from the revenue of such sewerage system or stormwater system, and the rank or priority, as to lien and source and security for payment from the revenues of the sewerage system or stormwater system, between bonds payable from the revenues;

of bonds under this article and no publication of any resolution, ordinance, notice or proceeding relating to such construction or acquisition or to the issuance or sale of such bonds shall be required except such as are prescribed by this article, any provisions of other statutes of the State to the contrary notwithstanding: Provided, however, That all functions, powers and duties of the state department of health shall remain unaffected by this article. (1933, Ex. Sess., c. 25, § 23.)

Quoted in State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

§ 16-13-23a. Additional powers of municipality upon receipt of order to cease pollution.

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the director of the division of environmental protection or the environmental quality board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates, fees or charges for the use of the services and facilities of the existing sewer system and/or stormwater system of such municipal corporation, and/or for the use of the services and facilities to be rendered upon completion of any works and system necessary by virtue of said order, to be paid by the owner, tenant or occupant of each and every lot or parcel of real estate or building that is connected with and uses any part of such sewer system or stormwater system, or that in any way uses or is served thereby, and may change and readjust such rates, fees or charges from time to time.

Such rates, fees or charges shall be sufficient for the payment of all the proper and reasonable costs and expenses of the acquisition and construction of plants, machinery and works for the collection and/or treatment, purification and disposal of sewage or stormwater, and the repair, alteration and extension of existing sewer facilities or stormwater facilities, as may be necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and for the operation, maintenance and repair of the entire works and system.

The governing body shall create, by ordinance, a sinking fund to accumulate and hold any part or all of the proceeds derived from rates or charges until completion of the construction, to be remitted to and administered by the municipal bond commission by expending and paying the costs and expenses of construction and operation in the manner as provided by said ordinance.

After the completion of the construction such rates, fees or charges shall be sufficient in each year for the payment of the proper and reasonable costs and expenses of operation, maintenance, repair, replacement and extension from time to time, of the entire sewer and works or entire stormwater works.

jurisdiction and authority provided by this section does not extend to highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways and no rates, fees or charges for stormwater services or costs of compliance may be assessed against highways, road and drainage easements, and/or stormwater facilities constructed, owned and/or operated by the West Virginia division of highways. (1955, c. 135; 1967, c. 105; 1994, c. 61; 2001, c. 212.)

Effect of amendment of 2001. — Acts 2001, c. 212, effective July 13, 2001, substituted "the" for "such" throughout, substituted "the" for "said" throughout, inserted "fees" following "rates" throughout; in the first paragraph, inserted "and/or stormwater system" following "existing sewer system", inserted "or stormwater system" following "such sewer system"; in the second paragraph, inserted "or stormwater" following "sewage", inserted "or stormwater facilities" following "sewer facilities"; in the fourth paragraph, added "or entire stormwater works" to the end; in the sixth paragraph, deleted "such" following "fixing" and "publication of"; in the eighth paragraph, deleted "such" preceding "rates" twice; and in the last paragraph, added the proviso.

Applied in City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 16-13-24. Article to be construed liberally.

This article being necessary for the public health, safety and welfare, it shall be liberally construed to effectuate the purpose thereof. (1933, Ex. Sess., c. 25, § 24.)

Quoted in West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1. Legislative findings.
16-13A-1a. Jurisdiction of the public service commission.
16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.
16-13A-1c. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.

State of West Virginia

Certificate

I, Joe Manchin, III, Secretary of State of the State of West Virginia, hereby certify that

THIS IS A TRUE COPY OF WEST VIRGINIA CODE CHAPTER 22C, ARTICLE 2, OF THE WEST VIRGINIA CODE, AS INDICATED BY THE RECORDS OF THIS OFFICE.

Given under my hand and the Great Seal of the State of West Virginia on

September 3, 2003

Secretary of State

By: Administrative Assistant

§ 22C-1-27. Authorized limit on borrowing.

The aggregate principal amount of bonds and notes issued by the authority may not exceed five hundred million dollars outstanding at any one time: Provided, That before the authority issues bonds and notes in excess of four hundred million dollars the Legislature must pass a resolution authorizing this action: Provided, however, That in computing the total amount of bonds and notes which may at any one time be outstanding, the principal amount of any outstanding bonds or notes refunded or to be refunded either by application of the proceeds of the sale of any refunding bonds or notes of the authority or by exchange for any refunding bonds or notes, shall be excluded. (1994, c. 61; 1995, c. 252; 2000, c. 278.)

Effect of amendment of 2000. — Acts 2000, c. 278, effective March 11, 2000, substituted "authority may" for "authority shall", substituted "five hundred million dollars" for "three hundred million dollars" and inserted "That before ... Provided, however".

ARTICLE 2.

WATER POLLUTION CONTROL REVOLVING FUND ACT.

Sec.
22C-2-1. Definitions.
22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.
22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.
22C-2-4. Annual audit.
22C-2-5. Collection of money due to the fund.
22C-2-6. State construction grants program established; special fund.
22C-2-7. Environmental review of funded projects.
22C-2-8. Conflicting provisions.

Editor's notes. — The Water Pollution Control Revolving Fund Act was formerly compiled in §§ 20-5I-1 et seq.

§ 22C-2-1. Definitions.

Unless the context in which used clearly requires a different meaning, as used in this article:

(a) "Authority" means the water development authority provided for in section four [§ 22C-1-4], article one of this chapter.

(b) "Cost" as applied to any project financed under the provisions of this article means the total of all costs incurred by a local entity that are reasonable and necessary for carrying out all works and undertakings necessary or incident to the accomplishment of any project including:

(1) Developmental, planning and feasibility studies, surveys, plans and specifications;

(2) Architectural, engineering, financial, legal or other special services;

(3) Acquisition of land and any buildings and improvements on the land or buildings, including the discharge of any obligations of the sellers of the land, buildings or improvements;

(4) Site preparation and development, including demolition or removal of existing structures, construction and reconstruction, labor, materials, machinery and equipment;

(5) The reasonable costs of financing incurred by the local entity in the course of the development of the project, carrying charges incurred before placing the project in service, interest on funds borrowed to finance the project to a date subsequent to the estimated date the project is to be placed in service, necessary expenses incurred in connection with placing the project in service, and the funding of accounts and reserves which the authority may require; and

(6) Other items that the division of environmental protection determines to be reasonable and necessary.

(c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant to the clean water act, as amended, the federal safe drinking water act, as amended or by the executive order of the governor issued to comply with federal laws relating to the acts.

(d) "Instrumentality" means the division of environmental protection or the agency designated by an order of the governor as having the primary responsibility for administering the fund pursuant to the federal clean water act, as amended, and the federal safe drinking water act, as amended, or other federal laws.

(e) "Local entity" means any county, city, town, municipal corporation, authority, district, public service district, commission, banking institution or political subdivision in West Virginia.

(f) "Project" means any public water or wastewater treatment facility located or to be located in or outside this state by a local entity and includes:

(1) Sewage and wastewater collection, treatment and disposal facilities;

(2) Public water transportation, treatment and distribution facilities;

(3) Drainage facilities and projects;

(4) Administrative, maintenance, storage and laboratory facilities related to the facilities delineated in subdivisions (1), (2) and (3) of this subsection;

(5) Interests in land related to the facilities delineated in subdivisions (1), (2), (3) and (4) of this subsection; and

(6) Other projects allowable under federal law. (1994, c. 61; 1996, c. 257.)

§ 22C-2-2. Designation of division of environmental protection as state instrumentality for purposes of capitalization agreements with the United States environmental protection agency.

The division of environmental protection shall act as the instrumentality that is empowered to enter into capitalization agreements with the United States environmental protection agency, to accept capitalization grant awards

made under the federal clean water act, as amended, the safe drinking water act, as amended, and other federal laws and to otherwise manage the fund provided for in this article in accordance with the requirements of said federal laws. (1994, c. 61.)

§ 22C-2-3. West Virginia water pollution control revolving fund; disbursement of fund moneys; administration of the fund.

(a) Under the direction of the division of environmental protection, the water development authority shall establish, administer and manage a permanent and perpetual fund, to be known as the "West Virginia Water Pollution Control Revolving Fund." The fund shall be comprised of moneys appropriated to the fund by the Legislature, moneys allocated to the state by the federal government expressly for the purposes of establishing and maintaining a state water pollution control revolving fund, all receipts from loans made from the fund to local entities, all income from the investment of moneys held in the fund, and all other sums designated for deposits to the fund from any source, public or private. Moneys in the fund shall be used solely to make loans to local entities to finance or refinance the costs of a project: Provided, That moneys in the fund shall be utilized to defray the costs incurred by the authority and the division of environmental protection in administering the provisions of this article: Provided, however, That moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law.

(b) The director of the division of environmental protection, in consultation with the authority, shall promulgate legislative rules in accordance with the provisions of article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code, to:

(1) Govern the disbursement of moneys from the fund; and

(2) Establish a state water pollution control revolving fund program to direct the distribution of grants or loans from the fund to particular local entities and establish the interest rates and repayment terms of the loans.

(c) In order to carry out the administration and management of the fund, the authority is authorized to employ officers, employees, agents, advisers and consultants, including attorneys, financial advisers, engineers, other technical advisers and public accountants and, notwithstanding any provisions of this code to the contrary, to determine their duties and compensation without the approval of any other agency or instrumentality.

(d) The authority shall promulgate legislative rules in accordance with the provisions of article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to govern the pledge of loans to secure bonds of the authority.

(e) All moneys belonging to the fund shall be kept in appropriate depositories and secured in conformance with this code. Disbursements from the fund shall be authorized for payment by the director of the authority or the director's designee. Any depository or officer of the depository to which moneys of the fund are paid shall act as trustee of the moneys and shall hold and apply them solely for the purposes for which the moneys are provided under this

article. Moneys in the fund shall not be commingled with other money of the authority. If not needed for immediate use or disbursement, moneys in the fund may be invested or reinvested by the authority in obligations or securities which are considered lawful investments for public funds under this code. (1994, c. 61; 1996, c. 257.)

Code of State Rules References. — State water pollution control revolving fund program, 47CSR31, effective May 4, 2000.

§ 22C-2-4. Annual audit.

The authority shall cause an audit of its books and accounts to be made at least once each fiscal year by certified public accountants, and the cost thereof may be defrayed as a part of the cost of construction of a project or as an administrative expense under the provisions of subsection (a), section three [§ 22C-2-3(a)] of this article. (1994, c. 61.)

§ 22C-2-5. Collection of money due to the fund.

In order to ensure the timely payment of all sums due and owing to the fund under a revolving fund loan agreement between the state and a local entity, and notwithstanding any provisions of this code to the contrary, the authority has and may, at its option, exercise the following rights and remedies in the event of any default by a local entity under a loan agreement:

(a) The authority may directly impose, in its own name and for its own benefit, service charges upon all users of a project funded by a loan distributed to a local entity pursuant to this article, and may proceed directly to enforce and collect the service charges, together with all necessary costs of the enforcement and collection.

(b) The authority may exercise, in its own name or in the name of and as the agent for a particular local entity, all of the rights, powers and remedies of the local entity with respect to the project or which may be conferred upon the local entity by statute, rule, regulation or judicial decision, including all rights and remedies with respect to users of the project funded by the loan distributed to that local entity pursuant to this article.

(c) The authority may, by civil action, mandamus or other judicial or administrative proceeding, compel performance by a local entity of all of the terms and conditions of the loan agreement between the state and that local entity including:

(1) The adjustment of service charges as required to repay the loan or otherwise satisfy the terms of the loan agreement;

(2) The enforcement and collection of service charges; and

(3) The enforcement by the local entity of all rights and remedies conferred by statute, rule, regulation or judicial decision.

The rights and remedies enumerated in this section are in addition to rights and remedies conferred upon the authority by law or pursuant to the loan agreement. (1994, c. 61; 1996, c. 257.)

§ 22C-2-6. State construction grants program established; special fund.

(a) The director of the division of environmental protection shall promulgate rules in accordance with the provisions of chapter twenty-nine-a [§§ 29A-1-1 et seq.] of this code to establish a state construction grants program that is designed to complement and supplement the state water pollution control revolving fund program established pursuant to subsection (b), section three [§ 22C-2-3(b)] of this article.

(b) The special fund designated "The West Virginia Construction Grants Fund" established in the state treasury is continued. The special fund shall be comprised of moneys appropriated to said fund by the Legislature, assessments on existing wastewater treatment facilities, and all other sums designated for deposit to the special fund from any source, public or private: Provided, That such assessments shall be made and collected in accordance with fee schedules to be established by legislative rules promulgated by the director of the division of environmental protection, in accordance with chapter twenty-nine-a of this code. Moneys in the special fund shall be used solely for the state construction grants program established under subsection (a) of this section: Provided, however, That moneys in the special fund may be utilized to defray the costs incurred by the division of environmental protection in administering the provisions of this section. (1994, c. 61.)

Code of State Rules References. — State construction grants program rule, 47CSR33, effective May 7, 1999.

§ 22C-2-7. Environmental review of funded projects.

(a) The division of environmental protection shall conduct an environmental review on each project funded under this article. The director of the division of environmental protection shall promulgate legislative rules in accordance with the provisions of article three [§§ 29A-3-1 et seq.], chapter twenty-nine-a of this code to implement the environmental review of funded projects: Provided, That the rules shall be consistent with the regulations promulgated by the United States environmental protection agency pursuant to the federal clean water act, as amended.

(b) The director of the division of environmental protection is authorized to direct a local entity, or its agent, to implement all measures that, in the judgment of the director, are necessary in order to mitigate or prevent adverse impacts to the public health, safety or welfare or to the environment that may result from a project funded under this article. The director is further authorized to require all projects to comply with all other appropriate federal laws and regulations that are required of the projects under the federal clean water act, as amended. (1994, c. 61; 1996, c. 257.)

Code of State Rules References. — State water pollution control revolving fund program, 47CSR31, effective May 4, 2000.

§ 22C-2-8. Conflicting provisions.

The provisions of this article shall be liberally construed to the end that its beneficial purposes may be effectuated. Insofar as the provisions of this article are inconsistent with the provisions of any other general, special or local law, the provisions of this article are controlling. (1994, c. 61.)

ARTICLE 3.

SOLID WASTE MANAGEMENT BOARD.

Sec.
22C-3-1. Short title.
22C-3-2. Legislative findings; declaration of policy and responsibility; purpose and intent of article.
22C-3-3. Definitions.
22C-3-4. Solid waste management board; organization of board; appointment and qualification of board members; their term of office, compensation and expenses; director of board.
22C-3-5. Board to designate and establish disposal sheds; construction, maintenance, etc., of disposal projects; loan agreements; compliance with federal and state law.
22C-3-6. Powers, duties and responsibilities of board generally.
22C-3-7. Development of state solid waste management plan.
22C-3-8. Power of board to collect service charges and exercise other powers of governmental agencies in event of default; power to require governmental agencies to enforce their rights.
22C-3-9. Development and designation of solid waste disposal sheds by board.
22C-3-10. Board empowered to issue solid waste disposal revenue bonds, renewal notes and refunding bonds; requirements and manner of such issuance.
22C-3-11. Establishment of reserve funds, replacement and improvement funds and sinking funds; fiscal agent; purposes for use of bond proceeds; application of surplus.
22C-3-12. Legal remedies of bondholders.
Sec.
22C-3-13. Bonds and notes not debt of state, county, municipality or of any political subdivision; expenses incurred pursuant to article.
22C-3-14. Use of funds, properties, etc., by board; restrictions thereon.
22C-3-15. Audit of funds disbursed by the board and recipients thereof.
22C-3-16. Rentals, fees, service charges and other revenues from solid waste disposal projects; contracts and leases of board; cooperation of other governmental agencies; bonds of such agencies.
22C-3-17. Maintenance, operation and repair of projects; repair of damaged property; reports by board to governor and Legislature.
22C-3-18. Solid waste disposal revenue bonds lawful investments.
22C-3-19. Exemption from taxation.
22C-3-20. Governmental agencies authorized to convey property.
22C-3-21. Financial interest in contracts, projects, etc., prohibited; gratuities prohibited; penalty.
22C-3-22. Conduct of proceedings of board.
22C-3-23. Regulation of solid waste collectors and haulers to continue under public service commission; bringing about their compliance with solid waste disposal shed plan and solid waste disposal projects; giving testimony at commission hearings.
22C-3-24. Cooperation of board and enforcement agencies in collecting and disposing of abandoned household appliances and motor vehicles, etc.
22C-3-25. Liberal construction of article.

CHARTER

OF THE CITY OF

SOUTH CHARLESTON

ARTICLE I
INCORPORATION; FORM OF GOVERNMENT

SECTION 1.1 INCORPORATION; NAME OF BODY POLITIC AND CORPORATE.

The inhabitants of the City of South Charleston, West Virginia, within the corporate limits as now established and as hereafter established in the manner prescribed by law, shall continue to be a municipal body politic and corporate in perpetuity, under the name of "the City of South Charleston."

SECTION 1.2 FORM OF GOVERNMENT.

The municipal government provided by this Charter shall be known as the "strong-mayor plan" which provides for a form of government as follows:

(1) A Mayor, City Clerk and Municipal Judge elected by the voters of the City;
(2) A City Council elected by wards by the voters of the City;
(3) The Council shall be the governing body;
(4) The Mayor shall be the administrative and executive authority;
(5) Officers and employees are appointed by the Mayor or by his order in accordance with this Charter or the provisions of general law.

ARTICLE II
POWER OF CITY

SECTION 2.1 GENERALLY.

This City, incorporated under this Municipal Home Rule Charter, shall have all the powers granted to municipal corporations and to cities of its class by the Constitution and laws of the State of West Virginia, including but not limited to the powers granted by Chapter 8 and Chapter 8A of the Official Code of West Virginia of 1931, as amended, together with all the implied powers necessary to carry into execution all the powers granted. The City may acquire property within or without its corporate limits for any City purpose, in fee simple or lesser interest or estate, by purchase, gift, devise, lease or condemnation, and may sell, lease, hold, manage and control such property as its interests may require; and, except as prohibited by the Constitution of this State or restricted by general law or this Charter, the City shall and may exercise all municipal powers, functions, rights, privileges and immunities of every kind and character whatsoever.

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The City shall have every power to tax, license, franchise and charge which it had immediately prior to the adoption of this Charter, and every power to impose, levy and collect every tax, license, franchise, fee and charge, of any nature whatsoever, now or hereafter authorized by the statutes of the State of West Virginia. The City shall continue to impose, levy and collect every tax, license, franchise, fee and charge which is being imposed by the City immediately prior to the effective date of this Charter, until the same is revised, modified or repealed by Council.

The enumeration of particular powers by this Charter shall not be deemed to be exclusive, and in addition to the powers enumerated herein or appropriate to the exercise of such powers, it is intended that the City shall have and may exercise all powers which, under the Constitution of the State of West Virginia, or any amendments thereto, or under the laws of the State of West Virginia now or hereafter enacted, it would be competent for this Charter specifically to enumerate.

ARTICLE III
MUNICIPAL OFFICERS GENERALLY

SECTION 3.1 MAYOR, CITY CLERK, MUNICIPAL JUDGE AND MEMBERS OF COUNCIL AS MUNICIPAL OFFICERS; ELECTION AND TERM OF CERTAIN OFFICERS GENERALLY.

The municipal officers of the City of South Charleston shall consist of a Mayor, City Clerk, Municipal Judge and members of the City Council. The first officers elected under these Charter amendments shall be elected by the qualified voters of the City, as hereinafter provided, and shall serve for a term of three years commencing on July 1, 1968, and continuing until the thirtieth day of June, 1971, or as soon thereafter as their respective successors shall have been elected or appointed and qualified.

Except for the municipal officers first elected under these Charter amendments, at the general election held on the first Tuesday in June in the year 1968, said municipal officers shall be elected by the qualified voters of the City, as hereinafter provided, for a term commencing on the first day of July in each election year provided for herein and continuing for a period of four years, or until such time thereafter as their respective successors shall have been elected or appointed and qualified.

Editor's note.--The "Charter amendments" here referred to are those affected by Ordinance No. 1040.

SECTION 3.2 QUALIFICATIONS OF ELECTIVE OFFICERS; LIMITATION ON ELECTIVE OFFICERS HOLDING OTHER PUBLIC OFFICE, ETC.

An elective officer shall be a qualified elector and shall have been a resident of the City for a period of thirty days prior to his election. A member of the Council representing a particular ward also shall have been a resident thereof for a term of thirty days prior to his election and shall remain a resident of the ward from which he is elected during his term of office.

An elective officer shall hold no other public office or public employment or be a member of any City executive committee of any political party; provided, however, that a notary public, member of the National Guard or Naval or Military Reserve, or public school or college teacher or administrator shall not be deemed to hold public office or public employment within the meaning of this section. (Ord. 2000. Passed 1-3-02.)

SECTION 3.3 OFFICERS IN ADDITION TO ELECTIVE OFFICERS; SALARIES OF OFFICERS.

In addition to the municipal officers mentioned in Section 3.1 of this Charter, there shall be a City Treasurer, City Attorney, City Recreation Director, Chief of Police, Chief of Fire Department, and Chief of Department of Public Works. The City also may have such other officers and agents as the Council, in its discretion , may create. All appointive officers shall serve at the will and pleasure of the Mayor except as otherwise provided in this Charter. More than one appointive office may be filled by a single appointee subject to the approval of Council.

All the officers named in this and Section 3.1 shall be paid proper salaries which shall be fixed by the Council except as otherwise provided in this Charter.

SECTION 3.4 PROCEDURE FOR FILLING VACANCIES IN ELECTIVE OFFICES.

Whenever a vacancy for any cause whatever shall occur in any elective office, the Council, by a majority vote of its duly elected or appointed members present at a regular meeting held not less than fifteen or more than thirty days following the occurrence of such vacancy, shall elect a qualified person for such office who shall hold office until the next City election and until his successor shall have been elected and qualified; provided, however, that any vacancy in the office of Council member shall be filled by a person of the same political affiliation as the Council member whose office is vacant. In the event the Council shall fail to elect a qualified person to the office of Council member within thirty days after the occurrence of such vacancy, the Mayor shall appoint a qualified person therefor.

ARTICLE IV
MAYOR

SECTION 4.1 POWERS AND DUTIES GENERALLY.

The Mayor shall be the chief administrative officer and the head of the administrative branch of the City Government. He shall be responsible for the proper administration of all affairs of the City, except as otherwise specifically provided by law or this Charter, and to that end subject to the personnel provisions of this Charter, he shall have power and shall be required to:

(1) Appoint, supervise, promote and remove all officers and employees of the City except as otherwise provided by this Charter;

(2) Appoint, promote and remove, in accordance with civil service laws, all employees who are subject to the civil service laws of the State of West Virginia;
(3) Appoint, subject to the approval of the Council, the members of any board or commission which Council may create or establish pursuant to this Charter;
(4) Prepare the budget annually, submit it to Council and be responsible for its administration after adoption;
(5) Prepare and submit to Council as of the end of the fiscal year a complete report on the finances and administrative activities of the City for the preceding fiscal year;
(6) Prepare and submit to Council a monthly statement of all receipts, disbursements and unpaid accounts in sufficient detail to show the exact financial condition of the City, and such statement shall be made available for public inspection;
(7) Keep Council advised of the future needs of the City and make such recommendations as may seem to him desirable; and
(8) Perform such other duties as may be prescribed by this Charter and such duties not inconsistent with this Charter as may be required of him by Council.

SECTION 4.2 APPOINTMENT OF CERTAIN OFFICERS.
The Mayor shall appoint a City Treasurer, City Attorney, City Recreation Director, Chief of Police, Chief of the Department of Public Works, and, subject to the civil service laws, Chief of the Fire Department.

ARTICLE V
COUNCIL

SECTION 5.1 SALARY OF COUNCILMEN.
The monthly salary of Councilmen shall be not less than twenty dollars.

SECTION 5.2 MAYOR AS PRESIDING OFFICER AND MEMBER OF COUNCIL; PRESIDENT OF COUNCIL; WHO TO PRESIDE IN ABSENCE OF MAYOR AND PRESIDENT OF COUNCIL.
The Mayor shall be the presiding officer of the Council and be a member thereof, with the right to vote on all questions the same as any other member of the Council. The Council shall, at its first meeting after each election, select one of its body as President of Council, who shall, in the absence of the Mayor, preside as chairman of the meeting of the Council, and in the absence of both the Mayor and President of Council at any meeting of the Council, a member of the Council shall be elected to preside over such meeting. The President of Council shall appoint all committees of Council.

SECTION 5.3 POWERS OF COUNCIL.
All powers of the City and the determination of all matters of policy shall be vested in the Council. Without limitation of the foregoing, the Council shall have power to:
(1) Adopt the budget of the City;
(2) Create and establish boards and commissioners as required;

(2) Inspect or supervise the inspection of all deliveries of supplies, materials and equipment, and determine their quality, quantity and conformity with specifications.

SECTION 8.6 WHERE COMPETITIVE BIDDING REQUIRED.

Before the City Purchasing Agent may make any purchase of or contract for supplies, materials or equipment in excess of five thousand dollars ($5,000), he shall give ample opportunity for competitive bidding, under such general rules and regulations, and with such exceptions, as Council may prescribe; provided, however, that Council shall not except individual contracts, purchases or sales from the requirement of competitive bidding; and provided further, that no purchase of or contract for supplies, materials or equipment in excess of five thousand dollars ($5,000) shall be made by separate purchases or contracts of a lesser amount so as to evade the requirements of competitive bidding prescribed by this section. (Ord. 1991. Passed 6-21-01.)

SECTION 8.7 CONTRACTS FOR CAPITAL IMPROVEMENTS AND REPAIRS.

Any capital improvement or repairs costing more than five thousand dollars ($5,000) or any series of capital improvements or repairs constituting essentially a single project and costing in the aggregate more than five thousand dollars ($5,000), shall be executed by contract except where such improvement is authorized by Council to be executed directly by the Mayor in conformity with detailed plans, specifications and estimates. All such contracts shall be awarded to the lowest and best responsible bidder after such public notice and competition as Council may prescribe and after a public opening of bids; provided, however, that the Council shall have the power to reject all bids for good cause assigned in writing or set forth in the records of the Council and advertise again. Alterations in any contract may be made when authorized by Council upon the written recommendation of the Mayor.

Council, in its discretion, may by resolution increase or decrease the amount of any capital improvements or repairs, or any series of capital improvements or repairs constituting essentially a single project, which shall be subject to the provisions of this article. (Ord. 1991. Passed 6-21-01)

SECTION 8.8 REQUISITION, ETC., PREREQUISITE TO PURCHASES AND CONTRACTS.

All purchases made and contracts executed by the City Purchasing Agent shall be pursuant to a written requisition from the chief of the office, department or agency whose appropriation will be charged, and no contract or order shall be issued to any vendor unless and until the City Treasurer certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or order is to be issued.

ARTICLE IX
CITY ATTORNEY

SECTION 9.1 QUALIFICATIONS.

The City Attorney shall be an attorney at law and a member of good standing of the West Virginia State Bar.

SECTION 9.2 POWERS AND DUTIES.

The City Attorney shall perform all duties and exercise all powers which shall be conferred upon him by ordinance or resolution of Council.

ARTICLE X
DEPARTMENT OF PUBLIC WORKS

SECTION 10.1 ESTABLISHMENT OF DEPARTMENT OF PUBLIC WORKS; CHIEF OF PUBLIC WORKS GENERALLY.

There shall be a Department of Public Works, the head of which shall be the Chief of Public Works who shall be appointed by the Mayor. The Building Inspector and supervisor of garage, street and other service employees shall be responsible to the Chief of Public Works unless otherwise prescribed by the Mayor.

SECTION 10.2 POWERS AND DUTIES OF CHIEF OF PUBLIC WORKS.

The Chief of Public Works shall, subject to the supervision and control of the Mayor:

(1) Supervise the repair and maintenance of all streets, avenues, alleys, sidewalks and other public ways;
(2) Supervise the inspection of all building construction and electrical plumbing, sewerage, elevator and related installations, as required by ordinance;
(3) Supervise the cleaning of streets, removal of ice, snow, leaves and debris, and the collection and disposal of all refuse and garbage;
(4) Supervise all City garages and repair facilities, and be responsible for the maintenance and repair of all City operated automotive, construction, mechanical, industrial, electrical, communications and similar equipment; and
(5) Provide or supervise custodial services for all buildings and grounds owned, leased, operated or maintained by this City, except as otherwise provided by law.

ARTICLE XI
PERSONNEL

SECTION 11.1 DISCRIMINATION AGAINST CITY EMPLOYEES, ETC., BECAUSE OF POLITICAL AFFILIATION, ETC.; OATH MAY BE REQUIRED OF CITY EMPLOYEES.

No person in the employ of the City or seeking employment with the City shall be discriminated against because of his race, color, creed or political affiliation. Council may, by appropriate resolution or ordinance, require all employees of the City to take the oath prescribed in Section 16.10 of this Charter.

SECTION 11.2 PERSONNEL RULES AND REGULATIONS FOR CITY EMPLOYEES.

Except as otherwise provided by general law and by civil service rules or regulations established pursuant thereto, Council shall, as soon as practicable after the effective date of this Charter and upon the recommendation of the Mayor, adopt, by ordinance or resolution, personnel rules and regulations for all City employees which shall include but not be limited to:

(1) Job classification and reclassification;
(2) Examinations;
(3) Salary and wage schedules;
(4) Hours of work;
(5) Promotions, demotions, transfers and dismissals;

SECTION 13.2 COMPACT AND CONTIGUOUS WARDS; SPECIFIC REQUIREMENTS TO ENSURE COMPACTNESS OF WARDS.

Each ward shall be composed of contiguous territory and shall be compact. To ensure that each ward is compact, the Council, in each apportionment of the City's wards, shall comply with each of the following requirements, to the extent that compliance with the provisions of Sec. 13.1 permits:

(a) At least one third of the City's wards shall be composed of territory located solely on the north (Kanawha River) side of Kanawha Turnpike.

(b) At least one third of the City's wards shall be composed of territory located solely on the south (hill) side of Kanawha Turnpike.

(c) No ward containing residential neighborhoods located between the Kanawha River and MacCorkle Avenue (U.S. Route 60) shall extend to the south (hill) side of Kanawha Turnpike.

(d) The entire section of Montrose Drive between Kanawha Turnpike and Glendale Avenue shall serve as a boundary line between wards.

(e) The entire section of Joplin Creek between Kanawha Turnpike and Weberwood Drive shall serve as a boundary line between wards.

(Init. Ord. Passed 6-7-83)

ARTICLE XIV
NOMINATIONS AND ELECTIONS

SECTION 14.1 WHEN PRIMARY AND GENERAL ELECTIONS TO BE HELD; TERM OF CITY OFFICIALS ELECTED UNDER CHARTER, ETC.

The first primary election under this Charter amendment for the nomination of candidates for election to the municipal offices provided for in this Charter shall be held on the third Saturday in April beginning after the year 1999. Subsequent primary elections shall be held on the third Saturday in April in each fourth year thereafter.

The first general election under this Charter amendment shall be held on the first Saturday in June in the year 1995. Subsequent general elections shall be held on the first Saturday in June in each fourth year thereafter.

The term of office of all municipal officers elected under this Charter and these Charter amendments, except members of the City Executive Committees, shall be for a term commencing on the first day of July in each election year provided for herein and continuing for a period of four years, or until such time thereafter as their respective successors shall have been elected or appointed and qualified.

The terms of office of all municipal officers and of members of the City executive committees elected under this Charter amendment shall be for a period of four years. (Ord. 1960. Passed 4-15-99.)

SECTION 14.2 NOMINATION OF CANDIDATES BY PRIMARY ELECTION, ETC.; WHO CONSIDERED A QUALIFIED PARTY; LIMITATIONS ON VOTING IN PRIMARY ELECTION; CITY EXECUTIVE COMMITTEES OF POLITICAL PARTIES; QUALIFICATIONS FOR COUNCILMAN, ETC.

Nominations for office shall be made by primary election to be held on the dates set forth in Section 14.1 In the event no nominee files for any office, or should any nominee resign or be prevented by death or disability from running for any office, a candidate therefor may be named by the Executive Committee of his respective party, and such candidate shall be certified by the chairman of such Executive Committee to the City Clerk at least thirty days prior to the general election. Any qualified person may become a candidate for any office in the primary election by filing therefor with the City Clerk and paying to the said City Clerk such filing fee as may be set out by the Council and by completing and filing with said City Clerk a statement in substantially the following form:

STATEMENT OF CANDIDATE

"STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, to-wit:

I, (write your name as you wish it to appear on ballot), hereby certify that I am a candidate for the nomination for the office of ....., to represent the ....., Party, and desire my name printed on the official ballot of said party to be voted at the primary election to be held on the ..... day of ....., 19.....; that I am a legally qualified voter of Ward ....., City of South Charleston, County of Kanawha, State of West Virginia; that my residence is number ..... of ..... Street in the City of South Charleston in Kanawha County in said State; that I am eligible to hold the said office; that I am a member of and affiliated with said political party; that I am a candidate for said office in good faith.

.....
Candidate

PART I.

THE CHARTER.

Editor's note.--There is here set out, as amended, the ordinance containing the Charter of the City of South Charleston, West Virginia, which was adopted by the voters of the city at the election held on April 9, 1963.

The catchlines given to the various sections of the Charter have, for editorial purposes, been revised. They should not be construed to restrict, limit or affect the contents of the sections.

Amended sections are indicated by historical citations following the sections in question.

Article I. Incorporation; Form of Government.

§ 1.1. Incorporation; name of body politic and corporate.
§ 1.2. Form of government.

Article II. Powers of City.

§ 2.1. Generally.

Article III. Municipal Officers Generally.

§ 3.1. Mayor, city clerk, municipal judge and members of council as municipal officers; election and term of certain officers generally.
§ 3.2. Qualifications of elective officers; limitation on elective officers holding other public office, etc.
§ 3.3. Officers in addition to elective officers; salaries of officers.
§ 3.4. Procedure for filling vacancies in elective offices.

Article IV. Mayor.

§ 4.1. Powers and duties generally.
§ 4.2. Appointment of certain officers.

Article V. Council.

§ 5.1. Salary of councilmen.
§ 5.2. Mayor as presiding officer and member of council; president of council; who to preside in absence of mayor and president of council.
§ 5.3. Powers of council.
§ 5.4. Removal of officers from office.
§ 5.5. Vacancy in office of councilman.

§ 5.6. Creation, etc., of boards, commissions, offices, etc.
§ 5.7. Induction of council into office; meetings of council; quorum.
§ 5.8. Council as judge of election, etc., of members.
§ 5.9. Rules and order of business; journal and minutes of meetings.
§ 5.10. Enactment and enacting clauses of ordinances.
§ 5.11. Codification of general and permanent ordinances; supplements to Code.
§ 5.12. Independent audit of accounts, etc.

Article VI. City Clerk.

§ 6.1. Duties.

Article VII. Municipal Court.

§ 7.1. Establishment and jurisdiction of municipal court.
§ 7.2. Age requirement for, and compensation of, municipal judge.
§ 7.3. Appointment, term and compensation of clerk of municipal court.
§ 7.4. Acting municipal judge.
§ 7.5. Powers and duties of municipal judge.
§ 7.6. Who may issue warrants for offenses in violation of city ordinances.
§ 7.7. Rules and records of municipal judge.
§ 7.8. Appeal from judgment of municipal court.

Article VIII. City Treasurer.

§ 8.1. Qualifications of city treasurer.
§ 8.2. Powers and duties generally of city treasurer.
§ 8.3. Supervision and control of accounting.
§ 8.4. Payment to city treasurer of fines, etc., received by officer or employee.
§ 8.5. City purchasing agent generally.
§ 8.6. Where competitive bidding required.
§ 8.7. Contracts for capital improvements and repairs.
§ 8.8. Requisition, etc., prerequisite to purchases and contracts.

Article IX. City Attorney.

§ 9.1. Qualifications.
§ 9.2. Powers and duties.

Article X. Department of Public Works.

§ 10.1. Establishment of department of public works; chief of public works generally.
§ 10.2. Powers and duties of chief of public works.

Article XI. Personnel.

§ 11.1. Discrimination against city employees, etc., because of political affiliation, etc.; oath may be required of city employees.
§ 11.2. Personnel rules and regulations for city employees.
§ 11.3. Determination and administration of personnel policy; limitation on appointment, etc., of city employees by council and dealings of council with city employees.
§ 11.4. Social Security to be provided; workmen's compensation.
§ 11.5. City employees as candidates for city offices.

Article XII. Budget.

§ 12.1. Fiscal year; budget year; accounting year.
§ 12.2. Submission of budget; finance and budget committee of council; citizens' advisory committee as to budget and fiscal affairs.
§ 12.3. Budget, etc., as public record; preparation of copies of budget for distribution.
§ 12.4. Public hearing on submitted budget and publication of notice thereof.
§ 12.5. Revision of budget after public hearing.
§ 12.6. Approval of budget generally; quorum of council for approval, etc., of budget, etc.
§ 12.7. Procedure as to estimates and levies.
§ 12.8. Adoption of budget generally; vote on adoption of budget, etc.
§ 12.9. Term of effectiveness of budget; certification and filing of budget; availability of copies of budget.
§ 12.10. Effective date of budget; budget to establish appropriations.
§ 12.11. Budget as financial plan; limitation on total of proposed expenditures; contents of budget generally.
§ 12.12. Beginning balance.
§ 12.13. Anticipated revenues and miscellaneous revenues generally.
§ 12.14. What to be included in miscellaneous revenues.
§ 12.15. Limitation on inclusion of miscellaneous revenue as anticipated revenue.
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§ 12.17. Comparison of items of anticipated revenue with other years.
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§ 12.19. Comparison of items of proposed expenditures with other years.
§ 12.20. Allotment of appropriations for work programs of departments, etc.
§ 12.21. Further provisions as to work programs and allotments for departments, etc.; authorization of expenditures for departments, etc.
§ 12.22. Transfer of unencumbered balance of appropriations.
§ 12.23. Lapsing of appropriations.
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§ 12.25. Budget to be headed by budget summary.

Article XIII. Wards.

§ 13.1. Division of city into wards generally; authority of council as to ward boundaries; abolition and consolidation of wards; new wards consequent upon extension of limits; division of wards.
§ 13.2. Division of city into six wards; representation of wards upon council generally; listing of wards and corresponding precincts; limitation on additional council members, etc.

Article XIV. Nominations and Elections.

§ 14.1. When primary and general elections to be held; term of city officials elected under Charter, etc.
§ 14.2. Nomination of candidates by primary election, etc.; who considered a qualified party; limitations on voting in primary election; city executive committees of political parties; qualifications for councilman, etc.
§ 14.3. City election commission.
§ 14.4. Where primary and general elections held; appointment of election officials.
§ 14.5. Uniform election board for each voting precinct.
§ 14.6. Procedure as to registration records, ballots, etc.; canvassing of election and declaration, etc., of result.
§ 14.7. Decision on tie vote for elective office.
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§ 15.3. Form and contents of, and signatures to, initiative or referendum petition; committee of petitioners.
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§ 16.2. Immunity of elective officers.
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§ 16.9. Bond required of certain city officers and personnel.
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Article XVII. Succession in Government.

§ 17.1. Effective date of Charter; continuation in office of mayor, municipal judge, council members, etc.
§ 17.2. Continuation in office of persons holding administrative positions; continuity of city departments, etc., generally.
§ 17.3. Further provisions as to continuity of city departments, etc.
§ 17.4. When certain acts to be done.
§ 17.5. Transfer of records and property.
§ 17.6. Pending actions and proceedings.
§ 17.7. Assurance of continuity of local government in national emergency.
§ 17.8. Continuation of ordinances, etc., conflicting with Charter.

Article I. Incorporation; Form of Government.

Sec. 1.1. Incorporation; name of body politic and corporate.

The inhabitants of the City of South Charleston, West Virginia, within the corporate limits as now established and as hereafter established in the manner prescribed by law, shall continue to be a municipal body politic and corporate in perpetuity, under the name of "The City of South Charleston."

Sec. 1.2. Form of government.

The municipal government provided by this Charter shall be known as the "strong-mayor plan" which provides for a form of government as follows:

(1) A mayor, city clerk and municipal judge elected by the voters of the city;

(2) A city council elected by wards by the voters of the city;

(3) The council shall be the governing body;

(4) The mayor shall be the administrative and executive authority;

(5) Officers and employees are appointed by the mayor or by his order in accordance with this Charter or the provisions of general law.

Article II. Powers of City.

Sec. 2.1. Generally.

This city, incorporated under this Municipal Home Rule Charter, shall have all the powers granted to municipal corporations and to cities of its class by the Constitution and laws of the State of West Virginia, including but not limited to the powers granted by chapter 8 and chapter 8A of the Official Code of West Virginia of 1931, as amended, together with all the implied powers necessary to carry into execution all the powers granted. The city may acquire property within or without its corporate limits for any city purpose, in fee simple or any lesser interest or estate, by purchase, gift, devise, lease or condemnation, and may sell, lease, hold, manage and control such property as its interests may require; and, except as prohibited by the Constitution of this state or restricted by general law or this Charter, the city shall and may exercise all municipal powers, functions, rights, privileges and immunities of every kind and character whatsoever.

The city shall have every power to tax, license, franchise and charge which it had immediately prior to the adoption of this Charter, and every power to impose, levy and collect every tax, license, franchise, fee and charge, of any nature whatsoever, now or hereafter authorized by the statutes of the State of West Virginia. The city shall continue to impose, levy and collect every tax, license, franchise, fee and charge which is being imposed by the city immediately prior to the effective date of this Charter, until the same is revised, modified or repealed by council.

The enumeration of particular powers by this Charter shall not be deemed to be exclusive, and in addition to the powers enumerated herein or appropriate to the exercise of such powers, it is intended that the city shall have and may exercise all powers which, under the Constitution of the State of West Virginia, or any amendments thereto, or under the laws of the State of West Virginia now or hereafter enacted, it would be competent for this Charter specifically to enumerate.

Article III. Municipal Officers Generally.

Sec. 3.1. Mayor, city clerk, municipal judge and members of council as municipal officers; election and term of certain officers generally.

The municipal officers of the City of South Charleston shall consist of a mayor, city clerk, municipal judge and members of the city council. The first officers elected under these Charter amendments shall be elected by the qualified voters of the city, as hereinafter provided, and shall serve for a term of three years commencing on July 1, 1968, and continuing until the thirtieth day of June, 1971, or as soon thereafter as their respective successors shall have been elected or appointed and qualified.

Except for the municipal officers first elected under these Charter amendments, at the general election held on the first Tuesday in June in the year 1968, said municipal officers shall be elected by the qualified voters of the city, as hereinafter provided, for a term commencing on the first day of July in each election year provided for herein and continuing for a period of four years, or until such time thereafter as their respective successors shall have been elected or appointed and qualified. (Ord. No. 1040.)

Editor's note.--The "Charter amendments" here referred to are those effected by Ordinance No. 1040.

Sec. 3.2. Qualifications of elective officers; limitation on elective officers holding other public office, etc.

An elective officer shall be a qualified elector and shall have been a resident of the city for a period of three years prior to his election. A member of the council representing a particular ward also shall have been a resident thereof for a term of one year prior to his election and shall remain a resident of the ward from which he is elected during his term of office.

An elective officer shall have been assessed with and shall have paid taxes in the city upon a valuation of at least $100 worth either of real estate or personal property for the assessment year preceding his election.

An elective officer shall hold no other public office or public employment or be a member of any city executive committee or any political party; provided, however, that a notary public, member of the National Guard or Naval or Military Reserve, or public school or college teacher or administrator shall not be deemed to hold public office or public employment within the meaning of this section. (Ord. No. 1040, § 3.)

Sec. 3.3. Officers in addition to elective officers; salaries of officers.

In addition to the municipal officers mentioned in section 3.1 of this Charter, there shall be a city treasurer, city attorney, city recreation director, chief of police, chief of fire department, and chief of department of public works. The city also may have such other officers and agents as the council, in its discretion, may create. All appointive officers shall serve at the will and pleasure of the mayor except as otherwise provided in this Charter. More than one appointive office may be filled by a single appointee subject to the approval of council.

All the officers named in this and section 3.1 shall be paid proper salaries which shall be fixed by the council except as otherwise provided in this Charter.

Sec. 3.4. Procedure for filling vacancies in elective offices.

Whenever a vacancy for any cause whatever shall occur in any elective office, the council, by a majority vote of its duly elected or appointed members present at a regular meeting held not less than fifteen or more than thirty days following the occurrence of such vacancy, shall elect a qualified person for such office who shall hold office until the next city election and until his successor shall have been elected and qualified; provided, however, that any vacancy in the office of council member shall be filled by a person of the same political affiliation as the council member whose office is vacant. In the event the council shall fail to elect a qualified person to the office of council member within thirty days after the occurrence of such vacancy, the mayor shall appoint a qualified person therefor.

Article IV. Mayor.

Sec. 4.1. Powers and duties generally.

The mayor shall be the chief administrative officer and the head of the administrative branch of the city government. He shall be responsible for the proper administration of all affairs of the city, except as otherwise specifically provided for by law or this Charter, and to that end subject to the personnel provisions of this Charter, he shall have power and shall be required to:

(1) Appoint, supervise, promote and remove all officers and employees of the city except as otherwise provided by this Charter;

(2) Appoint, promote and remove, in accordance with civil service laws, all employees who are subject to the civil service laws of the State of West Virginia;

(3) Appoint, subject to the approval of the council, the members of any board or commission which council may create or establish pursuant to this Charter;

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

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

(6) Prepare and submit to council a monthly statement of all receipts, disbursements and unpaid accounts in sufficient detail to show the exact financial condition of the city, and such statement shall be made available for public inspection;

(7) Keep council advised of the future needs of the city and make such recommendations as may seem to him desirable; and

(8) Perform such other duties as may be prescribed by this Charter and such duties not inconsistent with this Charter as may be required of him by council.

Sec. 4.2. Appointment of certain officers.

The mayor shall appoint a city treasurer, city attorney, city recreation director, chief of police, chief of the department of public works, and, subject to the civil service laws, chief of the fire department.

Article V. Council.

Sec. 5.1. Salary of councilmen.

The monthly salary of councilmen shall be not less than twenty dollars.

Sec. 5.2. Mayor as presiding officer and member of council; president of council; who to preside in absence of mayor and president of council.

The mayor shall be the presiding officer of the council and be a member thereof, with the right to vote on all questions the same as any other member of the council. The council shall, at its first meeting after each election, select one of its body as president of council, who shall, in the absence of the

mayor, preside as chairman of the meeting of the council, and in the absence of both the mayor and president of council at any meeting of the council, a member of the council shall be elected to preside over such meeting. The president of council shall appoint all committees of council.

Sec. 5.3. Powers of council.

All powers of the city and the determination of all matters of policy shall be vested in the council. Without limitation of the foregoing, the council shall have power to:

(1) Adopt the budget of the city;

(2) Create and establish boards and commissioners as required;

(3) Adopt policies, rules and regulations for all city employees, except as otherwise provided in this Charter;

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

(5) Provide for an independent audit.

Sec. 5.4. Removal of officers from office.

Any member of the council, and any city official, either elected or appointed, may be removed from his office by the council for any of the following causes: Official misconduct, incompetence, habitual drunkenness, neglect of duty, or gross immorality. The charges against any such officer shall be reduced to writing and entered of record by the council, and a summons shall thereupon be issued by the city clerk containing a copy of the charges and requiring the officer named therein to appear and answer the same on a day to be named therein, which summons may be served in the same manner as a summons commencing an action may be served, and the service must be made at least five days before the return day thereof. It shall require the affirmative vote of two-thirds of all the members elected to council to remove any such official. The decision of council in any such case shall be subject to review by the courts.

The mayor, or any other city official having the power of appointment, shall have the absolute right in his discretion to remove any of his appointees and appoint another qualified person in his place, but such removal shall be in writing and served upon said official so removed, and all the rights and powers of such official shall cease and end from the time of such notice.

Sec. 5.5. Vacancy in office of councilman.

If a councilman ceases to possess any of the qualifications of a councilman, or ceases to be a resident of the ward from which he is elected, his office shall become vacant and shall be so declared by council. Such vacancy shall be filled as provided in this Charter.

Sec. 5.6. Creation, etc., of boards, commissions, offices, etc.

Council, by ordinance, may create, change and abolish boards, commissions, offices, departments or agencies, except as provided by state statutes. Council, by ordinance or resolution, may assign additional functions or duties to boards, commissions, offices, departments or agencies established by it or by this Charter, but may not discontinue or assign to any other board, commission, office, department or agency any function or duty assigned by this Charter to a particular board, commission, department, office or agency.

Sec. 5.7. Induction of council into office; meetings of council; quorum.

The first council elected under this Charter and each newly elected council shall hold its first meeting at 7:30 P.M. on the first day of July next following its election. At the first meeting of each council, the first order of business shall be the induction of the councilmen and other elective officers into office. The council shall hold regular meetings on the first and third Thursdays of each month, and the hour and place of such meetings shall be fixed by the council in the rules adopted by it.

Special meetings may be held at any time upon such notice as council may by rule prescribe, upon call of the mayor or any three councilmen. Such notice shall state the time, place, and object of the meeting.

All meetings of council shall be open to the public. For the purpose of transacting business, a majority of the members of council shall constitute a quorum, except as otherwise provided in section 12.6 of this Charter, but a smaller number may adjourn from time to time and may compel the attendance of absent members in such manner and under such penalties as it may by rules provide.

Sec. 5.8. Council as judge of election, etc., of members.

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

Sec. 5.9. Rules and order of business; journal and minutes of meetings.

Council shall determine its own rules and order of business. It shall keep a journal of its proceedings and the journal shall be open to public inspection. The minutes of every regular or special meeting of council shall be approved at the next regular meeting. After being approved, the minutes shall be signed by the mayor and city clerk.

Sec. 5.10. Enactment and enacting clauses of ordinances.

All ordinances shall be enacted according to the requirements of general law. The enacting clause of an ordinance shall be: "Be it ordained by the Council of the City of South Charleston."

Sec. 5.11. Codification of general and permanent ordinances; supplements to Code.

Council shall cause all the ordinances of the City of South Charleston of a general and permanent nature to be codified and indexed every four years, and the same shall be printed in a manner approved by the council as "The Code of the City of South Charleston, West Virginia," and in addition thereto, such Code shall be kept up-to-date by yearly supplements.

Sec. 5.12. Independent audit of accounts, etc.

In addition to the annual audit conducted by the state tax commissioner, council may employ certified public accountants to make an independent audit of accounts and other evidences of financial transactions of the city government.

Article VI. City Clerk.

Sec. 6.1. Duties.

The city clerk shall serve as ex officio clerk of the council, shall give notice of its meetings, shall keep the journal of its proceedings, shall authenticate by his signature and record in full in a book kept for the purpose all ordinances and resolutions and shall perform such other duties as shall be required by this Charter, by ordinance or by resolution of council, or by general law.

Article VII. Municipal Court.

Sec. 7.1. Establishment and jurisdiction of municipal court.

There shall be a municipal court which shall have criminal jurisdiction over violations of city ordinances and the criminal jurisdiction of a justice of the the peace of the State of West Virginia with respect to offenses committed within any territory in or beyond the city over which the city has police jurisdiction under provisions of general law.

Sec. 7.2. Age requirement for, and compensation of, municipal judge.

The municipal judge shall be thirty years of age prior to the beginning of his term of office. The municipal judge shall receive a compensation for his services which shall be determined by the council and the amount of such compensation shall not be increased or diminished during his term of office.

Sec. 7.3. Appointment, term and compensation of clerk of municipal court.

The municipal judge may appoint a clerk of the municipal court who shall serve at the will and pleasure of the municipal judge and shall receive such compensation as may be determined by the council.

Sec. 7.4. Acting municipal judge.

In the event of the temporary absence or disability of the municipal judge, the clerk of the municipal court, the city clerk or the mayor may serve as municipal judge during such absence or disability.

Sec. 7.5. Powers and duties of municipal judge.

The municipal judge shall preside over the municipal court and, with respect to offenses over which the municipal court has jurisdiction, the municipal judge shall have all the powers and duties which a justice of the peace has with regard to violations of the criminal laws of the State of West Virginia. The municipal judge shall have power to issue warrants upon complaint under oath of any person or officer for the arrest of anyone charged with any offense within the jurisdiction of the court. The municipal judge shall try and determine all cases over which the court has jurisdiction, and within the limits prescribed by ordinance or by general law shall have the power to punish by fine or imprisonment, or both. Before trying any person charged with any violation of any state law or ordinance, a warrant specifying the offense or violation charged, shall be issued as herein provided, and the municipal judge shall render judgment in any case as the laws of the state or the ordinance of the city relative thereto may require. The municipal judge shall have power to summons persons or subpoena witnesses for the trial of any case before him, to compel the attendance of police officers of the city, to require the chief of police to enforce all judgments or orders entered by him in the exercise of his powers as municipal judge, and to issue executions for all fines, penalties and costs imposed by him. The proceedings for the recovery of fines or for the enforcement of penalties fixed by any ordinance or law shall, so far as applicable, conform to the provisions of general law governing civil proceedings before a justice of the peace of the State of West Virginia. It shall be his duty to hold such daily sessions as the business of the court may require.

Sec. 7.6. Who may issue warrants for offenses in violation of city ordinances.

The mayor, city clerk, clerk of the municipal court, chief of police, or in the absence of the chief of police, the captains of police and lieutenants of police shall each have authority to issue warrants for all offenses which are in violation of the ordinances of the City of South Charleston, West Virginia.

Sec. 7.7. Rules and records of municipal judge.

In the discharge of his duties and in the trial of cases the municipal judge shall follow the rules prescribed by law for criminal proceedings before a justice of the peace of the State of West Virginia. The municipal judge shall keep a record of all warrants issued by him, of all persons arrested and brought before him, and of all trials, fines or sentences imposed or judgments entered by him in a permanent book to be known as the municipal court docket. A record of all entries made in such docket shall be signed by the municipal judge or one filling his office on the date of such entry.

Sec. 7.8. Appeal from judgment of municipal court.

If any person is sentenced to imprisonment, or any person or corporation is assessed with a fine of ten dollars or more, such person or corporation shall be allowed an appeal from said judgment of the municipal judge to the court having jurisdiction over appeals from justices of the peace courts, upon the execution of an appeal bond, with surety deemed sufficient by the municipal judge, conditioned that the appellant will appear before the appellate court on the first day of the next term thereof to answer to the offense with which he is charged and to perform and satisfy any judgment which may be entered against him by the appellate court on such appeal. In no case shall a fine of less than ten dollars be assessed by the municipal judge if the defendant, his agent or attorney object thereto. When the judgment on appeal is against the appellant for any sum of money, judgment shall be rendered by the appellate court against the appellant and those who signed the appeal bond as surety thereon. Before said municipal judge shall accept any natural person as surety upon any bond or recognizance, under the provisions of this section, such surety shall furnish a certified statement of the clerk of the county court of any county in this state, in which such surety owns real estate and shall also file an affidavit, the form of which may be prescribed by the municipal judge, showing the bonds and recognizances upon which he is then surety and the amount of each bond or recognizance. If the amount of such bond or recognizances, together with other bonds and recognizances as shown by the affidavit aforesaid exceeds in amount the assessed value of the surety's property, as shown by the certificate of the clerk of the county court, or if any such bond or recognizances theretofore given by such surety be forfeited and unsatisfied, then such surety shall be disqualified; and if any bond or recognizance be accepted and it subsequently appears that the surety thereon is disqualified, then such bond shall be declared void by the municipal judge, and the person

whose appearance in the appellate court and whose payment of fine and costs are thereby secured, may be forthwith apprehended and committed to jail until a proper bond or recognizance is given; provided, however, that whenever any surety is offered less than one hour before the county clerk's office is closed, such surety shall make an affidavit that he owns real estate in Kanawha County to an assessed value above encumbrance thereon, of at least double the amount of bond required. Any person making, or procuring to be made, a false statement in any such affidavit, with intent to deceive said municipal judge, shall be guilty of perjury. If an appeal be taken, the warrant of arrest, the transcript of the judgment, the appeal bond and other papers of the case shall be forthwith delivered by the municipal judge to the clerk of the appellate court which shall proceed to try the case in accordance with law.

Article VIII. City Treasurer.

Sec. 8.1. Qualifications of city treasurer.

The city treasurer shall have knowledge of accounting and taxation and shall have had experience in budgeting and financial control.

Sec. 8.2. Powers and duties generally of city treasurer.

The city treasurer shall have authority and shall be required, subject to the provisions of general law, to:

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

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

(3) Submit to the mayor and council a monthly statement of all receipts, disbursements and unpaid accounts in sufficient detail to show the exact financial condition of the city;

(4) Prepare for the mayor and council, as of the end of each fiscal year, a complete financial statement and report;

(5) Supervise and be responsible for all special assessments for the city and give such notice of special assessments as may be required by law;

Sec. 8.4. Payment to city treasurer of fines, etc., received by officer or employee.

All fines and fees received by any officer or employee which belong to the city shall be paid daily to the city treasurer.

Sec. 8.5. City purchasing agent generally.

There shall be established in the office of the city treasurer a city purchasing agent who shall be subject to the supervision and control of the city treasurer. The office of city purchasing agent may be combined with the office of city treasurer. The purchasing agent, pursuant to rules and regulations established by ordinance, shall contract for and purchase all supplies, materials, equipment and service required by each office, department or agency of the city. The city purchasing agent may, by agreement with the state director of purchases, purchase through the state department of purchases or he may make agreements with one or more other municipalities, counties and county boards of education, for centralized purchasing for all governmental units which are parties to such an agreement. The purchasing agent shall also have power and shall be required, subject to the provisions of general law, to:

(1) Obtain and enforce specifications with respect to supplies, materials and equipment required by the city; and

(2) Inspect or supervise the inspection of all deliveries of supplies, materials and equipment, and determine their quality, quantity and conformity with specifications.

Sec. 8.6. Where competitive bidding required.

Before the city purchasing agent may make any purchase of or contract for supplies, materials or equipment in excess of one thousand dollars, he shall give ample opportunity for competitive bidding, under such general rules and regulations, and with such exceptions, as council may prescribe; provided, however, that council shall not except individual contracts, purchases or sales from the requirement of competitive bidding; and provided further, that no purchase of or contract for supplies, materials or equipment in excess of one thousand dollars shall be made by separate purchases or contracts of a lesser amount so as to evade the requirements of competitive bidding prescribed by this section.

Sec. 8.7. Contracts for capital improvements and repairs.

Any capital improvement or repairs costing more than one thousand dollars or any series of capital improvements or repairs constituting essentially a single project and costing in the aggregate more than one thousand dollars, shall be executed by contract except where such improvement is authorized by council to be executed directly by the mayor in conformity with detailed plans, specifications and estimates. All such contracts shall be awarded to

the lowest and best responsible bidder after such public notice and competition as council may prescribe and after a public opening of bids; provided, however, that the council shall have the power to reject all bids for good cause assigned in writing or set forth in the records of the council and advertise again. Alterations in any contract may be made when authorized by council upon the written recommendation of the mayor.

Council, in its discretion, may by resolution increase or decrease the amount of any capital improvements or repairs, or any series of capital improvements or repairs constituting essentially a single project, which shall be subject to the provisions of this article.

Sec. 8.8. Requisition, etc., prerequisite to purchases and contracts.

All purchases made and contracts executed by the city purchasing agent shall be pursuant to a written requisition from the chief of the office, department or agency whose appropriation will be charged, and no contract or order shall be issued to any vendor unless and until the city treasurer certifies that there is to the credit of such office, department or agency a sufficient unencumbered appropriation balance to pay for the supplies, materials, equipment or contractual services for which the contract or order is to be issued.

Article IX. City Attorney.

Sec. 9.1. Qualifications.

The city attorney shall be an attorney at law and a member of good standing of the West Virginia State Bar.

Sec. 9.2. Powers and duties.

The city attorney shall perform all duties and exercise all powers which shall be conferred upon him by ordinance or resolution of council.

Article X. Department of Public Works.

Sec. 10.1. Establishment of department of public works; chief of public works generally.

There shall be a department of public works, the head of which shall be the chief of public works who shall be appointed by the mayor. The building inspector and supervisor of garage, street and other service employees shall be responsible to the chief of public works unless otherwise prescribed by the mayor.

Sec. 10.2. Powers and duties of chief of public works.

The chief of public works shall, subject to the supervision and control of the mayor:

(1) Supervise the repair and maintenance of all streets, avenues, alleys, sidewalks and other public ways;

(2) Supervise the inspection of all building construction and electrical plumbing, sewerage, elevator and related installations, as required by ordinance;

(3) Supervise the cleaning of streets, removal of ice, snow, leaves and debris, and the collection and disposal of all refuse and garbage;

(4) Supervise all city garages and repair façilities, and be responsible for the maintenance and repair of all city operated automotive, construction, mechanical, industrial, electrical, communications and similar equipment; and

(5) Provide or supervise custodial services for all buildings and grounds owned, leased, operated or maintained by this city, except as otherwise provided by law.

Article XI. Personnel.

Sec. 11.1. Discrimination against city employees, etc., because of political affiliation, etc.; oath may be required of city employees.

No person in the employ of the city or seeking employment with the city shall be discriminated against because of his race, color, creed or political affiliation. Council may, by appropriate resolution or ordinance, require all employees of the city to take the oath prescribed in section 16.10 of this Charter.

Sec. 11.2. Personnel rules and regulations for city employees.

Except as otherwise provided by general law and by civil service rules or regulations established pursuant thereto, council shall, as soon as practicable after the effective date of this Charter and upon the recommendation of the mayor, adopt, by ordinance or resolution, personnel rules and regulations for all city employees which shall include but not be limited to:

(1) Job classification and reclassification;

(2) Examinations;

(3) Salary and wage schedules;

(4) Hours of work;

(5) Promotions, demotions, transfers and dismissals;

(6) Efficiency ratings; and

(7) Leaves of absence.

Council may amend such personnel rules and regulations from time to time upon recommendation of the mayor.

Sec. 11.3. Determination and administration of personnel policy; limitation on appointment, etc., of city employees by council and dealings of council with city employees.

Council shall determine all matters of personnel policy and the mayor shall administer such policy. Neither council nor any of its members shall direct, or in any manner interfere with or obstruct the appointment or removal of any city employee except an employee whom council is authorized to employ and remove under the provisions of this Charter. Except for the purpose of inquiry, council and its members shall deal with the administrative service solely through the mayor and neither council nor any member thereof shall give orders to any subordinate of the mayor, either publicly or privately.

Sec. 11.4. Social Security to be provided; workmen's compensation.

Council shall provide Social Security coverage for all eligible city officers and employees. The city shall subscribe to, and pay premiums into, the workmen's compensation fund for the protection of all city employees.

Sec. 11.5. City employees as candidates for city offices.

Other than elected officials of the city, no person who is a candidate for nomination or election to any public office or who holds a public office shall, at the same time, be an employee of the city.

Article XII. Budget.

Sec. 12.1. Fiscal year; budget year; accounting year.

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

Sec. 12.2. Submission of budget; finance and budget committee of council; citizens' advisory committee as to budget and fiscal affairs.

At the time the council is required by general law to hold its first meetings to ascertain the fiscal condition of the city and to make its levy estimates, the mayor shall submit to council a budget in the form and with the contents provided by sections 12.11 to 12.19, inclusive, of this Charter.

There shall be a finance and budget committee of the council which shall consist of three members, who shall be appointed by the president of council. This committee may make such recommendations to council as it may deem advisable, relating to the budget and fiscal affairs of the city.

The mayor, in his discretion, may appoint a citizen's advisory committee to consider and make such recommendations as it deems advisable, relating to the budget and fiscal affairs of the city.

Sec. 12.3. Budget, etc., as public record; preparation of copies of budget for distribution.

The budget and all supporting schedules attached thereto shall be a public record in the office of the city clerk open to public inspection. The mayor shall cause sufficient copies of the budget to be prepared for distribution to interested persons prior to the public hearing provided for in section 12.4 of this Charter.

Sec. 12.4. Public hearing on submitted budget and publication of notice thereof.

The council shall hold a public hearing on the budget submitted by the mayor at any time not less than ten days prior to the date council is required by general law to enter its final levy order. All interested persons shall be given an opportunity to be heard for or against any item or expenditure. Council shall cause a notice of the time and place of such public hearing to be published not less than five days prior to the holding thereof in two newspapers of opposite political affiliation having a general circulation in the city.

Sec. 12.5. Revision of budget after public hearing.

After the conclusion of such public hearing, and on or before the date council is required by general law to enter its final levy order, council may revise such budget as it deems advisable, subject to the provisions of general law.

Sec. 12.6. Approval of budget generally; quorum of council for approval, etc., of budget, etc.

The budget for each budget year shall be approved by council by the affirmative votes of at least a majority of all the elected or appointed members of council on or before the date it is required by general law to enter its final levy order.

For the purposes only of approving and adopting its budget and entry of its final levy order, two-thirds of all the elected or appointed members of the council shall constitute a quorum.

The budget shall be submitted to the state tax commissioner for his approval as required by the provisions of general law.

Sec. 12.7. Procedure as to estimates and levies.

Council shall, in the manner provided by general law and based strictly on the items contained in the budget previously approved, make its levy estimates, hear objections to the proposed levies, and, after reconsidering the estimates and levies in light of such objections, if any, enter its levy order. If any objections to the proposed estimates and levies are sufficient in law and require changes in the budget previously approved, such changes shall be made in the budget, and the budget shall be amended to that extent.

Council, however, shall not enter its levy order until it has been approved by the state tax commissioner as required by the provisions of general law.

Sec. 12.8. Adoption of budget generally; vote on adoption of budget, etc.

At the same time council shall enter its final levy order, it shall adopt the budget on which such levy order is based. The adoption of the budget by council and entry of its final levy order shall be by the affirmative votes of at least a majority of all the elected or appointed members of council.

Sec. 12.9. Term of effectiveness of budget; certification and filing of budget; availability of copies of budget.

Upon adoption, the budget shall be in effect for the budget year. A copy of the budget, as adopted, shall be certified by the mayor and city clerk and filed in the office of the city treasurer. The budget so certified shall be printed, mimeographed, or otherwise reproduced and sufficient copies thereof shall be made available for the use of all offices, departments and agencies of the city and for the use of interested persons and civic organizations.

Sec. 12.14. What to be included in miscellaneous revenues.

Miscellaneous revenues shall include anticipated revenues from the collection of taxes other than property taxes, the amount of state aid to be received, the amount by which the city is expected to benefit from taxes other than property taxes collected by the state or county, the amounts estimated to be received from services and sales, fines and forfeitures, and any other special or nonrecurring sources.

Sec. 12.15. Limitation on inclusion of miscellaneous revenue as anticipated revenue.

No miscellaneous revenue from any source shall be included as anticipated revenue in the budget in an amount in excess of the average of the amount actually realized in cash from the same source in the next preceding fiscal year, and that actually realized during the current fiscal year to the time of preparing the budget plus that to be received in the remaining months of the year estimated as accurately as may be, unless the mayor shall determine that the facts clearly warrant the expectation that such excess amount will actually be realized in cash during the budget year and shall certify such determination in writing to council.

Sec. 12.16. Limitation on inclusion of new revenue as anticipated revenue.

No revenue from a new source not previously stated in the budget shall be included unless the mayor shall determine that the facts clearly warrant the expectation that such revenue will be actually realized in cash during the budget year in the amount stated and shall certify such determination in writing to council.

Sec. 12.17. Comparison of items of anticipated revenue with other years.

In parallel columns opposite each item of anticipated revenue there shall be placed the amount of such item in the budget of the last completed fiscal year, the amount of such item actually received during such year, the amount of such item in the budget of the current fiscal year and the amount of such item actually received to the time of preparing the budget plus receipts for the remainder of the current fiscal year estimated as accurately as may be.

Sec. 12.18. Items for which budget to make provision.

To the extent permitted by general law, the budget shall make provision for the following items:

(1) Interest, amortization and redemption charges on the public debt for which the faith and credit of the city is pledged;

(2) Other statutory expenditures;

(3) The payment of all unsatisfied judgments;

(4) Administration, operation and maintenance of each office, department or agency of the city itemized by character and object of expenditure;

(5) Contingent expense, in an amount not exceeding five per centum of the total amount stated pursuant to subsection (4) of this section;

(6) Expenditures proposed for capital projects; and

(7) Capital reserve fund if council has established such fund as provided by general law.

Sec. 12.19. Comparison of items of proposed expenditures with other years.

In parallel columns opposite each item of proposed expenditure, there shall be placed the amount of such item in the budget of the last completed fiscal year, the amount of such item actually expended during such year, the amount of such item in the budget of the current year and the amount of such item actually expended to the time of preparing the budget plus the expenditure for the remainder of the current fiscal year estimated as accurately as may be.

Sec. 12.20. Allotment of appropriations for work programs of departments, etc.

Immediately following approval of the budget, the head of each office, department or agency shall submit to the mayor proposed allotments of the appropriations for the work programs of such office, department or agency, by quarterly periods, for the entire budget year. The mayor shall review the proposed allotments in the light of the work programs of the office, department or agency concerned, and may revise, alter or change such allotments before approving the same.

Sec. 12.21. Further provisions as to work programs and allotments for departments, etc.; authorization of expenditures for departments, etc.

The mayor shall file a copy of the work program allotments with the city treasurer, who shall authorize all expenditures for the offices, departments and agencies to be made from the appropriations on the basis of approved allotments and not otherwise. An approved allotment may be revised during the budget year in the same manner as the original allotment was made. If, at any time during the budget year, the mayor shall ascertain that the available revenues, plus the beginning balance, for the year will be less than the total appropriations, he shall reconsider the work programs and allotments of the several offices, departments and agencies and revise the allotments so as to forestall the making of expenditures in excess of such revenues.

Sec. 12.22. Transfer of unencumbered balance of appropriations.

The mayor may at any time transfer any unencumbered appropriation balance or portion thereof between general classifications of expenditures within an office, department or agency, subject to the approval of the state tax commissioner. At the request of the mayor and within the last three months of the budget year, council may by resolution transfer any unencumbered appropriation balance or portion thereof from one office, department or agency to another, subject to provisions of general law. No transfer, however, shall be made from the appropriations required by subsections (1), (2) and (3) of section 12.18 of this Charter.

Sec. 12.23. Lapsing of appropriations.

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

Sec. 12.24. Appropriations prerequisite to certain contracts, etc.

Neither council nor any office, department or agency shall, during any budget year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves the expenditure of money, for any purpose, in excess of the amount appropriated for the general budget classification of such expenditure. Any contract, verbal or written, made in violation of this section shall be null and void. Any officer or employee of the city who shall violate this section shall, in addition to any penalties imposed by ordinance or by general law, be removed from his office or employment. Nothing in this section contained, however, shall prevent the making of contracts or the spending of money for capital improvements to be financed in whole or in part by the issuance of bonds, nor the making of contracts of lease or for services for a period exceeding the budget year in which such contract is made, when such contract is permitted by law and funds have been budgeted for payments required by such contract during the current budget year.

Sec. 12.25. Budget to be headed by budget summary.

At the head of the budget there shall appear a summary of the budget, which need not be itemized further than by principal sources of anticipated revenue, and by principal expenditures of each office, department and agency in such a manner as to present to the taxpayers a simple and clear summary of the detailed estimates of the budget.

Article XIII. Wards.

Sec. 13.1. Division of city into wards generally; authority of council as to ward boundaries; abolition and consolidation of wards; new wards consequent upon extension of limits; division of wards.

The city shall be divided into wards, the future boundaries of which may be determined by the council. Subject to general law, the council may establish new wards and divide and change the boundaries of wards; provided, however, that each ward must be composed of contiguous territory. In fixing ward boundaries, the council shall take into consideration the boundaries of the voting precincts as determined by the county court of Kanawha County. Each new ward shall be entitled to choose one new member of the council unless the number of registered voters exceeds one thousand five hundred in which case two council members shall be elected.

If at any time the registered voters of any ward shall be less than seven hundred fifty it shall cease to be a ward, and council, by ordinance, shall consolidate such ward with the smallest ward adjacent thereto. The councilman holding office at the time of such consolidation shall continue to hold office until the expiration of his term of office with the status of councilman at large.

Whenever by the extension of the corporate boundaries of the city a new ward is created as part of the city, such new ward shall have representation in the council, and within thirty days after the ordinance creating such new ward takes effect, the council shall proceed to elect one qualified resident thereof as a member of said council to hold office until the next general election. In order for new territory to qualify as a new ward, it must consist of not less than one thousand two hundred registered voters. Otherwise, said new territory shall become a part of the smallest ward adjacent thereto.

The council shall not divide any ward into two wards unless the ward to be so divided contains at least three thousand registered voters.

Sec. 13.2. Division of city into six wards; representation of wards upon council generally; listing of wards and corresponding precincts; limitation on additional council members, etc.

Upon the effective date of this Charter, the city shall be divided into six wards with council representation as follows: One councilman for wards of one thousand five hundred registered voters or less; two councilmen for wards of

more than one thousand five hundred registered voters. The six wards, and the corresponding precincts as presently established by the county court of Kanawha County, shall be as follows:

First ward	Precincts nos. 185, 186, 191 and 307
Second Ward	Precincts nos. 187, 188, 189 and 190
Third ward	Precincts nos. 192, 193 and 195
Fourth ward	Precincts nos. 196, 197 and 198
Fifth ward	Precincts nos. 194, 200 and 308
Sixth ward	Precincts nos. 199, 201 and 309

No additional council member or members shall be appointed or elected by council and no vacancy shall exist therein as a result of the above ward representation until the first election to be held under this Charter in the year 1964 at which time such additional council member or members shall be nominated and elected at the first primary and general election to be held in the year 1964 under article XIV of this Charter.

Article XIV. Nominations and Elections.

Sec. 14.1. When primary and general elections to be held; term of city officials elected under Charter, etc.

The first primary election under these Charter amendments for the nomination of candidates for election to the municipal offices provided for in this Charter shall be held on the third Tuesday in April in the year 1968.

The next primary election for nomination of candidates for election to the municipal offices provided for in this Charter shall be held on the third Tuesday in April in the year 1971 and subsequent primary elections shall be held on the third Tuesday in April in each fourth year thereafter.

The first general election under these Charter amendments shall be held on the first Tuesday in June in the year 1968. The next general election shall be held on the first Tuesday in June in the year 1971 and subsequent general elections shall be held on the first Tuesday in June in each fourth year thereafter.

The term of office of all municipal officers first elected under these Charter amendments at the general election held on the first Tuesday in June, 1968, except city executive members, shall be for a period of three years commencing upon July 1, 1968, and continuing until the thirtieth day of June, 1971, or as soon thereafter as their respective successors shall have been elected or appointed and qualified.

Except for the municipal officers first elected under these Charter amendments at the general election held on the first Tuesday in June in the year 1968, the term of office of all municipal officers elected under this Charter and these Charter amendments, except members of the city executive

committees, shall be for a term commencing on the first day of July in each election year provided for herein and continuing for a period of four years, or until such time thereafter as their respective successors shall have been elected or appointed and qualified.

The terms of office of members of the city executive committees first elected under these Charter amendments at the primary election held on the third Tuesday in April in the year 1968 shall be for a period of three years and thereafter for a period of four years. (Ord. No. 1040, § 3.)

Editor's note.--The "Charter amendments" here referred to are those effected by Ordinance No. 1040.

Sec. 14.2. Nomination of candidates by primary election, etc.; who considered a qualified party; limitations on voting in primary election; city executive committees of political parties; qualifications for councilman, etc.

Nominations for office shall be made by a primary election to be held on the dates set forth in section 14.1. In the event no nominee files for any office, or should any nominee resign or be prevented by death or disability from running for any office, a candidate therefor may be named by the executive committee of his respective party, and such candidate shall be certified by the chairman of such executive committee to the city clerk at least ten days prior to the general election. Any qualified person may become a candidate for any office in the primary election by filing therefor with the city clerk at least thirty days prior to the date of such primary election and paying to the said city clerk such filing fee as may be set out by the council and by completing and filing with said city clerk a statement in substantially the following form:

STATEMENT OF CANDIDATE

"STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, to-wit:

I, (write name as you wish it to appear on ballot), being first duly sworn, say that I reside at ..... Street, in the ..... Ward of the City of South Charleston, County of Kanawha, State of West Virginia; that at the date of the forthcoming general election, I will have resided therein for a period of more than three years prior to the said general election, (and if a candidate for ward councilman, I will have resided in the said ward for a period of one year prior to the said general election); that I am a candidate for nomination to the office of (mayor, city clerk, municipal judge, executive committee, councilman for the .....), to be voted for at the primary election to be held on the third Tuesday in April, 19...., and I hereby

request that my name be printed upon the official primary ballot for nomination at such primary election for such office, as a member of the ..... Party.

.....
(Signature of Candidate)

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

My commission expires ..... .

.....
(Notary Public or any other officer authorized to take oaths under the laws of the State of West Virginia

State title of officer here.....)"

Qualified parties as prescribed by state statutes shall be considered as qualified parties in a city municipal election.

Each voter shall cast his ballot in the primary election only for the candidates of the party with which the voter is registered.

The city executive committees of the two political parties which cast the largest and second largest number of votes in the state at the last preceding general election of the State of West Virginia shall each consist of one male person and one female person from each of the wards of the city. The members of said committees shall be elected at the city primary election and their terms of office, after the 1971 primary election, shall be for a period of four years beginning after the results of such primary election are duly certified. Vacancies in a committee shall be filled, and members to represent newly created wards, shall be elected by the committee to serve until the next city primary election.

Only citizens entitled to vote and residents and voters of their respective wards and districts and having the proper qualifications hereinbefore provided shall be eligible to be elected to the office of councilman and executive committee from their respective wards and districts, and each councilman and member of the executive committee so elected from a ward shall continue to be a resident of the ward from which he is elected during the entire term of his office. (Ord. No. 1040.)

Sec. 14.3. City election commission.

The city clerk, while holding such office, and two qualified electors appointed by council, one to be designated by each of the city executive committees of the two political parties which cast the largest and second largest number of votes in the state at the last preceding general election of the State of West Virginia, shall constitute the election commission of the city. Council shall make its appointments to the election commission not less than forty-five days before the first primary election to be held under this Charter and each subsequent council shall make its appointments to the election commission within a year after such council takes office, and the election commissioners so appointed shall hold office at the will and pleasure of council. It shall be the duty of the election commission to prepare the ballot for the election and to cause the same and all other election supplies and materials to be made available for the election. It shall be the duty of the city executive committees to nominate qualified electors to serve as precinct election officials during a municipal election. The city executive committees shall submit their nominations to council not less than thirty days prior to the holding of the election in which the election officials are to serve.

Not less than ten days prior to any election, the city clerk shall cause a sample ballot showing the names of all the candidates seeking nomination or election to any office to be published in two newspapers of opposite political affiliation having general circulation in the city.

The members of the election commission shall receive such compensation as may be determined by council not to exceed one hundred dollars for each election.

Sec. 14.4. Where primary and general elections held; appointment of election officials.

The council shall meet in special session not less than twenty days prior to the holding of any election, and fix the place or places within the city where such election shall be held and at such meeting the council, after determing that the qualified electors nominated by the city executive committees are duly qualified as prescribed by general law, shall appoint the qualified persons nominated by the city executive committees. In the event council shall determine that any person nominated is not qualified to serve as an election official, or in the event any person appointed by council shall refuse to serve as an election official, council shall proceed to fill the vacancy with a qualified person of the same political affiliation as the original appointee.

Sec. 14.5. Uniform election board for each voting precinct.

A uniform election board, consisting of three commissioners and two clerks, shall be appointed as aforesaid to serve in each voting precinct of the city during a municipal election; provided, however, that council may appoint as aforesaid two such election boards for any precinct in the city in which more than four hundred registered voters reside.

The commissioners and clerks shall receive such compensation as may be determined by council, not to exceed the compensation payable under general law to precinct election officials serving during a general election.

Sec. 14.6. Procedure as to registration records, ballots, etc.; canvassing of election and declaration, etc., of result.

At least three days before the date of a municipal election, the city clerk shall procure from the clerk of the county court of Kanawha County the necessary registration records and shall deliver them, together with the ballots and other election supplies, to designated election officials in each precinct. The election officials shall as soon as possible after the closing of the polls on election day return to the city clerk the ballots, tally sheets, certificates of the result of the election, registration records, poll books, ballot boxes and other election supplies. On the first Monday following the election, council shall canvass the returns of the election and declare and certify the result within five days thereafter.

Sec. 14.7. Decision on tie vote for elective office.

Whenever two or more persons receive an equal number of votes for any elective office, such tie shall be decided by the council in existence at the time the election is held; provided, that the council in office at the time of the institution of such contest proceeding shall hold over and remain in office for the purpose of passing upon and deciding such contest, and for such purposes only; and nothing herein provided shall be construed to interfere with the duties, powers and authority of the new or incoming council.

Sec. 14.8. Procedure as to contested elections.

All contested elections shall be heard and determined by the council in existence at the time the election is held, and the contest shall be made and conducted in the manner as provided for in contests for county and district officers, and the council by their proceedings in such cases shall, as nearly as practicable, conform with the like proceedings of the county court in such cases.

Sec. 14.9. Applicability of general election laws.

Except as otherwise provided in this Charter, municipal elections shall be conducted and the results determined and certified in accordance with the provisions of general law governing the conduct of general elections so far as such law is applicable. If not inconsistent with this Charter, the duties imposed by such general laws upon county clerks and circuit clerks shall devolve upon the city clerk, the duties imposed by such laws upon county courts shall devolve upon council and the duties imposed by such laws upon the ballot commission shall devolve upon the election commission.

Sec. 14.10. Absentee voting.

Council shall, by ordinance, provide for absentee voting in all municipal elections.

Article XV. Initiative, Referendum and Recall.

Sec. 15.1. Power of initiative.

The qualified electors shall have power to propose any ordinance, except an ordinance appropriating money or authorizing the levy of taxes, and to adopt or reject the same at the polls, such power being known as the initiative. Any initiated ordinance may be submitted to council by a petition signed by qualified electors of the city equal in number to at least ten per centum of the registered voters at the last general municipal election.

Sec. 15.2. Power of referendum.

Except as prohibited by general law, the qualified electors shall have power to approve or reject at the polls any ordinance passed by council, or any ordinance submitted by council to a vote of the qualified electors, such power being known as the referendum. Ordinances submitted to council by initiative petition and passed by council without change shall be subject to the referendum in the same manner as other ordinances. Within thirty days after the enactment by council of any ordinance which is subject to a referendum, a petition signed by qualified electors equal in number to at least ten per centum of the registered voters at the last general municipal election may be filed with the city clerk requesting that such ordinance be either repealed or submitted to a vote of the qualified electors.

Sec. 15.3. Form and contents of, and signatures to, initiative or referendum petition; committee of petitioners.

All petition papers circulated for the purposes of an initiative or referendum shall be uniform in size and style. Initiative petition papers shall contain the full text of the proposed ordinance. The signatures to initiative or referendum petitions need not all be appended to one paper, but to each separate petition there shall be attached a statement of the circulator thereof as provided by this section. Each signer of a petition paper shall sign his name in ink or indelible pencil and shall indicate after his name his place of residence by street and number, or other description sufficient to identify the place, and his precinct number, if known. There shall appear on each petition the names and addresses of the same five electors, who, as a committee of the petitioners, shall be regarded as responsible for the circulation and filing of the petition. Attached to each separate petition paper there shall be an affidavit of the circulator thereof that he, and only he, personally circulated the foregoing paper, that it bears a stated number of signatures, that all the signatures appended thereto were made in his presence, and that he believes them to be the genuine signatures of the persons whose names they purport to be.

Sec. 15.4. Filing, examination and certification of initiative or referendum petitions.

All petition papers comprising an initiative or referendum petition shall be assembled and filed with the city clerk as one instrument. Within twenty days after a petition is filed, the city clerk shall determine whether there is attached to each paper of the petition a proper statement of the circulator and whether the petition is signed by a sufficient number of qualified electors. The city clerk shall declare any petition paper entirely invalid which does not have attached thereto an affidavit signed by the circulator thereof. If a petition paper is found to be signed by more persons than the number of signatures certified by the circulator, the last signatures in excess of the number certified shall be disregarded. If a petition paper is found to be signed by fewer persons than than number certified, the signatures shall be accepted unless void on other grounds. After completing his examination of the petition, the city clerk shall certify the result thereof to council at its next regular meeting. If he shall certify that the petition is insufficient he shall set forth in his certificate the particulars in which it is defective and shall at once notify the commitee of the petitioners of his findings.

Sec. 15.5. Amendment of initiative or referendum petition.

An initiative or referendum petition may be amended at any time within ten days after the notification of insufficiency has been sent to the committee of the petitioners by the city clerk, by filing a supplementary petition upon additional papers signed and filed as provided in case of an original petition. The city clerk shall, within five days after such an amendment is filed, examine the amended petition and, if the petition is still insufficient, he shall file his certificate to that effect in his office and notify the committee of the petitioners of his findings and no further action shall be had on such insufficient petition. The finding of the insufficiency of a petition shall not prejudice the filing of a new petition for the same purpose.

Sec. 15.6. Approval of ordinance by electors prerequisite to its going into effect when referendum petition has been certified.

When a referendum petition, or amended referendum petition as defined in section 15.5 of this Charter, has been certified as sufficient by the city clerk, the ordinance specified in the petition shall not go into effect, or, if it has gone into effect, further action thereunder shall be suspended until and unless such ordinance is approved by the electors, as hereinafter provided.

Sec. 15.7. Consideration by council of certified initiative or referendum petition.

Whenever council receives a certified initiative or referendum petition from the city clerk, it shall proceed at once to consider such petition. A pro-

posed initiated ordinance shall be read and provision shall be made for a public hearing upon the proposed ordinance. Council shall take final action on the ordinance not later than sixty days after the date on which such ordinance was submitted to council by the city clerk. A referred ordinance shall be reconsidered by council and its final vote upon such reconsideration shall be upon the question, "Shall the ordinance specified in the referendum petition be repealed?"

Sec. 15.8. Submission of certain ordinances to electors generally.

If council shall fail to pass an ordinance proposed by initiative petition, or shall pass it in a form different from that set forth in the petition therefor, or if council fail to repeal a referred ordinance, the proposed or referred ordinance shall be submitted to the qualified electors not less than thirty days nor more than one year from the date council takes its final action thereon, but if no regular election is to be held within such period, council shall provide for a special election to be held within ninety days from the date on which council took its final action thereon.

Sec. 15.9. Ballots and voting when certain ordinances are submitted to electors.

Ordinances submitted to vote of the qualified electors in accordance with the initiative and referendum provisions of this Charter shall be submitted by ballot title, which shall be prepared in all cases by the city attorney. The ballot title may be different from the legal title of any such initiated or referred ordinance and shall be a clear, concise statement, without argument or prejudice, descriptive of the substance of such ordinance. The ballot used in voting upon any ordinance, if a paper ballot, shall have below the ballot title the following propositions, one above the other, in the order indicated: "For the Ordinance" and "Against the Ordinance." Immediately at the left of each proposition there shall be a square in which by making a cross (X) the qualified elector may vote for or against the ordinance. Any number of ordinances may be voted on at the same election and may be submitted on the same ballot, but any paper ballot used for voting thereon shall be for that purpose only. If voting machines are used, the ballot title of any ordinance shall have below it the same two propositions, one above the other or one preceding the other in the order indicated, and the qualified elector shall be given an opportunity to vote for either of the two propositions and thereby to vote for or against the ordinance.

Sec. 15.10. Effect of results of election when certain ordinances are submitted to electors.

If a majority of the qualified electors voting on a proposed initiated ordinance shall vote in favor thereof, it shall thereupon be an ordinance of the city. A referred ordinance which is not approved by a majority of the qualified electors voting thereon shall thereupon be deemed repealed. If conflicting or-

dinances are approved by the qualified electors at the same election, the one receiving the greatest number of affirmative votes shall prevail to the extent of such conflict.

Sec. 15.11. Publication, alteration or repeal of certain ordinances.

An initiated and referred ordinance adopted or approved by the qualified electors shall be published, and such ordinance shall not be altered or repealed within six months from its effective date by the council nor thereafter except by vote of three-fourths of all members of the council. The council may submit the question of the amendment or repeal of such ordinance to the voters as provided in section 15.8 of this Charter.

Sec. 15.12. Recall--Power of electors.

The qualified electors shall have the power to recall any elective officer whether elected by popular vote or selected to fill a vacancy, and may exercise such power by filing with the city clerk a petition signed by qualified electors of the city equal in number to at least twenty per centum of the registered voters at the last general municipal election. The petition shall be signed and verified in the manner required for an initiative petition, shall contain a demand for the removal of the elective officer, and shall contain a general statement of the reasons for which the removal is sought.

Sec. 15.13. Same--Election under petition.

The city clerk shall, in the manner provided in sections 15.4 and 15.5 for initiative and referendum petitions, certify to council the sufficiency of the recall petition. Thereafter, council shall cause a special election to be held in not less than forty-five days nor more than ninety days from the date of such certification unless the general municipal election shall occur within one hundred twenty days from such date. The published notice of such special election shall contain the reasons for demanding the recall in not more than two hundred words and a justification by the elective officer within the same limits; provided, however, that if the petition seeks to recall more than one councilman, each councilman may provide a justification of not more than one hundred words. Ballots shall be in the following form:

"Shall ..... be removed from the elective office of ..... of the City of South Charleston?
[ ] For the recall of .....
[ ] Against the recall of ....."

Upon certification by council of the results of the election, if a majority of those voting on the question have favored recall, the office of the elective officer so recalled shall be vacant. Provisions of this Charter with respect to general municipal elections shall determine election procedure insofar as applicable; provided, however, that only persons who are qualified electors of the official involved shall be eligible to vote for his recall.

Sec. 15.14. Same--Filling council vacancy in case of.

When a vacancy occurs as the result of a recall election or when an elective officer resigns after a recall petition certified by the city clerk to be sufficient is presented to council, the vacancy shall be filled in accordance with the provisions of section 3.4 of this Charter; provided, however, that in the event of the simultaneous recall of two or more councilmen, the remaining members of council shall immediately cause a special election to be held in not less than forty-five days nor more than ninety days from the date of certification of the results of the recall election unless the general municipal election shall occur within one hundred twenty days.

Sec. 15.15. Same--Limitations.

No recall petition shall be filed against an elective officer within six months after he takes office, and no elective officer shall be subjected to more than one recall election during a term of office.

Article XVI. General Provisions.

Sec. 16.1. Claims against the city.

No action shall be maintained against the City of South Charleston for damages for a personal injury, death or injury to property alleged to have been sustained by reason of the negligence of the city or of any officer, agent or employee thereof, unless a written verified statement of the nature of the claim and of the time and place at which such injury or property damage is alleged to have occurred, or death caused, shall have been filed with the city clerk within thirty days after the cause of action shall have accrued. The cause of action shall be deemed to have accrued at the date of the damage to property or the sustaining of the injury, except that where death results therefrom, the time for the personal representative to give notice shall run from the date of death. An action at law for damages for personal injuries or death or injury to property shall not be commenced until the expiration of thirty days after the filing of the notice as provided in this section.

Sec. 16.2. Immunity of elective officers.

Officers of the city shall be immune from suit for any acts done in their official capacity, to the extent provided for in the statutes and laws of the State of West Virginia, as interpreted by the decisions of the supreme court of appeals of West Virginia.

Sec. 16.3. Limitation on compensation of city officers or employees.

No officer or employee of the city shall be entitled to receive compensation for more than one position in the city government even though he performs the duties of two or more positions therein unless specifically approved by council.

Sec. 16.4. Qualifications and responsibilities of the chief of police.

The chief of police shall be a person of proved executive and administrative ability, with experience and training in law enforcement. Subject to the direction and control of the mayor, the chief of police shall be responsible for the supervision and administration of the police department, and shall require of all police officers the proper discharge of their duties. He shall see to the protection of property and the preservation of peace, order and public safety throughout the city, and to that end he shall cause all violators of the city ordinances and of general law to be apprehended and brought to trial before the municipal court or other proper tribunal. Under the direction of the mayor, he shall also perform such other duties as may be required of him by this Charter, by general law, or by city ordinances or order of the mayor not inconsistent with this Charter or with general law.

Sec. 16.5. Qualifications and responsibilities of the chief of fire department.

Subject to the civil service statutes, the chief of the fire department shall be a person of proved executive and administrative ability, with experience and training in the suppression and prevention of fires. Subject to the direction and control of the mayor, the chief of the fire department shall be responsible for the supervision and administration of the fire department, and shall require of all firemen the proper discharge of their duties. He shall make such inspections of buildings and property throughout the city as may be necessary to discover fire hazards, shall take all proper measures to eliminate such hazards, and shall keep an accurate record of all fires, inspections and fire hazards within the city. Under the direction of the mayor, he shall also perform such other duties as may be required of him by this Charter, by general law, or by city ordinances or order of the mayor not inconsistent with this Charter or with general law.

Sec. 16.6. Inspection by citizens of records and accounts of departments, etc., of city.

All records and accounts of every office, department or agency of the city shall be open to inspection by any citizen, any representative of a civic organization or any representative of the press at all reasonable times and under reasonable regulations established by council, except records and documents the disclosure of which would tend to defeat the lawful purpose which they are intended to accomplish; provided, however, that in carrying out the provision of this section, the tax return, or any part thereof, of any individual, firm or corporation shall not be made public nor shall statistics or information concerning the personal affairs of any individual or the business of any single firm or corporation be disclosed.

Sec. 16.7. Financial interest of council member, etc., in contract, etc.

No member of council or city employee shall take any official action on any contract or other matter in which he has any direct or indirect financial interest other than the common public interest. Any wilful violation of this section shall constitute malfeasance in office, and any member of council or employee of the city found guilty shall thereby forfeit his office or position. Any violation of this section with the knowledge, express or implied, of the person or corporation contracting with the city shall render the contract voidable.

Sec. 16.8. Use of local labor in performance of certain contracts.

Council may require that the specifications of a contract for the construction of any public work or the installation of any street or sewer provide that the person with whom such contract is entered into shall employ as laborers or personnel thereon persons who reside in the city if such laborers or personnel of the requisite skill be available within the city at the customary and prevailing scale of wages in the city for like or similar work.

Sec. 16.9. Bond required of certain city officers and personnel.

Before entering upon the duties of their employment, the mayor, municipal judge, city treasurer, city clerk, and such other personnel of the city as council may require so to do, shall give bond for the faithful performance of their duties, payable to the State of West Virginia in such amount and with such corporate surety as may be approved by council. Council may provide for obtaining a blanket bond covering all city employees, designating specific employees whose bond shall be in excess of the amount of the blanket bond. The premiums on such bond or bonds shall be paid by the city after it has been ascertained that the premiums are not in excess of the premium scheduled filed by the bonding company with the insurance commissioner of West Virginia. All bonds shall be subject to approval of the city attorney as to form and substance, and, when so approved, shall be endorsed with his signature.

Sec. 16.10. Oath and qualification of certain officers.

Each elective and appointive officer shall, before entering upon his duties, take and subscribe to the following oath or affirmation, to be filed and kept in the office of the city clerk:

"I solemnly swear (or affirm) that I will support the constitution of the United States of America and of the State of West Virginia, and that I will, in all respects, observe the provisions of the Charter, ordinances, resolutions, regulations and rules of the City of South Charleston, and will faithfully discharge the duties of ..... to the best of my skill and judgment."

When an officer or employee of the city shall have filed such oath with the city clerk and shall have given bond as required by law, he shall be considered as having qualified for the position to which he was elected or appointed; provided, however, that if any person so elected or appointed shall not qualify in the manner herein prescribed within twenty days after he shall have been officially declared elected or appointed thereto, said position shall by reason thereof become vacant.

Sec. 16.11. Article and section titles.

The article and section titles or headings in this Charter are intended for convenience only and shall be construed as mere catchwords to indicate the contents of the article or section and shall not be deemed or taken to be a part of the article or section.

Sec. 16.12. Separability clause.

If any article, section, subsection, paragraph, sentence or clause of this Charter is for any reason held invalid or unconstitutional, such holding shall not affect the validity, constitutionality or application of any other portion of this Charter.

Article XVII. Succession in Government.

Sec. 17.1. Effective date of Charter; continuation in office of mayor, municipal judge, council members, etc.

This Charter shall become effective on the first day of July, 1963. The mayor, municipal judge and members of council holding office at the time this Charter takes effect shall continue in such offices and shall exercise such powers and duties as are given to such offices by this Charter. The city recorder holding office at the time this Charter takes effect shall hold the office of city clerk under this Charter and shall exercise such powers and duties as are given to such office by this Charter. Said mayor, municipal judge, city clerk, and members of council shall so serve until July 1, 1964, at which time their terms of office shall cease.

Sec. 17.2. Continuation in office of persons holding administrative positions; continuity of city departments, etc., generally.

All persons holding administrative positions in the city government at the time this Charter takes effect shall continue in such positions and in the performance of their duties until dismissed or removed as provided in this Charter. The powers conferred and the duties imposed upon any office, department or agency of the city by general law shall, if such office, department or agency be abolished by this Charter, or under its authority, be thereafter exercised and discharged by the office, department or agency designated by council unless otherwise provided in this Charter.

Sec. 17.3. Further provisions as to continuity of city departments, etc.

Any office, department or agency provided for in this Charter with a name or with powers and duties the same or substantially the same as those of an office, department or agency heretofore existing shall be deemed to be a continuation of such heretofore existing office, department or agency. Any provision in any law, rule, regulation, contract, grant or other document relating to such heretofore existing office, department or agency shall, so far as not inconsistent with the provisions of this Charter, apply to such office, department or agency provided for by this Charter.

Sec. 17.4. When certain acts to be done.

All acts required by this Charter to be done prior to the month and day on which the first council elected under this Charter holds its first meeting shall, if feasible, be done, in the first fiscal year, as soon as practicable after such first meeting.

Sec. 17.5. Transfer of records and property.

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

Sec. 17.6. Pending actions and proceedings.

No action or proceeding, civil or criminal, pending at the time this Charter takes effect, brought by or against the city or any office, department or agency or officer thereof, shall be affected or abated by the adoption of this Charter or by anything herein contained; and no such action or proceeding shall abate by reason of the fact that functions, powers and duties of any office, department or agency or officer party thereto may by or under this Charter be assigned or transferred to another office, department or agency or officer, but in that event the same may be prosecuted or defended by the head of the office, department or agency to which such functions, powers and duties have been assigned or transferred by or under this Charter.

Sec. 17.7. Assurance of continuity of local government in national emergency.

The council shall adopt appropriate legislation to assure continuity of the local government in the event of a national emergency as prescribed by state and federal statutes.

Sec. 17.8. Continuation of ordinances, etc., conflicting with Charter.

All existing ordinances and resolutions and all existing administrative rules, regulations and practices that are inconsistent or in conflict with this Charter shall, unless sooner repealed or modified, continue in full force and effect for a period of sixty days and at the end of that period shall, to the extent of such inconsistency or conflict, be of no further force or effect.

ORDINANCE NO. 1040

AN ORDINANCE AND RESOLUTION AMENDING THE CHARTER OF THE CITY OF SOUTH CHARLESTON, A MUNICIPAL CORPORATION, IN KANAWHA COUNTY, WEST VIRGINIA, AS THE SAME IS CONSTITUTED UNDER THE STRONG-MAYOR PLAN CHARTER ADOPTED BY THE VOTERS OF THE CITY OF SOUTH CHARLESTON ON APRIL 9, 1963, PURSUANT TO THE PROVISIONS OF CHAPTER 8-A, OF THE OFFICIAL CODE OF WEST VIRGINIA OF 1931, AS AMENDED, AND SPECIFICALLY BY AMENDING AND RE-ENACTING SEC. 3.1, ELECTIVE OFFICERS, AND SEC. 3.2, QUALIFICATIONS OF ELECTIVE OFFICERS, OF ARTICLE III, MUNICIPAL OFFICERS, BY PROVIDING THAT THE FIRST OFFICERS ELECTED UNDER SAID PROPOSED CHARTER AMENDMENTS SHALL SERVE FOR A TERM OF THREE YEARS, BEGINNING JULY 1, 1968, AND ENDING JUNE 30, 1971, AND BEGINNING IN THE YEAR 1971, SAID ELECTIVE OFFICERS SHALL BE ELECTED FOR A TERM OF FOUR YEARS; AND BY REDUCING THE RESIDENTIAL REQUIREMENTS OF ELECTIVE OFFICERS FROM FIVE YEARS TO THREE YEARS; AND BY AMENDING AND RE-ENACTING SEC. 14.1, PRIMARY AND GENERAL ELECTIONS; TERM OF OFFICE OF CITY OFFICIALS, AND SEC. 14.2, NOMINATIONS OF CANDIDATES BY PRIMARY ELECTION; QUALIFIED PARTIES; VACANCY ON EXECUTIVE COMMITTEES AND COUNCIL; ELIGIBILITY FOR EXECUTIVE COMMITTEES AND COUNCIL OF ARTICLE XIV, NOMINATIONS AND ELECTIONS, BY PROVIDING FOR THE NOMINATION OF THE FIRST OFFICERS TO BE NOMINATED UNDER THESE PROPOSED CHARTER AMENDMENTS AND REDUCING THE REQUIREMENTS OF BEING A RESIDENT IN THE FORM, STATEMENT OF CANDIDATE, FROM FIVE YEARS TO THREE YEARS, AND BY PROVIDING FOR A HEARING ON SAID PROPOSED CHARTER AMENDMENTS, PUBLICATION OF NOTICE OF SUCH HEARING, AND AUTHORIZING TRANSCRIPTS OF THE AMENDING PROCEDURE TO BE CERTIFIED TO THE CLERK OF THE HOUSE OF DELEGATES AND CLERK OF THE COUNTY COURT OF KANAWHA COUNTY, AND PROVIDING THE EFFECTIVE AND OPERATIVE DATE OF SAID CHARTER AMENDMENTS.

WHEREAS, the Charter Board of the City of South Charleston, West Virginia , after due consideration, made a recommendation to the Council of the City of South Charleston that certain amendments be made to the Charter of said City; and

WHEREAS, the Council of said City has considered said proposed amendments to said Charter and deem it expedient to amend the Charter of the City of South Charleston as proposed by said Charter Board of the City of South Charleston,

NOW, THEREFORE, BE IT ORDAINED AND RESOLVED BY THE COUNCIL OF THE CITY OF SOUTH CHARLESTON:

FIRST: That the City of South Charleston, a municipal corporation, Kanawha County, West Virginia, is a Class II City as defined by Section 4, Article 1, Chapter 8-A, of the Official Code of West Virginia of 1931, as amended, said City having a population between ten thousand and fifty thousand persons;

SECOND: That the Council of the City of South Charleston is authorized and empowered, as a Class II City, pursuant to Section 15-A, Article 2, Chapter 8-A, Official Code of West Virginia of 1931, as amended, to amend its said Charter; and

THIRD: That the Charter of the City of South Charleston, as adopted by the electors of said City on April 9, 1963, pursuant to the provisions of Chapter 8-A of the Official Code of West Virginia of 1931, as amended, and as otherwise amended and effected by the Acts of the Legislature relating to municipalities, be amended, each of said proposed amendments in full, as follows:

FIRST PROPOSED AMENDMENT

That Section 3.1, Elective Officers, of Article III, Municipal Officers of the Charter of the City of South Charleston be amended and re-enacted to read as follows:

ARTICLE III

MUNICIPAL OFFICERS

Sec. 3.1. Elective Officers. The municipal officers of the City of South Charleston shall consist of a mayor, city clerk, municipal judge and members of the city council. The first officers elected under these charter amendments shall be elected by the qualified voters of the City, as hereinafter provided, and shall serve for a term of three years, commencing on July 1, 1968, and continuing until the 30th day of June, 1971, or as soon thereafter as their respective successors shall have been elected or appointed and qualified.

Except for the municipal officers first elected under these charter amendments, at the general election held on the first Tuesday in June in the year 1968, said municipal officers shall be elected by the qualified voters of the City, as hereinafter provided, for a term commencing on the first day of July in each election year provided for herein and continuing for a period of four years, or until such time thereafter as their respective successors shall have been elected or appointed and qualified.

SECOND PROPOSED AMENDMENT

That Section 3.2, Qualifications of Elective Officers , of Article III, Municipal Officers of the Charter of the City of South Charleston be amended and re-enacted to read as follows:

ARTICLE III

MUNICIPAL OFFICERS

Sec. 3.2. Qualifications of Elective Officers. An elective officer shall be a qualified elector and shall have been a resident of the city for a period of three years prior to his election. A member of the council representing a particular ward also shall have been a resident thereof for a term of one year prior to his election and shall remain a resident of the ward from which he is elected during his term of office.

An elective officer shall have been assessed with and shall have paid taxes in the city upon a valuation of at least $100 worth either of real estate or personal property for the assessment year preceding his election.

Charleston, all as required by law.

SEVENTH: That in the event said proposed amendments are adopted by the Council of the City of South Charleston, the mayor and city clerk shall be authorized and directed to make certified transcripts of the whole proceedings by which the Charter of the City of South Charleston has been amended as hereinabove set forth, and to transmit said proceedings to the Clerk c House of Delegates, as keeper of the rolls, and also to the Clerk of the County Court of Kanawha County, West Virginia, to be recorded.

This ordinance was introduced and read for the first time at a regular meeting of the council held on February 1, 1968, and will come up for second reading and adoption at a regular meeting of council to be held on March 7, 1968.

/s/ L.O. McIlwain
Mayor

/s/ Robert L. Reed
City Clerk

ORDINANCE NO. 1670

INTRODUCED IN COUNCIL

PASSED BY COUNCIL

June 4, 1987

INTRODUCED BY

REFERRED TO

AN ORDINANCE PROPOSING AN AMENDMENT TO THE CITY CHARTER OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, WHICH AMENDMENT WOULD LENGTHEN THE TIME PERIOD BETWEEN THE LAST DAY TO FILE FOR OFFICE IN A PRIMARY ELECTION AND THE DATE OF SUCH PRIMARY ELECTION.

WHEREAS, the South Charleston City Charter, Section 14.2, permits filing for office in a primary election up to thirty days before said primary, and

WHEREAS, this short time period between the filing cut-off date and the primary election allows inadequate time for ballot preparation (particularly absentee ballot preparation), and conflicts with State election laws, particularly West Virginia Code, Chapter 3, Article 5, Section 7, and

WHEREAS, West Virginia Code, Chapter 8, Article 4, Section 8, provides for a charter amendment through a public hearing procedure, and

WHEREAS, City Council is of the opinion to utilize such procedure in order to facilitate ballot preparation for future City elections,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA AS FOLLOWS:

1. That the following amendment to the City Charter of the City of South Charleston, West Virginia, be published as a Class II-0 legal advertisement in both the Charleston Gazette and Charleston Daily Mail, and that a public hearing be held upon the proposed amendment on Thursday, June 4, 1987, all as required by West Virginia Code Chapter 8, Article 4, Section 4.

<u>Sec. 14.2.</u> <u>Nomination of candidates by primary election, etc.; who considered a qualified party; limitations on voting in primary election; city executive committees of political parties; qualifications for councilman, etc.</u>

Nominations for office shall be made by a primary election to be held on the dates set forth in section 14.1. In the event no nominee files for any office, or should any nominee resign or be prevented by

death or disability from running for any office, a candidate therefor may be named by the executive committee of his respective party, and such candidate shall be certified by the chairman of such executive committee to the city clerk at least thirty days prior to the general election. Any qualified person may become a candidate for any office in the primary election by filing therefor with the city clerk and paying to the said city clerk such filing fee as may be set out by the council and by completing and filing with said city clerk a statement in substantially the following form:

STATEMENT OF CANDIDATE

"STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, to-wit:

I, (write your name as you wish it to appear on ballot), hereby certify that I am a candidate for the nomination for the office of ....., to represent the ....., Party, and desire my name printed on the official ballot of said party to be voted at the primary election to be held on the .... day of ....., 19...; that I am a legally qualified voted of Ward ....., City of South Charleston, County of Kanawha, State of West Virginia; that my residence is number ..... of ..... Street in the City of South Charleston in Kanawha County in said State; that I am eligible to hold the said office; that I am a member of and affiliated with said political party; that I am a candidate for said office in good faith.

.....
Candidate

Signed and acknowledged before me this ..... day of ....., 19....

.....
Signature and official title
of person before whom signed

Such certificate shall be filed with the City Clerk not earlier than the second Monday in January next preceding the primary election day, and not later than the first Saturday of February next preceding the primary election day, and must be received before midnight, eastern standard time, of that day or, if mailed, shall be postmarked before that hour.

Qualified parties as prescribed by state statutes shall be considered as qualified parties in a city municipal election.

Each voter shall cast his ballot in the primary election only for the candidates of the party with which the voter is registered.

The city executive committees of the two political parties which cast the largest and second largest number of votes in the state at the last preceding general election of the State of West Virginia shall each consist of one male person and one female person from each of the wards of the city. The members of said committees shall be elected at the city primary election and their terms of office, after the 1971 primary election, shall be for a period of four years beginning after the results of such primary election are duly certified. Vacancies in a committee shall be filled, and members to represent newly created wards, shall be elected by the committee to serve until the next city primary election.

Only citizens entitled to vote and residents and voters of their respective wards and districts and having the proper qualifications hereinbefore provided shall be eligible to be elected to the office of councilman and executive committee from their respective wards and districts, and each councilman and member of the executive committee so elected from a ward shall continue to be a resident of the ward from which he is elected during the entire term of his office. (Ord. No. 1040)

2. This ordinance shall take effect on July 4, 1987, and shall be effective for the primary election of 1991.

Richard A. Robb, Mayor

ATTEST:

Carles J. Atkinson, City Clerk

This ordinance prepared by _____, City Attorney
Harley E. Tingler

ORDINANCE NO. 1816

INTRODUCED IN COUNCIL
JUNE 3, 1993

PASSED BY COUNCIL
JULY 15, 1993

INTRODUCED BY
MAYOR ROOB

REFERRED TO

AN ORDINANCE PROPOSING AN AMENDMENT TO THE CITY CHARTER OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, WHICH AMENDMENT WOULD CHANGE THE DAY SET FOR PRIMARY AND GENERAL MUNICIPAL ELECTIONS.

WHEREAS, the South Charleston City Charter, Section 14.1, provides for the nomination of candidates for election to municipal office to be held on the third Tuesday in April of each fourth year following 1971, and;

WHEREAS, the Charter provides for general elections to be held on the first Tuesday in June in each fourth year following 1971, and;

WHEREAS, weekday elections create difficulties for voters who have to work resulting in reduced voter turnout, and;

WHEREAS, WV Code, Chapter 8, Article 4, Section 8, provides for a charter amendment through a public hearing procedure, and;

WHEREAS, city council is of the opinion to utilize such procedure in order to facilitate voting for further city elections.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA AS FOLLOWS:

1. That the following amendment to the city charter of the City of South Charleston, West Virginia, be published as a Class II-0 legal advertisement in both the Charleston Gazette and Charleston Daily Mail and that a public hearing be held upon the proposed amendment on July 15, 1993, all as required by WV Code, Chapter 8, Article 4, Section 4.

SECTION 14.1. WHEN PRIMARY AND GENERAL ELECTIONS TO BE HELD; TERM OF CITY OFFICIALS ELECTED UNDER CHARTER, ETC.

The first primary election under this Charter amendment for the nomination of candidates for election to the municipal offices provided for in this Charter shall be held on the third Tuesday in April in the year 1995. Subsequent primary elections shall be held on the third Tuesday in April in each fourth year thereafter.

The first general election under this Charter amendment shall be held on the first Saturday in June in the year 1995. Subsequent general elections shall be held on the first Saturday in June in each fourth year thereafter.

The term of office of all municipal officers elected under this Charter and these Charter amendments, except members of the City Executive Committees, shall be for a term commencing on the first day of July in each election year provided for herein and continuing for a period of four years, or until such time thereafter as their respective successors shall have been elected or appointed and qualified.

The terms of office of all municipal officers and of members of the City executive committees elected under this Charter amendment shall be for a period of four years.

This Ordinance shall be effective immediately upon passage.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

This Ordinance prepared by _____ Acting City Attorney.
Richard A. Robb

ORDINANCE NO. 1878

INTRODUCED IN COUNCIL

July 20, 1995

PASSED BY COUNCIL

Sept. 7, 1995

INTRODUCED BY

Williams

REFERRED TO

AN ORDINANCE TO AMEND AND READOPT THE CITY CHARTER OF THE CITY OF SOUTH CHARLESTON BY AMENDING SECTION 8.6, TITLED "WHERE COMPETITIVE BIDDING REQUIRED" AND BY AMENDING SECTION 8.7, TITLED "CONTRACTS FOR CAPITAL IMPROVEMENTS AND REPAIRS."

WHEREAS, West Virginia Code chapter 8, article 4, section 1 provides for amendment by ordinance of the charter of a municipality, and

WHEREAS, the City of South Charleston feels it is in the best interest of the city to amend its charter to allow for purchases up to $2,500 without requiring competitive bidding,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH CHARLESTON TO AMEND CITY CHARTER SECTIONS 8.6 AND 8.7, SAID SECTIONS TO READ AS FOLLOWS:

SECTION 8.6 WHERE COMPETITIVE BIDDING REQUIRED.

Before the City Purchasing Agent may make any purchase of or contract for supplies, materials or equipment in excess of ~~one thousand dollars,~~ two thousand, five hundred dollars, he shall give ample opportunity for competitive bidding, under such general rules and regulations, and with such exceptions, as Council may prescribe; provided, however, that Council shall not except individual contracts, purchases or sales from the requirement of competitive bidding; and provided further, that no purchase of or contract for supplies, materials or equipment in excess of ~~one thousand dollars~~ two thousand, five hundred dollars shall be made by separate purchases or contracts of a lesser amount so as to evade the requirements of competitive bidding prescribed by this section.

SECTION 8.7 CONTRACTS FOR CAPITAL IMPROVEMENTS AND REPAIRS.

Any capital improvement or repairs costing more than ~~one thousand dollars~~ two thousand, five hundred dollars or any series of capital improvements or repairs constituting essentially a single project and costing in the aggregate more than ~~one thousand dollars~~ two thousand, five hundred dollars, shall be executed by contract except where such improvement is authorized

by Council to be executed directly by the Mayor in conformity with detailed plans, specifications and estimates. All such contracts shall be awarded to the lowest and best responsible bidder after such public notice and competition as Council may prescribe and after a public opening of bids; provided, however, that the Council shall have the power to reject all bids for good cause assigned in writing or set forth in the records of the Council and advertise again. Alterations in any contract may be made when authorized by Council upon the written recommendation of the Mayor.

Council, in its discretion, may by resolution increase or decrease the amount of any capital improvements or repairs, or any series of capital improvements or repairs constituting essentially a single project, which shall be subject to the provisions of this article.

This ordinance shall take effect ten days after passage.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

This Ordinance was prepared by Carolyn Atkinson, City Attorney.

its sole discretion, to determine whether a bidder is responsible, based upon past performance and the best information available as of the awarding of the contract or purchase order. (Ord. No. 1159, § 1.)

Article II. City Council.

For charter provision as to rules and order of business of the council, see Char., § 5.9.
As to prohibition against disturbance of city council meetings, see § 21-12 of this Code.

Division 1. Generally.

Sec. 2-7. Admission within bar of council chamber.

No persons except members of the council, officers named in the rules and persons invited by the presiding officer of the council or by vote of the council shall be admitted within the bar of the council chamber and the sergeant at arms shall cause this rule to be rigidly enforced.

Any person violating this section shall be guilty of a misdemeanor. (Ord. No. 964, § 41.)

Sec. 2-8. Permission required to address council.

Persons other than members of the council and city officers shall not be permitted to address the council, except with permission by the presiding officer.

Any person violating this section shall be guilty of a misdemeanor. (Ord. No. 964, § 42.)

Sec. 2-9. Sergeant at arms generally.

There shall be a sergeant at arms who shall be the chief of police or his designate. Such sergeant at arms shall attend meetings of council and act at the direction of the presiding officer. (Ord. No. 964, § 43.)

Sec. 2-10. Supervision and use of council chamber.

The council chamber shall be under the supervision and control of the mayor when the council is not in session. Except as herein provided, it shall be used solely by the council and its committees for the transaction of public business of the city. If not required for such use, the mayor may permit its use by agencies of the federal, state or city governments or civic organizations for transaction involving public purposes. Application for such use shall be made to the mayor in such manner as may be prescribed by him. Any permis-

sion so granted may be cancelled or revoked by the mayor forthwith, where necessary for the protection of city property, the preservation of order or other sufficient reason. (Ord. No. 964, § 44.)

Sec. 2-11. Proposals for projects contemplating state or federal cooperation or financial participation.

All proposals for projects which contemplate cooperation with, or financial participation by, the state or federal government shall be transmitted to council by the chief of public works, after having been approved as to form by the city attorney. If a city board or commission desires to propose such a project, the proposal shall first be filed with the chief of public works. All proposals shall be in approved form and accompanied by proper plans and specifications conforming to the requirements of respective state or federal government. If council approves the proposal, it shall be by resolution authorizing the chief of public works, city attorney and mayor to make application to the proper authority. (Ord. No. 964, § 45.)

Sec. 2-12. Enumeration of standing committees.

The council shall have eleven standing committees, which shall be as follows:

(1) Executive and police.

(2) Budget and finance.

(3) Ordinances.

(4) Streets, alleys and sidewalks.

(5) Public grounds and buildings.

(6) Fire protection.

(7) Recreation.

(8) Planning and zoning.

(9) Civil defense.

(10) Claims.

(11) Public health, sewers and sanitation. (Ord. No. 964, § 46.)

Sec. 2-13. Composition of committees.

All committees of the council shall consist of at least three members and such additional members as the president of council, in his discretion, may appoint. All regular standing committees and the chairman of each committee shall be appointed by the president of council. Special committees shall be appointed by the mayor. (Ord. No. 964, § 46.)

Sec. 2-14. Temporary suspension of rules.

Any provision of these rules set out in this division may be temporarily suspended at any meeting of the council by a two-thirds vote of all members elected. The vote on any such suspension shall be taken by "yeas" and "nays" and entered upon the records. (Ord. No. 964, § 47.)

Division 2. Agenda.

Sec. 2-15. When ordinances, etc., to be filed with clerk.

Every ordinance, resolution and document to come before the council for consideration, except as provided in the following sections of this division, shall be filed with the clerk before 2:00 P.M. on the day before the day on which the council meets. (Ord. No. 963, § 1.)

Sec. 2-16. Preparation of agenda.

The clerk shall have ready for delivery at police headquarters, or such other location as may be designated by council, by 4:30 P.M. on the day prior to the day of council meeting, copies of an agenda, which follows the pattern of the order of business and which lists all reports, communications, orders, ordinances, resolutions, contracts, documents or other matters to come before council. (Ord. No. 963, § 2.)

Sec. 2-17. Procedure for amendment of agenda.

No matters shall be considered by the council which have not been properly placed upon the agenda, but provided that the council may amend the agenda and place new matters thereon by a two-thirds vote of the council present at the commencement of the meeting at which such matter is to be considered, and further provided that nothing herein shall operate to prohibit the free discussion of business by the council nor simple orders directing preliminary work. Any matter denied consideration because of a lack of favorable vote by a two-thirds majority of those members present shall be placed on the agenda for the next meeting of the council. This shall be the procedure followed at special and regular meetings of council. (Ord. No. 963, § 3.)

Sec. 2-18. Order of business.

The business of all regular and special meetings of the council shall be transacted in the following order, unless the council by a vote of at least two-thirds of the members present shall suspend the rules and change the order:

(1) Roll call of members.

(2) Prayer.

(3) Minutes of the preceding meeting.

(4) Treasurer's report.

(5) Petitions, communications and public hearings.

(6) Consideration of any bids.

(7) Report of city attorney.

(8) Report of city engineer.

(9) Report of chief of public works.

(10) Consideration of pending old business.

(11) Consideration of new business.

(12) Miscellaneous business.

(13) Adjournment.

(Ord. No. 963, § 4.)

Division 3. Meetings.

Sec. 2-19. When and where to hold regular meetings.

The council shall meet in regular session on the first and third Thursdays of each month at a time to be fixed by the council. When the meeting falls on a national or legal holiday, the regular meeting shall be held at the same hour of the next succceeding secular day not a holiday. The place of meeting shall be the council chamber in the City Building.

The time of meeting of each regular session of the council shall be at 7:30 P.M., Eastern Standard Time, on the first and third Thurdays of each month. (Ord. No. 964, § 1; Ord. No. 1079.)

Sec. 2-20. Quorum.

A majority or more members of the council shall constitute a quorum. In case that a less number than a quorum shall convene at a regular or special meeting, the majority of the members present are authorized to send the sergeant at arms or other person for any or all absent members. The chief of police shall serve as the sergeant at arms. (Ord. No. 964, § 10.)

Sec. 2-21. Adjournment of sessions.

Any session of the council may be continued or adjourned from day to day, or for more than one day, but no adjournment shall be for a longer period than until the next regular meeting thereafter. (Ord. No. 964, § 3.)

Sec. 2-22. Conference sessions.

The regulations relative to conference sessions shall be as follows:

(a) The council may meet in conference session prior to the regular meeting of the council.

(b) The mayor may call the council together for a conference session at any time.

(c) The conference session shall be devoted exclusively to any matters regarding which the interchange of information preliminary to public discussion is deemed to be essential.

(d) Any matter under discussion shall be regarded as confidential.

(e) No formal vote shall be taken on any matter under discussion nor shall any council member enter into a commitment with another respecting a vote to be taken subsequently in a public meeting of the council; provided, however, that nothing herein shall prevent a polling of the council or the taking of an informal vote on any matter under discussion. (Ord. No. 964, § 4.)

Sec. 2-23. Executive sessions.

The regulations relative to executive sessions shall be as follows:

(a) An executive session may be convened on call of the mayor or by vote of the council and all members of the council who are in the city shall be notified by phone of the time and place of such meeting.

(b) An executive session may be called during any regular or special meeting of the council by a majority of the members present at such meeting.

(c) Attendance at the executive session shall be limited to the members of the council; provided, that council may invite the press and other such persons as may be required for advice and information. The roll shall then be called by the clerk, who shall enter in the minutes of the meeting the names of the members present. (Ord. No. 964, § 6.)

Sec. 2-24. Duty of mayor at hour appointed for council to meet.

The mayor, or in his absence the president of the council, shall take the chair at the hour appointed for the council to meet and shall immediately call the members to order. (Ord. No. 964, § 5.)

Sec. 2-25. Preservation of decorum and decision of questions of order.

At council meetings, the presiding officer of the council shall preserve decorum and decide all questions of order, subject to appeal to the council. If a member or other person transgresses the rules of the council, the presiding officer shall call him to order, in which case he shall be seated, unless permitted to explain. (Ord. No. 964, § 9.)

Sec. 2-26. Attendance of certain officers, etc., at council meetings.

The city engineer, treasurer, chief of police and fire chief shall attend all meetings of the council, unless excused by the council or by the mayor.

The head of any department or any officer of the city, when requested by the mayor to attend meetings shall do so. (Ord. No. 964, §§ 11, 14.)

Sec. 2-27. Duty of city clerk at meetings.

The city clerk shall attend all meetings of the council, unless excused, and shall keep minutes of the meetings of the council or cause such minutes to be kept and perform such other and further duties as may be prescribed by the council. (Ord. No. 964, § 12.)

Sec. 2-28. Attendance at council meetings and opinions on part of city attorney.

The city attorney shall attend all meetings of council, unless excused by council. The city engineer or chief of public works or any member of the council may at any time call upon the city attorney for an oral or written opinion to decide any question of law or to advise the chair upon any parliamentary rule. (Ord. No. 964, § 13.)

Sec. 2-29. Designation of seats for members.

Members of the council shall occupy the seats in the council chamber as designated by the mayor. (Ord. No. 964, § 15.)

Sec. 2-30. Conduct of member when addressing council.

When recognized by the chair, a member of the council, when addressing the council, shall confine himself to the question under debate, avoid personalities and refrain from impugning the motives of any other member. (Ord. No. 964, § 16.)

Sec. 2-31. Appeal from ruling of presiding officer.

At a meeting of the council, any member of the council may appeal to the council from a ruling of the presiding officer. If the appeal is seconded, the member making the appeal may briefly state his reason for the same, and the presiding officer may briefly explain his ruling; but there shall be no debate on the appeal and no other member shall participate in the discussion. The presiding officer shall then put the question: "Shall the decision of the chair be sustained?" If a majority of the members present vote "aye," the ruling of the chair is sustained; otherwise it is overruled. A roll call vote shall not be necessary unless the presiding officer so requests. (Ord. No. 964, § 17.)

Sec. 2-32. Member speaking more than once on any one subject.

At a council meeting, no member shall be allowed to speak more than once upon any one subject until every other member choosing to speak thereon shall have spoken. (Ord. No. 964, § 18.)

Sec. 2-33. Voting.

At a council meeting, every member present when a question is put shall vote either "yes" or "no"; provided, that if any member of council does not desire to vote on any question, he may be shown on the record as having "abstained." The record shall show whenever the vote is unanimous. In all other cases, the vote shall be called and recorded. No member shall vote on any matter in which he has a personal interest other than as a taxpayer of the city. (Ord. No. 964, § 19.)

Sec. 2-34. Addressing council on question of personal privilege.

At a council meeting, the right of a member to address the council on a question of personal privilege shall be limited to cases in which his integrity, character or motives are assailed, questioned or impugned. (Ord. No. 964, § 20.)

Sec. 2-35. Expression of dissent from, or protest against, ordinance, etc.

Any member of the council may express dissent from, or protest against, any ordinance, resolution or other action of council, and have the reason therefor entered upon the minutes. Such dissent or protest shall be filed in writing,

couched in respectful language, and presented to the council not later than the next regular meeting following the date of passage of the ordinance, resolution or other action objected to. (Ord. No. 964, § 21.)

Sec. 2-36. Order of precedence of motions.

At a council meeting, when a question is before the council, no motion shall be entertained except: (a) To adjourn; (b) to fix the hour of adjournment; (c) to lay on the table; (d) for the previous question; (e) to postpone to a certain day; (f) to refer; (g) to amend; and (h) to postpone indefinitely. These motions shall have precedence in the order indicated. All such motions, except the motion to amend, shall be put to a vote without debate. (Ord. No. 964, § 22.)

Sec. 2-37. Motion to be stated, etc.; withdrawal of motion.

At a council meeting, when a motion is made and seconded, it shall be stated by the chair before debate. Any member may demand that it be put in writing. A motion may not be withdrawn by the mover without the consent of the member seconding it. (Ord. No. 964, § 23.)

Sec. 2-38. Introduction of motion, etc., out of order.

At a council meeting, the presiding officer may at any time, by two-thirds vote of the members of the council present, permit a member of the council to introduce an ordinance, resolution or motion out of the regular order. (Ord. No. 964, § 24.)

Sec. 2-39. Motions to adjourn generally.

At a council meeting, a motion to adjourn shall be in order at any time, except as follows: (a) When repeated without intervening business or discussion; (b) when made as an interruption of a member while speaking; (c) when the previous question has been ordered and (d) while a vote is being taken. A motion to adjourn is debatable only as to the time to which the meeting is adjourned. (Ord. No. 964, § 25.)

Sec. 2-40. Motions to lay on table generally.

At a council meeting, a motion to lay on the table shall preclude all amendments or debate of the subject under consideration. If the motion shall prevail, the consideration of the subject may be resumed at the same meeting or at the next meeting by a majority vote, after some business has been transacted after the original laying on the table. (Ord. No. 964, § 26.)

Sec. 2-41. Moving the previous question generally.

At a council meeting, when the previous question is moved, and seconded by one other member, it shall be put as follows: "Shall the main question be considered?" There shall then be no further amendment or debate; but pending amendments shall be put in their order before the main question. If the question, "Shall the main question be considered?" be decided in the negative, the main question remains before the council. (Ord. No. 964, § 27.)

Sec. 2-42. Division of question.

At a council meeting, if the question under consideration contains two or more divisible propositions, the presiding officer may and, upon request of a member of the council, shall divide the same. (Ord. No. 964, § 28.)

Sec. 2-43. Procedure upon amendment to "strike out and insert."

At a meeting of the council, on an amendment to "strike out and insert," the paragraph to be amended shall first be read as it stands, then the words proposed to be stricken out and those to be inserted shall be read and finally the paragraph as it would stand if so amended shall be read. (Ord. No. 964, § 30.)

Sec. 2-44. Motion amending an amendment, etc.

At a meeting of the council, a motion to amend an amendment shall be in order, but one to amend an amendment to an amendment shall not be introduced. An amendment modifying the intention of a motion shall be in order, but an amendment relating to a different matter shall not be in order. (Ord. No. 964, § 31.)

Sec. 2-45. Motions to postpone generally.

At a meeting of the council, all motions to postpone, excepting a motion to postpone indefinitely, may be amended as to time. If a motion to postpone indefinitely is carried, the principal question shall be declared lost. (Ord. No. 964, § 32.)

Sec. 2-46. Motions for reconsideration.

After the decision of any question by motion at a council meeting, any member of the council who voted with the majority may move a reconsideration of that action at that meeting or any succeeding meeting; provided, that a resolution authorizing or relating to any contract may be reconsidered at any time before the final execution thereof. A motion to reconsider shall require the same number of votes as is required to adopt an ordinance or resolution. After a motion for reconsideration has once been acted on, noother motion for a reconsideration thereof shall be made without unanimous consent. (Ord. No. 964, § 33, Ord. No. 1338.)

Sec. 2-47. Robert's Rules of Order.

In the absence of a rule set out in this division to govern a point or procedure, reference shall be had to Robert's Rules of Order. (Ord. No. 964, § 34.)

Sec. 2-48. Unsigned communications.

Unsigned communications shall not be introduced in council. (Ord. No. 964, § 35.)

Division 4. Ordinances and Resolutions.

Sec. 2-49. Form of introduction.

All ordinances and resolutions shall be introduced in the council in printed, typed or written form, with the name of the council member submitting the ordinance or resolution in question or city attorney endorsed thereon. (Ord. No. 964, § 36.)

Sec. 2-50. Form of enactment.

Pronouncements of council may be made in the following forms: (1) Ordinance; (2) emergency ordinance; (3) resolution; and (4) orders and motions. (Ord. No. 964, § 37.)

Sec. 2-51. Date of enactment.

An ordinance cannot be passed on the day on which it was introduced. An emergency ordinance, resolution, order or motion may be passed on the day on which it was introduced. (Ord. No. 964, § 37.)

Sec. 2-52. Adoption procedure generally.

Ordinances shall be adopted by complying with the provisions of Chapter 8, Article 11, section 4 of the Code of West Virginia.

Sec. 2-53. When action of council to be by ordinance.

In the following enumerated cases, the action of council shall be by ordinance:

(a) Levying taxes or providing for the collection of fees of any kind.

(b) Requiring a license to do business.

(c) Relating to offenses and penalties.

(d) Authorizing the issuance of bonds or other forms of indebtedness.

(e) Providing for a public improvement.

(f) Providing for the purchase of private property by the city or for the sale of property belonging to the city.

(g) Laying out or vacating a public street, alley or way.

(h) Relating to zoning.

(i) Granting franchises to public utilities; jurisdiction.

(j) When otherwise required by law. (Ord. No. 964, § 39.)

Sec. 2-54. Emergency ordinances.

The council may enact an ordinance at the same meeting at which it is introduced in the case of pressing public emergency which would make procedure under section 2-52 dangerous to the public safety, health or morals. Such action may be taken only after a suspension of the rules of procedure and then upon the affirmative vote of two-thirds of the members of council. The nature of the emergency shall be set out in full in the ordinance. (Ord. No. 964, § 40.)

Sec. 2-55. When ordinance may be amended.

At a meeting of the council, it shall be in order to amend an ordinance at any time before final passage. (Ord. No. 964, § 29.)

Article III. Charges for Certain Municipal Services.

Sec. 2-56. Imposition and rate; collection directed.

(a) Levied; schedule. There is hereby levied and shall be collected a charge against residential users of municipal services situate within the city for essential municipal services, including street maintenance, street resurfacing, street cleaning, recreational programs and collection and removal of prepared garbage, but excluding those services rendered as fire and police protection. The charge for such services shall be at the following rates for single-family unit residences, per unit, and for multiple-family dwellings or apartment houses, per residential unit or apartment, whether or not occupied:

	In advance	In arrears
1 year	$30.00	$40.00
3/4 year	22.50	30.00
1/2 year	15.00	20.00
1/4 year	7.50	10.00

CERTIFICATE

Certified to be a true and correct copy as to the rules and order of business of the Council of the City of South Charleston.

Given under my hand and the official seal of the City of South Charleston, West Virginia, this 25th day of August, 1986

(SEAL)

Carles J. Atkinson
City Clerk

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *Richard A. Robb, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of Mayor to the best of my skill and judgment.*

Richard A. Robb
Signature

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *Jack D. Woolwine, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of City Clerk to the best of my skill and judgment.*

Jack D Woolwine
Signature

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *James R. "Sonny" Holstine, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of Councilmember to the best of my skill and judgment.*

James R Sonny Holstine
Signature

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *Paul Neal, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of* Councilmember *to the best of my skill and judgment.*

Paul Neal

Signature

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *William "Butch" Buckley, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of Councilmember to the best of my skill and judgment.*

Wm. E. "Butch" Buckley

Signature

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *Dayton S. Griffith, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of* Councilmember *to the best of my skill and judgment.*

Signature

The City of South Charleston

P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *Warren M. Shirkey, Sr., do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of Councilmember to the best of my skill and judgment.*

Warren M. Shirkey

Signature

The City of South Charleston
P.O. Box 8597
South Charleston, West Virginia 25303

Richard A. Robb, Mayor

OATH OF OFFICE

I, *James F. Triplett, do solemnly swear that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of* Councilmember *to the best of my skill and judgment.*

Signature

O A T H O F O F F I C E

I, Kenneth R. Hutchison, Jr., *do solemnly affirm that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of* councilman *to the best of my skill and judgment.*

Taken, subscribed and sworn to before the undersigned authority this 3rd *day of* July, 2011

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ANNA M. SPENCE
CITY OF SOUTH CHARLESTON
P.O. BOX 8597
SOUTH CHARLESTON, WV 25303
My Commission Expires May 20, 2012

Notary Public

OATH OF OFFICE

I, Joe A. Mayes, *do solemnly affirm that I will support the Constitution of the United States of America and the State of West Virginia, and that I will, in all respects, observe the provisions of the charter, ordinances, resolutions, regulations, and rules of the City of South Charleston, and will faithfully discharge the duties of* councilman *to the best of my skill and judgment.*

Taken, subscribed and sworn to before the undersigned authority this 3rd *day of* July, *2003*

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
ANNA M. SPENCE
CITY OF SOUTH CHARLESTON
P.O. BOX 8597
SOUTH CHARLESTON, WV 25303
My Commission Expires May 20, 2012

Notary Public

Nicholson as of January 14, 1955. This was seconded by Councilman Riggle. Motion carried.

The following report was given by Councilman Stansbury concerning Comic Book Control:

"Those attending a meeting at 8:00 P. M., January 10, 1955 at the South Charleston City Hall to discuss the elimination of objectionable comic books were as follows:

J. W. Londeree, Mayor of South Charleston
W. B. Stevens, The American News Company, Charleston
Mr. Remaly, Dell Publishing Company, New York City
A. W. Smith, A. W. Smith News Agency, Charleston
Mrs. H. M. Parsons, Modern Mothers Club, South Charleston
Mrs. B. K. Gwen, Jr., Modern Mothers Club, South Charleston
E. L. Kincaid, St. Albans, West Virginia
F. Duane Hill, Charleston, West Virginia
Rev. H. Lloyd Parkinson, First Baptist Church, South Charleston
H. A. Stansbury, Jr., Councilman, South Charleston
Martin C. Bowles, City Attorney of St. Albans
R. J. Collins, Nitro Councilman
Phil Simms, Dunbar City Solicitor
D. L. Salisbury, Mayor of Dunbar
Carl Duttine, Dunbar Councilman

Mr. Stevens and Mr. Smith explained in detail the operation of the code authority of the Comics Magazine Association of America under Judge Charles Murphy of New York City. Three publishers have not joined the association, but only because they already have standards for their magazines which are considered above reproach. The Code Authority willbe in full operation by March 1st, 1955. After this date each approved magazine will have the label of the Code Authority printed on the cover. It was the unanimous opinion of those present that no City Ordinances for the control of comic books be considered for the present. This delay will enable the Cities to observe the effectiveness of the Code Authority in the elimination of objectionable comic magazines."

The above report was to be incorporated in the minutes upon motion by Councilman Huffman, seconded by Councilman Coles. Motion carried.

The following ordinance was read to the Council by councilman Stansbury:

ORDINANCE No. 496a

AN ORDINANCE APPOINTING A SANITARY BOARD TO ACQUIRE, CONSTRUCT, EQUIP, ADMINISTER, OPERATE AND MAINTAIN A SEWAGE COLLECTION, PURIFICATION, TREATMENT AND DISPOSAL SYSTEM OR SYSTEMS WITHIN AND WITHOUT THE CITY OF SOUTH CHARLESTON, TO INVEST IN SUCH BOARD THE CUSTODY, ADMINISTRATION, OPERATION, MAINTENANCE, SUPERVISION AND CONTROL OF SUCH SYSTEM OR SYSTEMS, AND TO FINANCE THE COST OF THE ACQUISITION, CONSTRUCTION AND EXTENSION OF ALL SUCH WORKS BY THE ISSUANCE OF REVENUE BONDS, AS PROVIDED BY ARTICLE 13 OF CHAPTER 16 OF THE CODE OF WEST VIRGINIA.

WHEREAS, it is the desire of the City of South Charleston to own, acquire, construct, equip, operate and maintain a sewage collection, system or systems, sewage treatment and/or purification plant or plants, intercepting sewers, outfall sewers, force mains, pumping stations, ejector stations and all other appurtenances necessary or useful and convenient for the collection, treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, night soil and industrial waste of the City of South Charleston and/or of the sanitary district which may be created, and to finance the acquisition, construction and extension of such system or systems, works and appurtenances by the issuance of revenue bonds, and to provide for theestablishment and collection of rates for the use of such works and the services rendered thereby, all as provided by Article 13, Chapter 16 of the Code of West Virginia, as amended.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SOUTH CHARLESTON:

Section 1. There is hereby created and appointed the Sanitary Board of the City of South Charleston consisting of the Mayor of the City of South Charleston, who shall act as chairman of said Board, Stephen E. Prtichard, a resident of the City of South Charleston, who shall serve for a term of three years, and Bertram Robert Harper a registered professional engineer, who shall serve for a term of two years, neither of said members having been an officer of employee of the City of South Charleston within a period of one year prior of one the date of the introduction of this ordinance.

Section 2. Upon the expiration of each of the terms of said appointees, other than the Mayor, and of each succeeding term, a successor shall be appointed by the Council for a full term of three years, but during the construction period of the works constructed under the supervision and direction of said Board one member thereof shall bea registered professional engineer. The Chairman of the Board shall always be the then Mayor of the City of South Charleston and vacancies to fill unexpired terms shall be filled by the Council.

Section 3. The Board shall elect a vice-chairman from its members and shall designate a secretary and treasurer (who may be one and the same person) who need not be members of the Board and who shall hold office at the will of the Board.

Section 3. The Board shall elect a vice-chairman from its members and shall designate a secretary and treasurer (who may be one and the same person) who need not be members of the Board and who shall hold office at the will of the Board.

Each member of the Board including the Mayor, shall receive a salary of Fifty Dollars ($50.00) per month, and shall be entitled to payment for his reasonable expenses incurred in the performance of his duties.

The secretary and treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the Council and the treasurer shall give bond, with qualified corporate surety, in the amount of Five Thousand Dollars ($5,000.00) or such

other amount as the Council subsequently may require, conditioned for the proper application for all moneys received by him as such and for the faithful performance of the duties of his office.

All compensation, and all expense, incurred by said Board, its officers and employees, shall be paid solely from funds authorized to be collected and received by the Board as provided by said Article 13, Chapter 16 of the Code of West Virginia.

Section 4. The construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all works for the collection, treatment or disposal of sewage within the City of South Charleston and in the sanitary district which shall be acquired, constructed, operated or maintained by saidBoard, the employment of all engineers, architects, inspectors, superintendents, manager, collectors, attorneys and other employees in the judgment of the Board necessary to the execution of its powers and duties, and the collection of all revenues from the works acquired, constructed, operated or maintained by it, shall be under the supervision and control of the Board.

Section 5. In addition to the authority and powers enumerated herein, the Board created by this ordinance shall be invested with all other powers and authorities provided for such Boards by said Article 13, Chapter 16 of the Code of West Virginia, as amended, or as the same may be amended.

Councilman Stansbury moved this ordinance be adopted; seconded by Councilman Huffman. Upon roll call vote the following responded:

AYES: Councilmen Coles, Copper, Huffman, Jones, Lee, Reed, Riggle, and Stansbury

NAYS: None

Motion carried by unanimous roll call vote.

Councilman Coles:

Councilman Coles stated all his files from the Council Sewer Committee had been turned over to the Sanitary Board.

Councilman Jones moved that the"Special Committee to investigate the Sewer System"be dissolved; seconded by Councilman Huffman. Motion carried.

Councilman Coles also stated that the sidewalk at the corner of "D" Street and Third Avenue was in bad condition and asked that the City Engineer, John Helsclaw, check with the adjoining property owners concerning their feelings of replacing this sidewalk.

Councilman Copper moved to refer the problem of sidewalk at First Avenue from "D" Street to "C" Street and "C" Street from First Avenue to Second Avenue to the Street Department and City Engineer for study and action. Councilman Riggle seconded this motion. Motion carried.

CERTIFICATE

Certified to be a true and correct copy of Ordinance No. 4961A adopted by the City Council of The City of South Charleston, West Virginia, on January 21, 1955, duly filed and of record in the office of the City Clerk of the City of South Charleston, West Virginia.

Given under my hand and the official seal of The City of South Charleston, West Virginia, this 9 day of September, 1986.

(SEAL)

Carles J. Atkinson
City Clerk

ORDINANCE NO. 1859

INTRODUCED IN COUNCIL

AUGUST 18, 1994

PASSED BY COUNCIL

9-1-94

INTRODUCED BY

MAYOR ROBB

REFERRED TO

AN ORDINANCE TO AMEND AND READOPT THE CITY CODE OF THE CITY OF SOUTH CHARLESTON WEST VIRGINIA, BY AMENDING ARTICLE 931, TITLED "SEWERS AND SEWAGE DISPOSAL."

WHEREAS, the City of South Charleston provides sanitary sewer service to its citizens pursuant to West Virginia Code Chapter 16, Article 13, and

WHEREAS, the City has organized a Sanitary Board pursuant to the provisions of West Virginia Code Chapter 16, Article 13, for the governance of its publicly owned treatment works, and

WHEREAS, the South Charleston Sanitary Board operates according to City ordinances codified at South Charleston City Code Article 931, and

WHEREAS, amending Article 931 of the City Code of South Charleston is in the best interest of improving sanitary sewer service and of maintaining the sanitary sewer system in optimal condition,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA TO AMEND CITY CODE ARTICLE 931, SAID ARTICLE TO READ AS FOLLOWS:

ARTICLE 931
Sewers and Sewage Disposal

931.01	Purpose and Policy; City Sanitary Sewer System Use.
931.02	Application of State Code.
931.03	Supervision and Control by Sanitary Board; Statutory Powers and Authority of Sanitary Board; Limits; Rules and Regulations.
931.04	Sanitary Board Compensation and Bond.
931.05	Private Systems Prohibited; Removal of Private Systems; Other Effluent Systems Prohibited.
931.06	Connection Required; Individual Pump Stations.
931.07	Discharge of Unpolluted Waters.
931.08	Permission Required to Uncover, Connect With or Disturb Sewers; Sanitary Sewer Taps by Authorized Persons Only.
931.09	Connection and Service Application; City Employee Right of Entry; Change of Customer; Wastewater Volume or Constituents Change Notification.
931.10	State Plumbing Code.
931.11	Property Owner Maintenance Responsibilities; Board Repairs.
931.12	Clean Out Required.
931.13	Separate Building Sanitary Sewer for Each Building; Townhomes; Extensions Prohibited.
931.14	Inspections Prerequisite to Sanitary Sewer Connection; Notification for Inspection Prior to Connection; Requirements for Sanitary Sewer Laterals; Authority of Inspectors.
931.15	Liability to City for Sanitary Sewer Service; Shut-off Periods.
931.16	Limitation on City Damage Liability; Emergency Restrictions.
931.96	Public Nuisances.
931.97	Penalty.
931.98	Appeals.
931.99	Severability.

GENERAL REGULATIONS

931.01 PURPOSE AND POLICY: CITY SANITARY SEWER SYSTEM USE.

The purpose of this ordinance is to establish uniform regulations for the use of the publicly owned treatment works of the City. Use of the sanitary sewer system of the City is hereby determined and declared to be essential for the protection and preservation of the public health, comfort, safety, economy and for the general welfare of the inhabitants of the City, and of the area served by the sanitary sewer system.

931.02 APPLICATION OF STATE CODE.

All pertinent provisions of West Virginia Code §§ 16-13-1 to 16-13-24, shall be deemed to be a part of this article to the same extent as if written fully herein.

931.03 SUPERVISION AND CONTROL BY SANITARY BOARD; STATUTORY POWERS AND AUTHORITY OF SANITARY BOARD; LIMITS; RULES AND REGULATIONS.

(a) The South Charleston Sanitary Board is hereby vested with the control and management of the publicly owned treatment works.

(b) In addition to the authority and powers enumerated in this article, the Sanitary Board created by this article shall be vested with all other powers and authorities provided for such sanitary boards by West Virginia Code Article 16-13.

(c) The Sanitary Board shall be subject to the rules and regulations of the West Virginia Public Service Commission, the West Virginia Department of Environmental Protection, the United States Environmental Protection Agency, the West Virginia Department of Health and Human Services, and the provisions of any outstanding sanitary bond issuances by the City.

(d) Nothing in this article shall prevent the Sanitary Board from adopting rules and regulations for the use of the Sanitary Sewer System that may be deemed necessary by the Board for efficient operation of the system.

931.04 SANITARY BOARD COMPENSATION AND BOND.

(a) Compensation.

(1) Each member of the Sanitary Board shall receive a salary of one hundred dollars ($100.00) per month, and shall be entitled to payment for reasonable expenses incurred in the performance of duties.

(2) The secretary and treasurer shall be paid such reasonable compensation for services as from time to time may be fixed by the South Charleston City Council.

b) Treasurer's Bond. The treasurer shall give bond, with qualified corporate surety, in the amount of five thousand dollars ($5,000) or such other amount as Council subsequently may require, conditioned for the proper application for all moneys received by him as such and for the faithful performance of the duties of his office.

931.05 PRIVATE SYSTEMS PROHIBITED; REMOVAL OF PRIVATE SYSTEMS; OTHER EFFLUENT SYSTEMS PROHIBITED.

(a) No person shall construct or maintain any privy, privy vault, septic tank, cesspool or other facility intended or used for the disposal of wastewater where public sanitary sewer service is available, as defined in Section 931.06.

(b) At such time as a public sanitary sewer becomes available to a property served by a private wastewater disposal system, the owner of such property shall construct a direct connection to the public sanitary sewer system in compliance with this article, and any septic tanks, cesspools and similar private wastewater disposal facilities shall be cleaned of sludge at the owner's expense. The vessel may be filled with suitable material or salvaged and removed at the owner's expense.

(c) Where connection to sanitary sewer service is required, the use of any type of septic tank effluent system is hereby prohibited.

931.06 CONNECTION REQUIRED; INDIVIDUAL PUMP STATIONS.

(a) The owner of real property which abuts a public sanitary sewer line, street, alley or other public way containing a sanitary sewer service, or which is located within 300 feet of sanitary sewer service, and upon which property a building or other habitable structure has been erected for residential, commercial or industrial use, shall be required to connect the building or structure in question to the sanitary sewer system or to such part of the system as may from time to time be extended or become reasonably available, and shall thereafter refrain from using or cease to use any other method in place of the sanitary sewer services which are now, or may hereafter become, available; and shall thereafter pay all the charges, rates or fees as required.

(b) In the event that sanitary sewer service is unavailable to the property by gravity because of terrain, the property may be connected to the sanitary sewers by means of individual pump stations. Such stations shall be constructed and maintained by the property owner, at his expense, shall conform to the specifications of the BOCA Plumbing Code and shall be approved by the West Virginia Department of Health and Human Services and the Sanitary Board. All persons proposing construction of a building or other habitable structure within the South Charleston Sanitary Board service area, whether within 300 feet of an existing sanitary sewer line or not, shall contact the Sanitary Board prior to construction.

931.07 DISCHARGE OF UNPOLLUTED WATERS.

In compliance with State and Federal environmental regulations governing sanitary sewer use, no person shall discharge or cause to be discharged into the sanitary sewer system through any leak, defect or connection any storm water or other unpolluted wastewater, to include but not be limited to, footer drains, downspouts, yard drains and catch basins.

931.08 PERMISSION REQUIRED TO UNCOVER, CONNECT WITH OR DISTURB SEWERS; SANITARY SEWER TAPS BY AUTHORIZED PERSONS ONLY.

(a) It shall be unlawful for any person to access, pave over, uncover, or make any connections with or opening into the sanitary sewer system; to use, alter or disturb the system; to excavate or alter the grade adjacent thereto; or otherwise to prevent reasonable access to the system, without first obtaining written permission from the Sanitary Board.

(b) It shall be unlawful for any unauthorized person to use or attempt to use a mechanical, high water pressure or commercial cleaning device and/or industrial chemical solution in the South Charleston Sanitary Sewer System.

(c) No person, except those persons duly authorized by the Sanitary Board for such purpose, shall tap into the South Charleston Sanitary Sewer System.

931.09 CONNECTION AND SERVICE APPLICATION; CITY EMPLOYEE RIGHT OF ENTRY; CHANGE OF CUSTOMER; WASTEWATER VOLUME OR CONSTITUENTS CHANGE NOTIFICATION.

(a) It shall be unlawful for any person to make an initial cut in or connection with the South Charleston sanitary sewer system, or to use such system without first making written application for such connection and service to the Sanitary Board and paying costs, charges, fees and deposits incident to this article or Article 932.

(1) Such application shall be made on forms prescribed and furnished by the Board and shall constitute an agreement by the applicant with the City to abide by all provisions of this article and the applicable rules and regulations of the City or Sanitary Board regarding the use of such sanitary sewer system.

(2) Applicants shall be required to furnish information about all waste producing activities, wastewater characteristics and constituents, in accordance with the standards given in City Code section 930.4.4 . The permit application shall be supplemented by any plans, specifications, or other information considered pertinent in the judgment of the Board.

(b) The application shall require the applicant to grant to the City, without cost, all rights, easements, permits and privileges which are necessary for the rendering of sanitary sewer service.

(c) Sanitary Board employees or authorized agents of the Board shall have access, at all reasonable hours, to the premises of the applicant for the purpose of installing or removing any of its property, examining pipes or fixtures or for any purpose which is incidental to the rendering of sanitary sewer service or which is within the statutory authority of the Board. Any such employee or agent who is denied such access shall have the authority to seek a search warrant from any court of competent jurisdiction.

(d) Each contracted customer shall give written notice to the Board upon any change in occupancy of any improved property. The contracted customer shall be liable for any sanitary sewer user charges that may accrue prior to the notice of change of occupancy of premises.

(e) Users shall notify the Sanitary Board of any proposed new introduction of wastewater constituents or any proposed substantial change in the volume or character of the wastewater constituents being introduced into the Publicly Owned Treatment Works.

931.10 STATE PLUMBING CODE.

All building sanitary sewer lines and connections shall be installed so as to meet or exceed the requirements of the most current revision of the BOCA Plumbing Code, or such other Code as may be adopted by the City, and such administrative regulations as the Sanitary Board may approve.

931.11 PROPERTY OWNER MAINTENANCE RESPONSIBILITIES; BOARD REPAIRS.

(a) In accordance with the provisions of the BOCA Property Maintenance Code, § PM-507.2, the owner, tenant or occupant of the property served by the City sanitary sewer shall be continuously responsible for maintaining and keeping the sanitary sewer pipe leading to and between the plumbing system of his premises to the City's connecting sanitary sewer clean and free from obstruction and shall not cause, suffer or permit any article or thing to be introduced into such pipe which causes a stoppage or interference with the operation of the system..

(b) In the event of any such obstruction or stoppage, the Sanitary Board shall have the right to terminate water service, which shall not be reconnected until such sanitary sewer pipe is cleaned and maintained properly; and in the further event of the failure of such user to remedy such obstruction or stoppage, the Board shall have the right to enter upon such premises and make necessary repairs. The costs associated with this type of repair work shall be $100 per hour plus the cost of labor and materials, all of which shall be included as part of the charges against such premises as outlined in Article 932, Section 932.18 of the South Charleston City Code.

(c) In the event of a stoppage that may be in the Sanitary Boards lateral connection or main line, the customer shall notify the Sanitary Board of this emergency situation. The Sanitary Board shall promptly investigate all reports of stoppage. The Sanitary Board shall not be liable for claims by individuals or contractors for any work not authorized by the Sanitary Board.

931.12 CLEAN OUT REQUIRED.

For all structures in which a building lateral is being constructed, whether being constructed as a new lateral or being replaced, a clean out must be installed at or near the property line or edge of the easement. The clean out must be constructed in accordance with 931.10. A TEE connection shall be used.

931.13 SEPARATE BUILDING SANITARY SEWER FOR EACH BUILDING; TOWNHOMES; EXTENSIONS PROHIBITED.

(a) A separate and independent building sewer shall be provided for every building.

(b) Buildings comprised of multiple townhome style living units shall be served by a separate and independent customer service line for each townhome living unit. Buildings comprised of multiple apartment style living units may be served by a single customer service line which may be common to all such living units within the buildings; where such living units are to be individually owned, the single customer service line shall be owned and maintained as common property of such owners.

(c) Extension of customer service lines from any point on the customer's side of the tap for delivery of waste from any location other than that of the customer in whose name the tap is registered **shall not be permitted**, and is hereby declared unlawful.

(d) Private extensions of the South Charleston Sanitary Sewer system shall be prohibited. All persons proposing to extend the sanitary sewer system shall contact and make application to the South Charleston Sanitary Board. The South Charleston Sanitary Board is directed to establish uniform rules and regulations in accordance with the West Virginia Public Service Commission and the West Virginia Department of Health and Human Services to maintain the integrity of the system.

931.14 INSPECTIONS PREREQUISITE TO SANITARY SEWER CONNECTION; NOTIFICATION FOR INSPECTION PRIOR TO CONNECTION; REQUIREMENTS FOR SANITARY SEWER LATERALS; AUTHORITY OF INSPECTORS.

(a) The customer's sanitary sewer line, beginning five feet from the building and extending to the tap, shall remain uncovered until it has been inspected and approved by an inspector of the Board.

(b) The customer shall notify the Board when the building sanitary sewer is ready for inspection and connection to the public sanitary sewer. The connection shall be made under the supervision of the Board or its representative. All connections shall be made gastight and watertight and verified by proper testing, at the owners expense, when necessary. Any deviation from the prescribed procedures and materials shall be approved by the Board before installation. If the size of the project is sufficient to require the construction of one or more manholes, an agent of the Sanitary Board shall be present for inspections during all period of construction. Inspection shall be billed on a cost of service basis.

(c) Anyone replacing a lateral connection to the South Charleston Sanitary Sewer System shall notify the Board in writing of such work. The replacement connection shall be constructed in accordance with 931.08 and 931.12.

(d) The General Manager of the South Charleston Sanitary Board is hereby given the authority to halt work on any extension, service lateral or connection to the sanitary sewer system if the extension, service lateral or connection is not being constructed in accordance with the provisions of this Article or if the construction practices are immediately dangerous to life and health of workers or the residents of the City. Failure to halt construction after receiving a written notice shall be unlawful and shall be subject to penalty as specified in section 931.97. Provided, that the Sanitary Board manager shall provide the party performing the construction work with a list of deficiencies and when the deficiencies are corrected, the construction work may continue.

931.15 LIABILITY TO CITY FOR SANITARY SEWER SERVICE; SHUT-OFF PERIODS.

Customer liability for payment for and connection to service shall begin on the date that sanitary sewer service shall become reasonably available to any persons. Such liability shall continue thereafter unless such premises are disconnected from the sanitary sewer system with the approval of the Sanitary Board. After such liability begins, no allowance shall be made for vacant houses unless a written request to have the sanitary sewer system shut off is received by the Board, nor shall any allowance be made for any shut-off period which is less than thirty days.

931.16 LIMITATION ON CITY DAMAGE LIABILITY; EMERGENCY RESTRICTIONS.

(a) Except as otherwise provided by law, the City shall not be liable for any damage resulting from bursting of any sanitary sewer main, service pipe or valve, or by discontinuing the operation of its sanitary sewer collection, treatment and disposal facilities, for repairs, extensions or connections, or from the accidental failure of the sewage collection, treatment and disposal facilities from any cause whatsoever.

(b) In cases of emergency, the Sanitary Board shall have the right to restrict the use of its sewage collection, treatment and disposal facilities in any reasonable manner for the protection of the City, its residents, the sanitary sewer system, and the environment.

OFFICIAL OATH

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA:

I 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 as MEMBER for The City of South Charleston Sanitary Board in said county and state to the best of my skill and judgment: SO HELP ME GOD.

Term to expire: July 7, 2007.

Signature

Subscribed and sworn to before me in my said county and state this the 15 day of July, 2003.

Secretary

OFFICIAL OATH

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA:

I 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 as MEMBER for The City of South Charleston Sanitary Board in said county and state to the best of my skill and judgment: SO HELP ME GOD.

Term to expire: December 31, 2005.

Signature

Subscribed and sworn to before me in my said county and state this the 31 day of December, 2002.

Secretary

OFFICIAL OATH

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA:

I 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 as MEMBER for The City of South Charleston Sanitary Board in said county and state to the best of my skill and judgment: SO HELP ME GOD.

Term to expire: August 27, 2004.

Ralph E. King
Signature

Subscribed and sworn to before me in my said county and state this the 27 **day of** August, 2003.

Matthew C. Wirth
Secretary

Post-it® Fax Note 7671	Date 9/5/03	# of pages ▶ 1
To	From SCSB	
Co./Dept.	Co.	
Phone #	Phone # 7684140	
Fax # 558-0299	Fax # 7681639	

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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: December 18, 2002

CASE NO. 02-1217-S-CN

FINAL
1-7-03

SOUTH CHARLESTON SANITARY BOARD,
South Charleston, Kanawha County.
Application for a certificate of convenience and necessity to replace the Liberty Street lift station/force main, and treatment equipment at the wastewater collection and treatment plant.

RECOMMENDED DECISION

On August 19, 2002, the South Charleston Sanitary Board (Applicant or SCSB), a municipal utility, filed an application, duly verified, for a certificate of convenience and necessity to replace the Liberty Street lift station/force main and treatment equipment at the wastewater collection and treatment plant. The Applicant estimated that construction would cost approximately $4,000,000, and will be financed by a State revolving fund loan in the entire amount. The Applicant gave notice of its current sewer rates.

By Order issued August 19, 2002, the Applicant was directed to give notice of the filing of its application, pursuant to West Virginia Code §14-2-11, by publishing a copy of the August 19, 2002 Order, once, in a newspaper duly qualified by the Secretary of State, published and of general circulation in Kanawha County. The Order further provided that anyone desiring to make objection to the application must do so within thirty days of the publication of the Notice to P.O. Box 812, Charleston, West Virginia 25323. The Notice further provided that, if no protests were received within the thirty-day protest period, the Commission may waive formal hearing and grant the application based upon the evidence submitted with the application.

On August 29, 2002, the Commission received a copy of the affidavit of publication indicating that the Notice of Filing was published in The Charleston Gazette, a newspaper duly qualified by the Secretary of State, published and of general circulation in Kanawha County, on August 24, 2002. The 30-day protest period expired on September 23, 2002.

On September 24, 2002, the Commission received a note written on a copy of the Notice of Filing indicating that the individual, Judy Romans, opposed the certificate if the project increased the Applicant's current sewer rates and charges.

Public Service Commission
of West Virginia
Charleston

6A

On September 24, 2002, Staff filed its Initial Joint Staff Memorandum recommending that this matter be referred to the Division of Administrative Law Judges.

By Order entered October 1, 2002, this matter was referred to the Division of Administrative Law Judges for a decision to be rendered on or before March 17, 2003.

On November 15, 2002, Staff filed its Final Joint Staff Memorandum recommending that the application for a certificate of convenience and necessity be approved, subject to receipt of a binding commitment letter from the West Virginia Division of Environmental Protection (DEP); all outstanding permits and agency approvals; and bids coming within the estimated construction cost.

On November 25, 2002, the Commission received a copy of a DEP letter indicating that the plans and specifications for the project have been approved, but the approval does not constitute an authority to advertise for bids.

On November 25, 2002, the Applicant advised that it had no objection to Staff's recommendations as set forth in its Memorandum.

On November 25, 2002, the Commission received a copy of an easement from Union Carbide Corporation to SCSB to install and lay, and thereafter use, operate, inspect, repair, maintain, replace and remove a force sanitary sewer line up to twenty-four inches in diameter across Union Carbide Corporation's land in Kanawha County.

Based upon the foregoing, the Administrative Law Judge is of the opinion that a conditional certificate can be issued in this matter.

FINDINGS OF FACT

1. On August 19, 2002, the South Charleston Sanitary Board, a municipal utility, filed an application, duly verified, for a certificate of convenience and necessity to replace the Liberty Street lift station/force main and treatment equipment at the wastewater collection and treatment plant. The Applicant estimates that the construction will cost approximately $4,000,000 and will be financed by a bond issued by the West Virginia Division of Environmental Protection Revolving State Fund loan for a period not to exceed twenty (20) years, at an interest rate not to exceed 3%. SCSB did not request an increase in its rates and charges to finance the project. (See, Application).

2. The Notice of Filing was published in The Charleston Gazette, with no protest being filed within the 30-day statutory protest period. (See, Affidavit of Publication; protest received September 24, 2002; case file generally).

3. A conditional protest was received to this application after the 30-day protest period, but a hearing is not required, inasmuch as the project does not increase the South Charleston Sanitary Board's sewer rates and charges which have been in effect since November 15, 1999.

(See, Final Joint Staff Memorandum received November 15, 2002; protest received September 24, 2002; SCSB tariff for sewer utilities).

4. The proposed financing for the project consists of a West Virginia Division of Environmental Protection State Revolving Fund loan in an amount not to exceed $4,000,000, for a period not to exceed twenty (20) years, at an interest rate of not more than 3%. (See, Final Joint Staff Memorandum received November 15, 2002).

5. The project is convenient and necessary inasmuch as it is a necessary step to achieve compliance with DEP Order No. 4082, in which the Applicant was ordered to eliminate twenty-six sewer overflow points, as well as all other undocumented bypass points, and was given effluent limits for the plan. (See, Final Joint Staff Memorandum received November 15, 2002; West Virginia Division of Environmental Protection letter received November 25, 2002).

6. Commission Staff recommended conditional approval of the certificate. (See, Final Joint Staff Memorandum received November 15, 2002).

7. The Applicant accepted Staff's recommendation that the matter be conditionally approved. (See, November 25, 2002 correspondence).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the issuance of a certificate of convenience and necessity to the City of South Charleston Sanitary Board to replace the Liberty Street lift station/force main and treatment equipment at its wastewater collection treatment plant in Kanawha County.

2. The proposed project is adequately financed and is economically feasible when supported by the Applicant's current rates and receipt of funding from the West Virginia Division of Environmental Protection Revolving State Fund.

3. It is reasonable to approve the financing of the project, being a West Virginia Division of Environmental Protection State Revolving Fund loan in the amount of $4,000,000, for a period not to exceed twenty (20) years, at an interest rate not to exceed 3%, subject to receipt of confirmation of the funding.

ORDER

IT IS, THEREFORE, ORDERED that the application filed by the South Charleston Sanitary Board for a certificate of convenience and necessity to replace the Liberty Street lift station/force main and treatment equipment at the wastewater collection and treatment plant, be, and hereby is, approved, subject to confirmation of receipt of funding from the West Virginia Division of Environmental Protection State Revolving Fund and bids coming within cost estimates.

Public Service Commission
of West Virginia
Charleston

IT IS FURTHER ORDERED that the proposed financing of the project, consisting of a West Virginia Division of Environmental Protection State Revolving Fund loan in an amount not to exceed $4,000,000, for a period not to exceed twenty years, at an interest rate not to exceed 3%, be, and hereby is, approved, upon confirmation of availability.

IT IS FURTHER ORDERED that the South Charleston Sanitary Board file the letter of commitment of funding, from the West Virginia Division of Environmental Protection State Revolving Fund, with the Public Service Commission, as soon as it is received.

IT IS FURTHER ORDERED that, if there are any changes in the scope, cost or financing of this project, the Applicant must notify the Commission immediately and obtain Commission approval of said change(s) prior to commencing construction.

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

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

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

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

Susan A. Murensky

Susan A. Murensky
Administrative Law Judge

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2% interest, with an administrative fee of 1%, for a term of 20 years. The Board went on to state that on July 3, 2003, the City of South Charleston adopted a sewer rate ordinance which provides increased sewer rates to support the Board's pro forma operations. The ordinance was filed with the Commission on July 8, 2003. Finally, the Board reported that it remains under the requirements of the West Virginia Department of Environmental Protection's Order No. 4082 and must complete the project as soon as possible to achieve compliance with the Order.

On August 1, 2003, the Board filed a letter dated July 28, 2003, in which the West Virginia Department of Environmental Protection confirmed its commitment to increase the SRF loan to the above-referenced revised loan figure and terms.

On August 5, 2003, Commission Staff (Staff) filed its Initial and Final Joint Staff Memorandum. Staff noted that the pro forma column of the Board's attachment to its petition reflects the Board's cash flow operations under the new rates which generate rate coverage of 338.61% and a cash surplus of $376,329. Staff recommended that the petition to reopen be granted and the revised project approved.

DISCUSSION

It is reasonable to approve the Board's petition to reopen the case and further approve the revised funding in the amount of $4,567,360, with the terms as described herein.

FINDINGS OF FACT

1. By Recommended Decision issued on December 18, 2002, (Final on January 7, 2003), the Board was granted a certificate of convenience and necessity to replace the Liberty Street lift station/force main and treatment equipment at the wastewater collection and treatment plant. Further, the proposed financing of the project was approved, which consisted of an SFR loan in an amount not to exceed $4,000,000, for a period not to exceed twenty years, at an interest rate not to exceed 3%. It was also ordered that if there were any changes in the scope, cost or financing of this project, the Board must notify the Commission immediately and obtain approval of such change(s).

2. On July 30, 2003, the Board filed a petition to reopen the proceeding, so as to obtain additional approvals related to its wastewater system project.

3. The construction bids were higher than the Board's estimates and the updated total project cost is $4,567,360.

4. The West Virginia Department of Environmental Protection confirmed its commitment to increase the SRF loan to $4,567,360 at 2% interest, with an administrative fee of 1%, for a term of 20 years.

5. The Board asserts that an ordinance that the City of South Charleston adopted on July 3, 2003, will produce sufficient revenues to cover the Board's pro forma operations.

6. On August 5, 2003, Staff filed its Initial and Final Joint Staff Memorandum and recommended that the petition to reopen be granted and the revised project approved.

CONCLUSION OF LAW

It is reasonable to approve the Board's petition to reopen the case and further approve the revised project cost and funding in the amount of $4,567,360, with the terms as described herein.

ORDER

IT IS, THEREFORE, ORDERED that the South Charleston Sanitary Board's petition to reopen this case is hereby granted.

IT IS FURTHER ORDERED that the revised project cost and revised West Virginia Division of Environmental Protection State Revolving Fund loan in the amount of $4,567,360 at 2% interest, with an administrative fee of 1%, for a term of 20 years are hereby approved.

IT IS FURTHER ORDERED that if there are any changes in the scope, cost or financing of this project, the South Charleston Sanitary Board must notify the Commission immediately and obtain Commission approval of said change(s) prior to commencing construction.

IT IS FURTHER ORDERED that, upon entry hereof, this proceeding shall be removed from the Commission's active docket of cases.

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

TBS/ljm
021217ca.wpd

A True Copy, Teste:

Sandra Squire

Sandra Squire
Executive Secretary

West Virginia Infrastructure & Jobs Development Coun

Public Members:
Russell L. Isaacs, Chairman
Cottageville
Henry Harmon, Vice Chairman
Hurricane
Dwight Calhoun
Petersburg
William P. Stafford, II, Esq.
Princeton

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

Katy Mallory, PE
Executive Secretary

KMallory@ezwv.com

November 9, 2001

Mr. Carlton Lee
General Manager
South Charleston Sanitary Board
1 Rockcrest Drive
South Charleston, WV 25309

Re: South Charleston Sanitary Board
Wastewater Project 2001S-642

Dear Mr. Lee:

The West Virginia Infrastructure and Jobs Development Council (the "Infrastructure Council") has reviewed the South Charleston Sanitary Board's (the "Board") preliminary application regarding its proposed project upgrading pumps, key equipment and the force main at Liberty Street lift station and the 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 Authority should carefully review the enclosed comments of the Sewer Technical Review Committee as the Authority may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the funding request, the Infrastructure Council recommends that the Board pursue a $4,000,000 Clean Water State Revolving Fund loan to finance this Project. Please contact the Department of Environmental Protection office at 558-0641 for specific information on the steps the Board needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

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

Sincerely,

Russell L. Isaacs

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

SRF-LP-1
(02/03/03)

LOAN AGREEMENT

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

CITY OF SOUTH CHARLESTON
(Local Government)

W I T N E S S E T H:

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

2.4 The Local Government agrees that the Authority and DEP and their respective duly authorized agents shall have the right at all reasonable times to enter upon the Project site and Project facilities and to examine and inspect the same. The Local Government further agrees that the Authority and DEP and their respective duly authorized agents shall, prior to, during and after completion of construction and commencement of operation of the Project, have such rights of access to the System site and System facilities

as may be reasonably necessary to accomplish all of the powers and rights of the Authority and DEP with respect to the System pursuant to the pertinent provisions of the Act.

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

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

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

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

maintained so long as any of the Local Bonds are outstanding. Prior to commencing operation of the Project, the Local Government must also obtain, and maintain so long as any of the Local Bonds are outstanding, business interruption insurance if available at a reasonable cost.

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

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

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

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

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

(iv) That, except as otherwise required by State law or the Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xix) That the Local Government shall have obtained the certificate of the Consulting Engineers to the effect that the Project has been or will be constructed in accordance with the approved plans, specifications and design as submitted

to the Authority and DEP, the Project is adequate for the purposes for which it was designed, the funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

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

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

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

4.3 At least five percent (5%) of the proceeds of the Local Bonds will be advanced on the Date of Loan Closing. The remaining proceeds of the Local Bonds shall be advanced by the DEP monthly as required by the Local Government to pay Costs of the Project, provided, however, if the proceeds of the Local Bonds will be used to repay an interim financing, the proceeds will be advanced on a schedule mutually agreeable to the Local Government, the DEP and the Authority. The Local Bonds shall not bear interest during the construction period but interest shall commence accruing on the completion date as defined in the SRF Regulations, provided that the annual repayment of principal and

payment of interest shall begin not later than one (1) year after the completion date. The repayment of principal and interest on the Local Bonds shall be as set forth on Schedule Y hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

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

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

ARTICLE V

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

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

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

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

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

ARTICLE VI

Other Agreements of the Local Government

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

6.2 The Local Government hereby warrants and represents that all information provided to the Authority and DEP in this Loan Agreement, in the Application or in any other application or documentation with respect to financing the Project was at the time, and now is, true, correct and complete, and such information does not omit any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to the Authority's making the Loan and receiving the Local

Bonds, the Authority and DEP shall have the right to cancel all or any of their obligations under this Loan Agreement if (a) any representation made to the Authority and DEP by the Local Government in connection with the Loan shall be incorrect or incomplete in any material respect or (b) the Local Government has violated any commitment made by it in its Application or in any supporting documentation or has violated any of the terms of the Act, the SRF Regulations or this Loan Agreement.

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

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

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

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

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

ARTICLE VII

Miscellaneous

7.1 Schedules X and Y shall be attached to this Loan Agreement by the Authority as soon as practicable after the Date of Loan Closing is established and shall be

approved by an official action of the Local Government supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

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

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

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

CITY OF SOUTH CHARLESTON
[Name of Local Government]

By: _____
Its: Mayor
Date: August 26, 2003

(SEAL)

Attest:

_____
Its: Recorder Deputy

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

By: _____
Its: Director
Date: 8/28/03

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: _____
Its: Director
Date: August 26, 2003

(SEAL)

Attest:

_____
Its: Secretary-Treasurer

000832/00372
02/03/03

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

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

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

_____
Name of Person Completing Form

_____
Address

_____
Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

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

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

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

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

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

_____

By _____

West Virginia License No. _____

[SEAL]

---

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

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

EXHIBIT E

SPECIAL CONDITIONS

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

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

C. RECEIPT OF PSC final order on or before loan closing.

D. DEP APPROVAL of M/WBE efforts.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$_____
Principal	$_____
Total:	$_____
Reserve Account:	$_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Loan Closing]

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

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

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly adopted or enacted by the Local Government on _____, as supplemented by the supplemental resolution duly adopted by the Local Government on _____ (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $4,567,360
Purchase Price of Local Bonds $4,567,360

The Local Bonds shall bear no interest from the date of delivery to December 1, 2004. Commencing March 1, 2005, interest on the Local Bonds is payable quarterly, at a rate of 2% per annum. Commencing March 1, 2005, principal of the Local Bonds is payable quarterly, with an administrative fee of 1%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

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

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

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

Supplemental Subordinate Sewer Revenue Bonds, Series 1986B, issued in the original principal amount of $378,985 on August 29, 1986 and Subordinate Sewer Revenue Bonds, Series 1999A (West Virginia SRF Program), issued in the original principal amount of $650,000 on May 25, 1999.

City of South Charleston

Loan of $4,567,360
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 5, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2003	-	-	-	-
3/01/2004	-	-	-	-
6/01/2004	-	-	-	-
9/01/2004	-	-	-	-
12/01/2004	-	-	-	-
3/01/2005	46,574.00	2.000%	22,836.80	69,410.80
6/01/2005	46,806.00	2.000%	22,603.93	69,409.93
9/01/2005	47,040.00	2.000%	22,369.90	69,409.90
12/01/2005	47,276.00	2.000%	22,134.70	69,410.70
3/01/2006	47,512.00	2.000%	21,898.32	69,410.32
6/01/2006	47,750.00	2.000%	21,660.76	69,410.76
9/01/2006	47,988.00	2.000%	21,422.01	69,410.01
12/01/2006	48,228.00	2.000%	21,182.07	69,410.07
3/01/2007	48,469.00	2.000%	20,940.93	69,409.93
6/01/2007	48,712.00	2.000%	20,698.59	69,410.59
9/01/2007	48,955.00	2.000%	20,455.03	69,410.03
12/01/2007	49,200.00	2.000%	20,210.25	69,410.25
3/01/2008	49,446.00	2.000%	19,964.25	69,410.25
6/01/2008	49,693.00	2.000%	19,717.02	69,410.02
9/01/2008	49,942.00	2.000%	19,468.56	69,410.56
12/01/2008	50,191.00	2.000%	19,218.85	69,409.85
3/01/2009	50,442.00	2.000%	18,967.89	69,409.89
6/01/2009	50,695.00	2.000%	18,715.68	69,410.68
9/01/2009	50,948.00	2.000%	18,462.21	69,410.21
12/01/2009	51,203.00	2.000%	18,207.47	69,410.47
3/01/2010	51,459.00	2.000%	17,951.45	69,410.45
6/01/2010	51,716.00	2.000%	17,694.16	69,410.16
9/01/2010	51,975.00	2.000%	17,435.58	69,410.58
12/01/2010	52,235.00	2.000%	17,175.70	69,410.70
3/01/2011	52,496.00	2.000%	16,914.53	69,410.53
6/01/2011	52,758.00	2.000%	16,652.05	69,410.05
9/01/2011	53,022.00	2.000%	16,388.26	69,410.26
12/01/2011	53,287.00	2.000%	16,123.15	69,410.15
3/01/2012	53,554.00	2.000%	15,856.71	69,410.71
6/01/2012	53,821.00	2.000%	15,588.94	69,409.94
9/01/2012	54,091.00	2.000%	15,319.84	69,410.84
12/01/2012	54,361.00	2.000%	15,049.38	69,410.38
3/01/2013	54,633.00	2.000%	14,777.58	69,410.58
6/01/2013	54,906.00	2.000%	14,504.41	69,410.41
9/01/2013	55,180.00	2.000%	14,229.88	69,409.88
12/01/2013	55,456.00	2.000%	13,953.98	69,409.98
3/01/2014	55,734.00	2.000%	13,676.70	69,410.70
6/01/2014	56,012.00	2.000%	13,398.03	69,410.03
9/01/2014	56,292.00	2.000%	13,117.97	69,409.97
12/01/2014	56,574.00	2.000%	12,836.51	69,410.51
3/01/2015	56,857.00	2.000%	12,553.64	69,410.64
6/01/2015	57,141.00	2.000%	12,269.36	69,410.36

City of South Charleston

Loan of $4,567,360
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 5, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2015	57,427.00	2.000%	11,983.65	69,410.65
12/01/2015	57,714.00	2.000%	11,696.52	69,410.52
3/01/2016	58,002.00	2.000%	11,407.95	69,409.95
6/01/2016	58,292.00	2.000%	11,117.94	69,409.94
9/01/2016	58,584.00	2.000%	10,826.48	69,410.48
12/01/2016	58,877.00	2.000%	10,533.56	69,410.56
3/01/2017	59,171.00	2.000%	10,239.17	69,410.17
6/01/2017	59,467.00	2.000%	9,943.32	69,410.32
9/01/2017	59,764.00	2.000%	9,645.98	69,409.98
12/01/2017	60,063.00	2.000%	9,347.16	69,410.16
3/01/2018	60,364.00	2.000%	9,046.85	69,410.85
6/01/2018	60,665.00	2.000%	8,745.03	69,410.03
9/01/2018	60,969.00	2.000%	8,441.70	69,410.70
12/01/2018	61,273.00	2.000%	8,136.86	69,409.86
3/01/2019	61,580.00	2.000%	7,830.49	69,410.49
6/01/2019	61,888.00	2.000%	7,522.59	69,410.59
9/01/2019	62,197.00	2.000%	7,213.15	69,410.15
12/01/2019	62,508.00	2.000%	6,902.17	69,410.17
3/01/2020	62,821.00	2.000%	6,589.63	69,410.63
6/01/2020	63,135.00	2.000%	6,275.52	69,410.52
9/01/2020	63,451.00	2.000%	5,959.85	69,410.85
12/01/2020	63,768.00	2.000%	5,642.59	69,410.59
3/01/2021	64,087.00	2.000%	5,323.75	69,410.75
6/01/2021	64,407.00	2.000%	5,003.32	69,410.32
9/01/2021	64,729.00	2.000%	4,681.28	69,410.28
12/01/2021	65,053.00	2.000%	4,357.64	69,410.64
3/01/2022	65,378.00	2.000%	4,032.37	69,410.37
6/01/2022	65,705.00	2.000%	3,705.48	69,410.48
9/01/2022	66,033.00	2.000%	3,376.96	69,409.96
12/01/2022	66,364.00	2.000%	3,046.79	69,410.79
3/01/2023	66,695.00	2.000%	2,714.97	69,409.97
6/01/2023	67,029.00	2.000%	2,381.50	69,410.50
9/01/2023	67,364.00	2.000%	2,046.35	69,410.35
12/01/2023	67,701.00	2.000%	1,709.53	69,410.53
3/01/2024	68,039.00	2.000%	1,371.03	69,410.03
6/01/2024	68,380.00	2.000%	1,030.83	69,410.83
9/01/2024	68,721.00	2.000%	688.93	69,409.93
12/01/2024	69,065.00	2.000%	345.33	69,410.33
Total	**4,567,360.00**	**-**	**985,467.25**	**5,552,827.25 ***

*Plus $6,159.17 one-percent administrative fee paid quarterly. Total fee over life of loan is $492,733.60.

6(a)

ORDINANCE NO. 2021

A RATE ORDINANCE AMENDING EXISTING RATE ORDINANCES OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, TO INCREASE EXISTING RATES FOR SANITARY SEWER SERVICE.

WHEREAS, in order to protect the public health, safety and welfare, the Council of the City of South Charleston ("City Council") has determined that it is necessary for the Sanitary Board of the City of South Charleston (the "Board") to complete a project of additions, betterments and improvements to the existing public sewerage system of the City of South Charleston (the "System"), consisting of replacements to the Liberty Street Lift Station/Force Main and treatment equipment at the wastewater collection and treatment plant, together with all appurtenant facilities (the "Project"); and

WHEREAS, in order for the Board to collect annual revenues necessary to pay the operation and maintenance expenses and the debt service of the System the existing rates for sanitary sewer service to the customers of the Board must be increased; now, therefore

Be it ordained by the Council of the City of South Charleston, West Virginia:

SECTION 1. That Ordinance 1968 of the City of South Charleston, West Virginia, enacted the 7th day of October 1999, and codified in the City of South Charleston "Streets, Utilities and Public Services Code" as Section 932.04, is hereby amended to provide as follows:

932.04 RATES FOR DOMESTIC SERVICE; MINIMUMS.

The following schedule of rates and services shall be charged for use of the South Charleston wastewater treatment system for

domestic sewage. Rates and charges shall be based upon the amount of water supplied the premises and shall be as follows:

Water Usage (monthly)	Rates for Inside and Outside Corporate Limits
0-2,000 gallons	$5.63
2,001-3,000 gallons	$5.55 per 1,000 gallons
3,001-4,000 gallons	$5.48 per 1,000 gallons
4,001 and over gallons	$5.40 per 1,000 gallons

(a) If for any reason there is no record of the amount of water supplied during any billing period, then the charge shall be based upon estimated usage.

(b) On premises having a private water supply and connected with the sanitary sewer system, there shall be installed a meter for measuring the amount of water supplied to the premises. The customer shall bear all cost relating to the installation, calibration and operation of the flow meter. Meter and installation shall be subject to approval of the General Manager of the Sanitary Board.

(c) Any user using more than 10,000 gallons of water per month, the nature and character of whose use is such that the amount of water discharged into the system is substantially different from the amount of metered water supplied to the premises, shall be charged for sewer service on the basis of the actual amount of sewage discharged to the system each month. The Sanitary Board shall develop just and equitable policies and procedures for implementing this provision.

(d) For those customers which use a single water meter for two or more occupied residential units, an alternate procedure for determining the monthly bill may be used. This procedure consists of dividing the total number of gallons of water used for the month by the number of occupied dwelling units to arrive at an average water usage per dwelling unit. The billing rates in this section are then applied to that average usage to determine an average bill. The bills are then totaled to determine the monthly bill. It is the user's responsibility to request this billing procedure and to provide timely information to the Sanitary Board on the number of occupied dwelling units.

and

SECTION 2. That Ordinance 1968 of the City of South Charleston, West Virginia, enacted the 7th day of October 1999, and codified in the City of South Charleston "Streets, Utilities and Public Services Code" as Section 932.06 is hereby

amended to provide as follows:

932.06 RATES FOR INDUSTRIAL SERVICES;

MINIMUM.

The following schedule of rates and services shall be charged for use of the South Charleston wastewater treatment system for users contributing industrial wastes. Industrial users are defined as those that require a wastewater discharge permit as a part of the pretreatment program implementation. Where part of the discharge from a facility is domestic, the following rate shall apply to the entire discharge. Rates and charges shall be based upon the amount of water supplied the premises and shall be as follows:

Water Usage (monthly)	Rates for Inside and Outside Corporate Limits
0-2,000 gallons	$5.63
2,001-3,000 gallons	$5.55 per 1,000 gallons
3,001-4,000 gallons	$5.48 per 1,000 gallons
4,001 and over gallons	$5.40 per 1,000 gallons

(a) If for any reason there is no record of the amount of water supplied during any billing period, then the charge shall be based upon the average of the previous twelve month usage.

(b) On premises having a private water supply and connected with the sanitary sewer system, there shall be installed a meter for measuring the amount of water supplied to the premises. The customer shall bear all cost relating to the installation, calibration and operation of the flow meter. Meter and installation shall be subject to approval of the General Manager of the Sanitary Board.

(c) In the event that the nature and character of the discharge is such that the amount of water discharged into the system is substantially different than the amount of metered water supplied the premises, the user shall be charged for sewer service on the basis of the actual amount of sewage discharged to the system each month.

and

SECTION 3. That Ordinance 1922 of the City of South Charleston, West Virginia, enacted the 7th day of August 1997, and codified in the City of South Charleston

"Streets, Utilities and Public Services Code" as Section 932.05 is hereby amended to provide as follows:

932.05 RESALE CUSTOMERS.

The following schedule of rates and services shall be charged for use of the South Charleston Waste Treatment system for domestic sewage. Rates and charges shall be based upon the total flow of wastewater discharged into the system.

There is hereby established a just and equitable rate to be charged by the South Charleston Sanitary Board of the City of South Charleston for transportation and treatment of wastewater of the Green Valley Community Public Service District of $3.68 per thousand gallons of wastewater.

If for any reason there is not a current meter reading available during any billing period, then the charge shall be based upon the average of the previous twelve month usage.

and

SECTION 4. That, in accordance with the requirements of Chapter 16, Article 13, Section 16 of the Code of West Virginia, 1931, as amended, the City shall cause notice of the proposed adoption of this Ordinance to be published as a Class II-0 legal advertisement, with the first publication being made at least ten days before the City Council meeting at which this Ordinance is to be finally adopted, and with said notice meeting the other requirements set forth in Code §16-13-16; and this hearing is also with regard to an ordinance raising revenues in compliance with Chapter 8, Article 11, Section 4 of the Code of West Virginia, 1931, as amended;

and

SECTION 5. That in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, the rates and charges provided for herein shall be effective not sooner than 45 days from the date of adoption;

and

SECTION 6. That, in accordance with the Public Service Commission's

Procedural Rule, 150 CSR 10, notice of this Ordinance shall be provided by (a) causing to be published the Commission's Municipal Rate Change Form No. 1 as a Class II legal advertisement, with the first publication occurring within five days after the adoption of this Ordinance, in a qualified newspaper of general circulation in the area of South Charleston, and (b) causing to be published a press release that contains the substance of Municipal Rate Change Form No. 1, in a qualified newspaper of general circulation in the area of South Charleston, (c) posting a notice that conforms with Municipal Rate Change Form No. 1 in a conspicuous place at the Sanitary Board's business premises beginning at least 5 days prior to the City Council meeting at which this Ordinance is proposed to be adopted and continuing for 30 days after this Ordinance is adopted, and (d) filing with the Public Service Commission, within 5 days after adoption of this Ordinance, a copy of this Ordinance along with other information as required by Rule 2.1(f) of the *Procedural Rule*.

SECTION 7. All prior ordinances, or parts of ordinances, inconsistent with this Ordinance are hereby repealed to the extent of such inconsistency.

SECTION 8. This Ordinance shall be effective immediately upon adoption.

Passed on First Reading: June 19, 2003

Adopted on Second Reading: July 3, 2003

Richard A. Robb

Mayor Richard A. Robb

Margie Spence

Deputy City Clerk ~~Jack Woolwine~~ Margie Spence

inhabitants. This passed by a unanimous voice vote.

Also, Mayor Robb called for a property board meeting immediately following the council meeting.

RECOGNIZE GIRLS HIGH SCHOOL TENNIS TEAM - STATE CHAMPIONS (MAYOR)

Mayor Robb recognized Lynsey Bolar with the girls tennis team and presented her with a plaque.

Also Joe Lambert was recognized and ask for council's help in order for his team to attend the AAU state tournament. Therefore, it was moved by Mr. Shirkey; seconded by Mr. Williams to refer this to the finance committee for further review. This passed by a unanimous voice vote.

RESOLUTION FOR GENERAL FUND REVISION #2003-01-02 (BUCKLEY)

It was moved by Mr. Buckley; seconded by Mr. Shirkey to approve the resolution. This passed by a unanimous roll call vote.

A PETITION OF THE SANITARY BOARD OF SOUTH CHARLESTON FOR REPLACEMENT AND IMPROVEMENTS IN CONSTRUCTION OF WORKS AND ISSUANCE OF BONDS AND AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO EXISTING SEWERAGE SYSTEM (FIRST READING) (MAYOR)

It was moved by Mr. Buckley; seconded by Mr. Griffith to receive and file the petition and to pass the ordinance on to a second reading. This passed by a unanimous voice vote.

A REQUEST BY THE SANITARY BOARD FOR RATE INCREASE AND AN ORDINANCE AUTHORIZING SAID RATE INCREASE PURSUANT TO THE BOARDS REQUEST (FIRST READING) (MAYOR)

It was moved by Mr. Williams; seconded by Mr. Buckley to accept the request and pass the ordinance on to a second reading. This passed by a unanimous voice vote.

CERTIFY GENERAL ELECTION RESULTS AND RECOUNT RESULTS (MAYOR)

It was moved by Mr. Shirkey; seconded by Mr. Williams to approve the results. This passed by a unanimous voice vote.

RECOGNIZE RHUEL AND VIRGINIA CRADDOCK (WILLIAMS)

Mayor Robb recognized Mr. and Mrs. Craddock who spoke asking the city for assistance in the drainage system in Rock Lake Village.

*****

PETITIONS, COMMUNICATIONS AND PUBLIC HEARINGS

AN ORDINANCE TO APPROVE AN AUTOMATIC AID AGREEMENT FOR KANAWHA RIVER (SECOND READING) (PUBLIC HEARING)(MAYOR)

It was moved by Mr. Shirkey; seconded by Mr. Neal to adopt the ordinance.

Mayor Robb opened the floor for a public hearing. As there was no one to speak for or against the ordinance Mayor Robb closed the public hearing. Therefore the ordinance was adopted by a unanimous roll call vote.

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO EXISTING SEWERAGE SYSTEM (SECOND READING) (PUBLIC HEARING) (MAYOR)

This item will be placed on the next agenda.

AN ORDINANCE AUTHORIZING A RATE INCREASE FOR THE SANITARY BOARD (SECOND READING) (PUBLIC HEARING) (MAYOR)

It was moved by Mr. Shirkey; seconded by Mr. Hutchison to approve the ordinance.

Mayor Robb opened the floor for a public hearing. As there was no one to speak for or against the ordinance, Mayor Robb closed the public hearing. Therefore, the ordinance was adopted by a unanimous roll call vote.

RESOLUTION FOR COAL SEVERANCE REVISION #2004-02-01 (BUCKLEY)

It was moved by Mr. Buckley; seconded by Mr. Griffith to approve the resolution. This passed by a unanimous roll call vote.

RECOGNIZE RON PERRY OF JEFFERSON PARK REGARDING RIGHT OF WAY (BUCKLEY)

Mr. Buckley recognized Mr. Perry of 3806 Washington Street who spoke asking the city for assistance in obtaining a right of way in the alley behind his home in order to be able to access his garage. Therefore, it was moved by Mr. Buckley; seconded by Mr. Hutchison to refer this to Frank Mullens, PWD and report back at the next meeting.

AN ORDINANCE AMENDING THE PERSONNEL POLICY DEALING WITH THE GRADED ANNUAL SALARY FOR ELECTED OFFICIALS (FIRST READING) (BUCKLEY)

It was moved by Mr. Buckley; seconded by Mr. Griffith to pass the ordinance to a second reading.

It was amended by Mr. Shirkey; seconded by Mr. Neal to refer the ordinance to the Ordinance and Claims committee. This passed by a 6-2 vote with Mr. Buckley and Mayor Robb voting in the negative.

NOTICE OF PUBLIC HEARING ON
CITY OF SOUTH CHARLESTON
SEWER RATE ORDINANCE

Notice is hereby given that at a regular meeting of the Council of the City of South Charleston (the "City Council") to be held on July 3, 2003, at 7:30 p.m. in the Council Chambers at City Hall, 4th Avenue and D Street, South Charleston, West Virginia, the City Council will consider for adoption a Sewer Rate Ordinance to increase existing rates for sanitary sewer service, and will have a public hearing prior to the adoption at which any person interested may appear before the City Council and present protests, and all protests and sugestions shall be heard by the City Council. Such Ordinance will do the following:

A RATE ORDINANCE AMENDING EXISTING RATE ORDINANCES OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, TO INCREASE EXISTING RATES FOR SANITARY SEWER SERVICE.

The following schedule of rates and services shall be charged for use of the South Charleston wastewater treatment system for domestic sewage. Rates and charges shall be based upon the amount of water supplied the premises and shall be as follows:

Water Usage (monthly)	Rates for Inside and Outside Corporate Limits
0-2,000 gallons	$5.63
2,001-3,000 gallons	$5.55 per 1,000 gallons
3,001-4,000 gallons	$5.48 per 1,000 gallons
4,001 and over gallons	$5.40 per 1,000 gallons

(a) If for any reason there is no record of the amount of water supplied during any billing period, then the charge shall be based upon estimated usage.

(b) On premises having a private water supply and connected with the sanitary sewer system, there shall be installed a meter for measuring the amount of water supplied to the premises. The customer shall bear all cost relating to the installation, calibration and operation of the flow meter. Meter and installation shall be subject to approval of the General Manager of the Sanitary Board.

(c) Any user using more than 10,000 gallons of water per month, the nature and character of whose use is such that the amount of water discharged into the system is substantially different from the amount of metered water supplied to the premises, shall be charged for sewer service on the basis of the actual amount of sewage discharged to he system each month. The Sanitary Board shall develop just and equitable policies and procedures for implementing this provision.

(d) For those customers which use a single water meter for two or more occupied residential units, an alternate procedure for determining the monthly bill may be used. This procedures consists of dividing the total number of gallons of water used for the month by the number of occupied dwelling units to arrive at an average water usage per dwelling unit. The billing rates in this section are then applied to that average usage to determine an average bill. The bills are then totaled to determine the monthly bill. It is the user's responsibility to request this billing procedue and to provide timely information to the Sanitary Board on the number of occupied dwelling units.

The following schedule of rates and services shall be charged for use of the South Charleston wastewater treatment system for users contributing industrial wastes. Industrial users are defined as those that require a wastewater discharge permit as a part of the pretreatment program implementation. Where part of the discharge from a facility is domestic, the following rate shall apply to the entire discharge. Rates and charges shall be based upon the amount of water supplied the premises and shall be as follows:

Water Usage (monthly)	Rates for Inside and Outside Corporate Limits
0-2,000 gallons	$5.63
2,001-3,000 gallons	$5.55 per 1,000 gallons
3,001-4,000 gallons	$5.48 per 1,000 gallons
4,001 and over gallons	$5.40 per 1,000 gallons

(a) If for any redson there is no record of the amount of water supplied during any billing period, then the charge shall be based upon the average of the previous twelve month usage.

(b) On premises having a private water supply and connected with the sanitary sewer system, there shall be installed a meter for measuring the amount of water supplied to the premises. The customer shall bear all cost relating to the installation, calibration and operation of the flow meter. Meter and installation shall be subject to approval of the General Manager of the Sanitary Board.

(c) In the event that the nature and character of the discharge is such that the amount of water discharged into the system is substantially different than the amount of metered water supplied the premises, the user shall be charged for sewer service on the basis of the actual amount of sewage discharged to the system each month.

The following schedule of rates and services shall be charged for use of the South Charleston Waste Treatment system for domestic sewage. Rates and charges shall be based upon the total flow of wastewater discharged into the system.

There is hereby established a just and equitable rate to be charged by the South Charleston Sanitary Board of the City of South Charleston for transportation and treatment of wastewater of the Green Valley Community Public Service District of $3.68 per thousand gallons of wastewater.

If for any reason there is not a current meter reading available during any billing period, then the charge shall be based upon the average of the previous twelve month usage.

That in accordance with the provisions of Chapter 24, Article 2, Section 4(b) of the Code of West Virginia, 1931, as amended, the rates and charges provided for herein shall be effective not sooner than 45 days from date of adoption.

This Ordinance shall be effective immediately upon adoption.

A copy of the above Ordinance is on file with the City Council at the office of the City Clerk of the City of South Charleston, 4th Avenue and D Street, for review by interested parties during regular office hours.

Following the public hearing, the City Council intends to adopt the Ordinance upon final reading.

Dated: June 20, 2003

/s/ Jack Woolwine
City Clerk

(620645)

Exhibit D

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

INVOICE DATE	07/02/03
ACCOUNT NBR	043593001
SALES REP ID	0070
INVOICE NBR	042890001

Legal pricing is based upon 63 words per column inch.
Each successive insertion is discounted by 25% of the first insertion rate.
The Daily Mail is at a rate of $.11 per word, and the Charleston Gazette is at a rate of $.11 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
06/23	LEGF	GZ	NOTICE OF PUBLIC HEA	0055140	2X1250			
			042890001		25.00	6.93	173.25	173.25
06/30	LEGR	GZ	NOTICE OF PUBLIC HEA		2X1250			
			042890002		25.00	6.93	173.25	
			LEGAL DISCOUNT 25%				43.31-	129.94
			TOTAL INVOICE AMOUNT					303.19

State of West Virginia,

AFFIDAVIT OF PUBLICATION

I, Sandra Legg of

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
250 FRAZIER WAY
SCOTT DEPOT, WV 25560
My commission expires December 11, 2006

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER, published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

NOTICE OF PUBLIC HEARING

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 24TH day of JUNE 2003. Published during the following dates: 06/23/03-06/30/03

Subscribed and sworn to before me this 3 day of July.

Printers fee $ 303.19

Lynn R. Fielder
Notary Public of Kanawha County, West Virginia

Municipal Rate Change Form No. 1

PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

NOTICE is hereby given that the City of South Charleston, has adopted by ordinance on July 3, 2003, a tariff of the Sanitary Board of the City of Charleston containing increased rates and charges for furnishing sewer service to approximately 6,225 customers in and around the City of South Charleston in the County of Kanawha.

The propsed increased rates and charges will become effective August 17, 2003, unless otherwise ordered by the Public Service Commission and will produce approximately $1,058,897 annually in additional revenue, an approximate increase of 49%. The average monthly bill based on 4,500 gallons of water usage for the various classes of customers will be changed as follows:

	($) INCREASE	INCREASE (%)
Residential	$6.46	50%
Commercial	$6.46	50%
Industrail	$6.46	50%
Other	NA	NA

The rate charged the resale customer, based on 1,000 gallons of measured wastewater over the flow meter, will change as follows:

	($) INCREASE	INCREASE (%)
Resale	$1.09	42%

The increase shown are based on average 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 aggieved 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 bounderies. 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 bounderies and who present a petition to the Commission alleging disrimination between said customer or group of customers and other customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the Sanitary Board to provide any information requested concerning it, is available to all customers, prospective customers or their agents at the following office of the Sanitary Board, 1 Rockcrest Drive, South Charleston, West Virginia 25309.

A copy of the proposed rates is available for public inspection at the Office of the Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia.

(620672)

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

INVOICE DATE	07/16/03
ACCOUNT NBR	043593001
SALES REP ID	0070
INVOICE NBR	046471001

Legal pricing is based upon 63 words per column inch.
Each successive insertion is discounted by 25% of the first insertion rate.
The Daily Mail is at a rate of $.12 per word, and the Charleston Gazette is at a rate of $.12 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
07/07	LEGF	GZ		0057362	3X0550			
			046471001		16.50	7.56	124.74	124.74
07/14	LEGR	GZ			3X0550			
			046471002		16.50	7.56	124.74	
			LEGAL DISCOUNT 25%				31.19-	93.55
			TOTAL INVOICE AMOUNT					218.29

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sandra Legg of

THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER, published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
253 FRAZIER WAY
SCOTT DEPOT, WV 25560
My commission expires December 11, 2006

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 8TH day of JULY 2003. Published during the following dates: 07/07/03-07/14/03

Subscribed and sworn to before me this 17 day of July.

Printers fee $ 218.29

Lynn R. Fielder
Notary Public of Kanawha County, West Virginia

PETITION OF THE SANITARY BOARD OF
THE CITY OF SOUTH CHARLESTON

TO THE COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA:

Pursuant to the provisions of Chapter 16, Article 13, Section 5 of the Code of West Virginia, 1931, as amended, the Sanitary Board (the "Sanitary Board") of The City of South Charleston, West Virginia (the "Issuer"), hereby petitions the Council to enact an ordinance which shall:

(a) set forth a brief and general description of the additions, betterments and improvements to the existing public sewerage system (the "System") of the Issuer, consisting of replacements to the Liberty Street Lift Station/Force Main and treatment equipment at the wastewater collection and treatment plant, together with all appurtenant facilities (the "Project"), in accordance with plans and specifications prepared and filed by the engineers chosen by the Sanitary Board (the "Consulting Engineers");

(b) set forth the costs of the Project estimated by the Consulting Engineers, being $4,567,360;

(c) order the construction of the Project;

(d) direct that sewer revenue bonds of the Issuer be issued pursuant to Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended, in an aggregate principal amount not to exceed $5,000,000, or in such other amount as is necessary to acquire and construct the Project; and

(e) contain such other provisions as may be necessary in the premises.

The Sanitary Board respectfully represents to the Council that, during the construction of the Project, one of the persons appointed to the Sanitary Board by the Council will be a registered professional engineer.

This Petition was duly approved and authorized at a meeting of the Sanitary Board duly called and held on the 16th day of June, 2003.

WITNESS our signatures on this 16th day of June, 2003.

SANITARY BOARD OF THE CITY OF
SOUTH CHARLESTON

Chairman

Member

Member

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

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Ordinance No. 2022

Introduced in Council: June 19, 2003

Passed by Council: July 3, 2003

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF SOUTH CHARLESTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SOUTH CHARLESTON:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 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 South Charleston (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in Kanawha County of said State.

B. The Issuer presently owns and operates a public sewerage system through its Sanitary Board. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of replacements to the Liberty Street Lift Station/Force Main and treatment equipment at the wastewater collection and treatment plant, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification and disposal of liquid or solid wastes, sewage or industrial wastes (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the City Clerk of the Issuer.

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

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the aggregate principal amount of not more than $5,000,000 (the "Series 2003 A Bonds"), to permanently finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; interest upon the Series 2003 A Bonds prior to and during construction or acquisition and for a period not exceeding 6 months after completion of construction of the Project; amounts which may be deposited in the Series 2003 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues, expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, administrative expense, commitment fees, fees and expenses of the Authority, including the SRF Administrative Fee (as hereinafter defined), discount, initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2003 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 2003 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 25 years.

F. It is in the best interests of the Issuer that the Series 2003 A Bonds be sold to the Authority pursuant to the terms and provisions of a loan agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the respective parties (the "Loan Agreement"), 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 2003 A Bonds as to liens, pledge, source of and security for payment, being the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986, issued in the original principal amount of $378,985 (the "Series 1986 B Bonds"), and the Subordinate Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), dated May 25, 1999, issued in the original principal amount of $605,854 (the "Series 1999 A Bonds"). The Series 1986 B Bonds and the Series 1999 A Bonds are collectively called the "Prior Bonds."

The Series 2003 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 2003 A Bonds, the Issuer will obtain (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 registered owners of the Prior Bonds to the issuance of the Series 2003 A Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other 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 Operating Expenses of the System, the principal of and interest on the Series 2003 A Bonds and the Prior Bonds and all funds and accounts and other payments provided for herein and in the Prior Ordinance.

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, the issuance of the Series 2003 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 Infrastructure Council and obtaining of a certificate of public

convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2003 A Bonds or such final order will not be subject to appeal.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2003 A Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2003 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 Registered Owners, 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 Series 2003 A Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

"Act" means, collectively, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 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 2003 A Bonds, or any other agency, board or department of the State that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"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 2003 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.

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

"Closing Date" means the date upon which there is an exchange of the Series 2003 A Bonds for all or a portion of the proceeds of the Series 2003 A Bonds from the Authority.

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

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

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

"Consulting Engineers" means Quest Engineers, Inc., Lexington, Kentucky, 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 Code of West Virginia, 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.

"DEP" means the West Virginia Department of Environmental Protection or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

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

"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.

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

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

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

"Infrastructure Council" means the West Virginia Infrastructure and Jobs Development Council or any other agency of the State of West Virginia that succeeds to the functions of the Infrastructure Council.

"Investment Property" means

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

(B) any obligation,

(C) any annuity contract,

(D) any investment-type property, or

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

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

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

"Loan Agreement" means the Loan Agreement heretofore entered, or to be entered, into by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2003 A Bonds from the Issuer by the Authority, the form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified, by the Supplemental Resolution.

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2003 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2003 A Bonds Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Series 2003 A Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

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

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

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

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

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

"Paying Agent" means the Commission or other entity designated as such for the Series 2003 A Bonds in the Supplemental Resolution.

"Prior Bonds" means, collectively, the Issuer's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986, issued in the original principal amount of $378,985, and Subordinate Sewer Revenue Bonds, Series 1999 A, dated May 25, 1999, issued in the original principal amount of $605,854.

"Prior Ordinance" means, collectively, the ordinances and supplemental resolutions of the Issuer, authorizing the issuance of the Prior Bonds.

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

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

"PSC" means the Public Service Commission of West Virginia and any successor to the functions thereof.

"PSC Order" means, collectively, the final order or orders of the PSC, granting the Issuer a certificate of convenience and necessity to construct the Project and approving the financing for the Project and the rates of the System.

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

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said

repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor; must have (or its agent must have) possession of such collateral; and such collateral must be free of all claims by third parties;

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

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

"Registered Owner" 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.

"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 created by the Prior Ordinance and continued hereby.

"Reserve Accounts" means, collectively, the respective Reserve Accounts created for the Series 2003 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2003 A Bonds.

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

"Sanitary Board" or "Board" means the Sanitary Board of the Issuer.

"Series 2003 A Bonds" means the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2003 A Bonds Construction Trust Fund" means the Series 2003 A

Bonds Construction Trust Fund created by Section 5.01 hereof.

"Series 2003 A Bonds Reserve Account" means the Series 2003 A Bonds Reserve Account created by Section 5.02 hereof.

"Series 2003 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 2003 A Bonds in the then current or any succeeding year.

"Series 2003 A Bonds Sinking Fund" means the Series 2003 A Bonds Bonds Sinking Fund created by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective Sinking Funds created for the Series 2003 A Bonds and the Prior Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid under the Loan Agreement for the Series 2003 A Bonds.

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

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2003 A Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Series 2003 A Bonds, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by the Bond Legislation to be set aside and held for the payment of or security for the Series 2003 A Bonds, the Prior Bonds or any other obligations of the Issuer, including, without limitation, the Renewal and Replacement Fund, the Sinking Funds and the Reserve Accounts.

"System" means, collectively, the complete existing municipal sewerage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost not to exceed $5,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2003 A Bonds 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 and otherwise compatible with the financing plan submitted to the DEP and the Authority.

The cost of the Project is estimated not to exceed $5,000,000, which will be obtained from proceeds of the Series 2003 A Bonds.

ARTICLE III

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

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2003 A Bonds, funding a reserve account for the Series 2003 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance of the Series 2003 A Bonds and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2003 A Bonds of the Issuer. The Series 2003 A Bonds shall be issued as a single bond, designated as "Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program)," in the principal amount of not more than $5,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2003 A Bonds remaining after funding of the Series 2003 A Bonds Reserve Account (if funded from Bond proceeds) and capitalization of interest, if any, shall be deposited in or credited to the Series 2003 A Bonds Construction 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 2003 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Loan Agreement. The Series 2003 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Series 2003 A Bonds, if any, shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2003 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2003 A Bonds. The Series 2003 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 such Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of such Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2003 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Series 2003 A Bonds shall cease to be such officer of the Issuer before the Series 2003 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 2003 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 2003 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 2003 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 2003 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 Registered Owner, in accepting the Series 2003 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 Registered Owner shall further be conclusively deemed to have agreed that such Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2003 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 2003 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 2003 A Bonds or transferring the registered Series 2003 A Bonds are exercised, all Series 2003 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2003 A Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Bond Registrar. For every such exchange or transfer of Series 2003 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 2003 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2003 A Bonds or, in the case of any proposed redemption of Series 2003 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 2003 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 Registered Owner'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 canceled 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 2003 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 System as herein provided. No Registered Owner of the Series 2003 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2003 A Bonds or the interest thereon.

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 of principal of and interest on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2003 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, 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 Owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and 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.

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

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

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

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 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: _____, 200__.

_____

_____, 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 Loan Agreement, including all schedules and exhibits attached thereto, are hereby approved and ratified and incorporated into this Bond Legislation. The Series 2003 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 and the City Clerk is directed to affix the seal of the Issuer, attest the same and deliver the Loan Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed.

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

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

(1) Revenue Fund (created by the Prior Ordinance);

(2) Renewal and Replacement Fund; and

(3) Series 2003 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 and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission or the Issuer and from each other:

(1) Series 2003 A Bonds Sinking Fund; and

(2) Series 2003 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System and all parts thereof shall be deposited upon receipt by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in the Prior Ordinance and this Bond Legislation. All moneys in the Revenue Fund shall be disposed of only in the following manner and order of priority:

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

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1999 A Bonds Sinking Fund the amount required by the Prior Ordinance to pay the interest on the Series 1999 A Bonds; and (ii) commencing 3 months prior to the first date of payment of interest on the Series 2003 A Bonds, for which interest has not been capitalized or as required

in the Loan Agreement, for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of interest which will become due on the Series 2003 A Bonds on the next ensuing quarterly interest payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2003 A Bonds Sinking Fund and the next quarterly interest payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly interest payment date, the required amount of interest coming due on such date.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 B Bonds Sinking Fund, the amount required by the Prior Ordinance to pay the principal of the Series 1986 B Bonds; (ii) for deposit in the Series 1999 A Bonds Sinking Fund, the amount required by the Prior Ordinance to pay the principal of the Series 1999 A Bonds; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2003 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 2003 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payment shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the Commission (i) for deposit in the Series 1986 B Bonds Reserve Account, the amount required by the Prior Ordinance; (ii) for deposit in the Series 1999 A Bonds Reserve Account, the amount required by the Prior Ordinance; and (iii) commencing 3 months prior to the first date of payment of principal of the Series 2003 A Bonds, if not fully funded upon issuance of the Series 2003 A Bonds, for deposit in the Series 2003 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2003 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2003 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 2003 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank 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 Ordinance and not in addition thereto), exclusive of any payments into the Reserve Accounts. 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 moneys from the Renewal and Replacement Fund.

Moneys in the Series 2003 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest on the Series 2003 A Bonds as the same shall become due. Moneys in the Series 2003 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest on the Series 2003 A Bonds as the same shall come due, when other moneys in the Series 2003 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on moneys in the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be returned, after fully funded, 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 2003 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment due, if any, on the Series 2003 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2003 A Bonds Reserve Account which result in a reduction in the balance therein to an amount below the Series 2003 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 2003 A Bonds are issued, provision shall be made for additional payments into the respective sinking funds sufficient to pay any 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 2003 A Bonds Sinking Fund or the Series 2003 A Bonds Reserve Account when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2003 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Interest, principal or reserve payments, whether made for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 2003 A Bonds and the Prior 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 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account created hereunder, and all amounts required for such accounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority, the Issuer shall make the necessary arrangements whereby required payments into such accounts shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates hereunder.

Moneys in the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2003 A Bonds Outstanding under the conditions and restrictions set forth herein.

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 interest, principal and reserve account payments, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation.

C. The Issuer shall 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), commencing with the payment set forth in Section 5.03.A.(2) hereof, remit to the Commission the SRF Administrative Fee set forth in the Schedule Y attached to the Loan Agreement.

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

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

F. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar or the Depository Bank, on such dates as the respective parties shall require, such additional sums as shall be necessary to pay their respective charges then due. If required by

the Authority, the Issuer shall make the necessary arrangements whereby payments to the Commission under this paragraph shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

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

H. 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.

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

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

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds. From the moneys received from the sale of the Series 2003 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2003 A Bonds, there shall first be deposited with the Commission in the Series 2003 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2003 A Bonds, there shall be deposited with the Commission in the Series 2003 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding the Series 2003 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining moneys derived from the sale of the Series 2003 A Bonds, such moneys shall be deposited with the Depository Bank in the Series 2003 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 2003 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2003 A Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements from Bond Construction 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 2003 A Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule. Payments for the costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2003 A Bonds Construction Trust Fund shall be made only after submission to and approval from the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Loan Agreement, in compliance with the construction schedule, and

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

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

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

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

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

Pending such application, moneys in the Series 2003 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Registered Owner of the Series 2003 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Registered Owner of the Series 2003 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 2003 A Bonds or the interest thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2003 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 Registered Owner of the Series 2003 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2003 A Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Position with respect to Prior Bonds. The payment of debt service of the Series 2003 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 Registered Owners of the Prior Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest on the Series 2003 A Bonds and the Prior 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 charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Loan Agreement. The Issuer has a rate ordinance under consideration and this rate ordinance must be adopted and unappealable prior to the issuance of the Series 2003 A Bonds.

So long as the Series 2003 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 2003 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 Ordinance. Additionally, so long as the Series 2003 A Bonds are outstanding and except as otherwise required by law or with the written consent of the DEP 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 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 2003 A Bonds, immediately be remitted to the Commission for deposit in the Series 2003 A Bonds Sinking Fund, and, with the written permission of the DEP and the Authority, or in the event the Authority is no longer a Registered Owner, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest on the Series 2003 A Bonds. Any balance remaining after the payment of the Series 2003 A Bonds and interest thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

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

disposition of such property in accordance with the laws of the State. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. The payment of such proceeds into the Renewal and Replacement Fund shall not reduce the amount required to be paid into such account by other provisions of this Bond Legislation.

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

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any other obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2003 A Bonds. All obligations issued by the Issuer after the issuance of the Series 2003 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 2003 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2003 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2003 A Bonds and the interest thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be

applicable. In addition, no Parity Bonds, payable out of the revenues of the System, shall be issued after the issuance of the Series 2003 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP and without complying with the conditions and requirements herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2003 A Bonds.

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

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by the Independent Certified Public Accountants, reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided, 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 additional Parity Bonds, shall not be less than 115% of the largest aggregate amount which will mature or become due in any succeeding year for principal of and interest on the following:

(1) The Bonds then Outstanding;

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

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

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

The Net Revenues actually derived from the System during the 12 consecutive month period hereinabove referred to may be adjusted by adding to such Net

Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

All covenants and other provisions of this Bond Legislation (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the Registered Owners of the Bonds and the Registered Owners of any Parity Bonds subsequently issued from time to time within the limitations of and in compliance with this section. All Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their lien on the Net Revenues of the System, and their source of and security for payment from the Net Revenues, without preference of any Bond over any other. The Issuer shall comply fully with all the increased payments into the various funds and accounts created in this 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 2003 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2003 A Bonds.

No Parity Bonds shall be issued at any time, however, unless all of the payments into the respective funds and accounts provided for in this Bond Legislation with respect to the Bonds then Outstanding, and any other payments provided for in this Bond Legislation, shall have been made in full as required to the date of delivery of the Parity Bonds, and the Issuer 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 acquiring the Project site and the costs of acquiring, constructing and installing the Project. The Issuer shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System at all reasonable times for the purpose of audit and examination. The Issuer shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the loan or any grants or other sources of financing for the Project.

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

The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and any Registered Owner of the Series 2003 A 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 PSC. Separate control accounting records shall be maintained by the Issuer. Subsidiary records as may be required shall be kept in the manner and on the forms, books and other bookkeeping records as prescribed by the Issuer. The Issuer shall prescribe and institute the manner by which subsidiary records of the accounting system which may be installed remote from the direct supervision of the Issuer shall be reported to such agent of the Issuer as the Issuer shall direct.

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2003 A Bonds, and shall mail in each year to any Registered Owner of the Series 2003 A Bonds, requesting the same, an annual report containing the following:

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

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

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

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountant in compliance with the applicable OMB Circular, or any successor thereof, and the Single Audit Act, or any successor thereof, to the extent legally required, and shall mail upon request, and make available generally, the report of the Independent Certified Public Accountant, or a summary thereof, to any Registered Owner of the Series 2003 A Bonds and shall submit said

report to the Authority and the DEP, or any other original purchaser of the Series 2003 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Loan Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

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

Section 7.09. Rates. Prior to the issuance of the Series 2003 A Bonds, equitable rates or charges for the use of and service rendered by the System shall be established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the 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 Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Series 2003 A Bonds

and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 A 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 2003 A Bonds Reserve Account and the Reserve Accounts for obligations on a parity with the Series 2003 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Series 2003 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with the Series 2003 A Bonds, including the Prior Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04.

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

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

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

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

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all State and federal standards.

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

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 PSC 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 PSC, 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 PSC, 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 waterworks facilities are not owned by the Issuer, the Issuer will, to the extent allowed by law, use diligent efforts to enter into a termination agreement with the provider of such water, subject to any required approval of such agreement by the PSC and all rules, regulations and orders of the PSC.

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 2003 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

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

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT OR COMPLETION BONDS, such bonds to be in the amounts of not less than 100% of the amount of any construction contract and to be required of each contractor dealing directly with the 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 any additions, extensions or improvements for the System in compliance with West Virginia Code Section 38-2-39.

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

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

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

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

The Issuer shall also require all contractors engaged in the construction of the Project to carry such worker's compensation coverage for all employees working on the Project and public liability insurance, vehicular liability insurance and property damage insurance in amounts adequate for such purposes and as is customarily carried with respect to works and properties similar to the Project; provided that the amounts and terms of such coverage are satisfactory to the Authority and the DEP. 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. The Issuer shall verify such insurance prior to commencement of construction.

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

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

Section 7.17. Completion of Project; Permits and Orders. The Issuer shall complete the Project as promptly as possible and operate and maintain the System as a

revenue-producing utility in good condition and in compliance with all federal and state requirements and standards.

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the PSC and the Infrastructure Council necessary for the acquisition and construction of the Project and the operation of the System and all approvals for issuance of the Bonds required by State law, with all requisite 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 shall provide the DEP and the Council with copies of all documents submitted to the Authority.

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

Section 7.20. Tax Covenants. The Issuer hereby further covenants and agrees as follows:

A. PRIVATE BUSINESS USE LIMITATION. The Issuer shall assure that (i) not in excess of 10% of the Net Proceeds of the Series 2003 A Bonds are used for Private Business Use if, in addition, the payment of more than 10% of the principal or 10% of the interest due on the Series 2003 A Bonds during the term thereof is, under the terms of the Series 2003 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for a Private Business Use or in payments in respect of property used or to be used for a Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for a Private Business Use; and (ii) and that, in the event that both (A) in excess of 5% of the Net Proceeds of the Series 2003 A Bonds are used for a Private Business Use, and (B) an amount in excess of 5% of the principal or 5% of the interest due on the Series 2003 A Bonds during the term thereof is, under the terms of the Series 2003 A Bonds or any underlying arrangement, directly or indirectly, secured by any interest in property used or to be used for said Private Business Use or in payments in respect of property used or to be used for said Private Business Use or is to be derived from payments, whether or not to the Issuer, in respect of property or borrowed money used or to be used for said Private Business Use, then said excess over said 5% of Net Proceeds of the Series 2003 A Bonds used for a Private Business Use shall be used for a Private Business Use related to the governmental use of the Project, or if the Series 2003 A Bonds are for the purpose of financing more than one project, a portion of the Project, and shall not exceed the proceeds used for the governmental use of

that portion of the Project to which such Private Business Use is related, all of the foregoing to be determined in accordance with the Code.

B. PRIVATE LOAN LIMITATION. The Issuer shall assure that not in excess of the lesser of 5% or $5,000,000 of the Net Proceeds of the Series 2003 A Bonds are used, directly or indirectly, to make or finance a loan (other than loans constituting Nonpurpose Investments) to persons other than State or local government units.

C. FEDERAL GUARANTEE PROHIBITION. The Issuer shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Series 2003 A Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

D. INFORMATION RETURN. The Issuer shall file all statements, instruments and returns necessary to assure the tax-exempt status of the Series 2003 A Bonds and the interest thereon, including, without limitation, the information return required under Section 149(e) of the Code.

E. FURTHER ACTIONS. The Issuer shall take any and all actions that may be required of it (including, without limitation, those deemed necessary by the Authority) so that the interest on the Series 2003A Bonds will be and remain excludable from gross income for federal income tax purposes, and shall not take any actions, or fail to take any actions (including, without limitation, those deemed necessary by the Authority), the result of which would adversely affect such exclusion.

Section 7.20. Securities Laws Compliance. The Issuer shall 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 2003 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2003 A Bonds held in "contingency" as set forth in the schedule attached to the certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2003 A Bonds made available due to bid or construction or project underruns.

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

ARTICLE VIII

INVESTMENTS; NON ARBITRAGE

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year (or more often if reasonably requested by the Issuer), a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2003 A Bonds are Outstanding and as long thereafter as necessary to comply with the Code and assure the exclusion of interest on the Series 2003 A Bonds from gross income for federal income tax purposes.

Section 8.02. Non Arbitrage. The Issuer covenants that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Series 2003 A Bonds which would cause the Series 2003 A Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and Regulations, and (ii) it shall take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Series 2003 A Bonds) so that the interest on the Series

2003 A Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exemption from Rebate. In accordance with Section 148(f)(4)(D) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2003 A Bonds are not private activity bonds as defined in Section 141 of the Code; that 95% or more of the Net Proceeds of the Series 2003 A Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and that the aggregate face amount of all the tax-exempt bonds (other than private activity bonds as defined in Section 141 of the Code) issued by the Issuer during the calendar year in which the Series 2003 A Bonds are issued are not and will not exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations promulgated thereunder. For purposes of this Section 8.03 and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section 8.03 and Section 148(f)(4)(D) of the Code to any other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Notwithstanding the foregoing, if in fact the Issuer is subject to the rebate requirements of Section 148(f) of the Code, and not exempted from such requirements, the Issuer covenants to make, or cause to be made, all rebate calculations, computations and payments in the time, manner and as required in Section 148(f) of the Code and the Regulations from time to time in effect and applicable to the Series 2003 A Bonds and otherwise covenants and agrees to comply with the provisions of such Section 148(f) of the Code and Regulations from time to time in effect and applicable to the Series 2003 A Bonds. In the event of a failure to pay the correct rebate amount, the Issuer will pay, from any lawful sources available therefor, to the United States such rebate amount, plus a penalty equal to 50% of the rebate amount not paid when required to be paid, plus interest on that amount, unless waived. The Issuer shall obtain a waiver from the Internal Revenue Service, if necessary, and take any other actions necessary to maintain the exclusion of interest on the Series 2003 A Bonds from gross income for federal income tax purposes. In order to provide for the administration of this paragraph, the Issuer may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Issuer may deem appropriate.

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

The Issuer shall submit to the Authority within 15 days following the end of each Bond year, a certified copy of its rebate calculation or, if the Issuer qualifies for the small issuer exception to rebate, the Issuer shall submit a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge which would make the Series 2003 A Bonds subject to rebate. The Issuer shall also furnish to the Authority, at any time, such additional information relating to rebate as may be reasonably requested by the Authority, including information with respect to earnings on all funds constituting "gross proceeds" of the Series 2003 A Bonds (as such term "gross proceeds" is defined in the Code).

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2003 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest on any Series 2003 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on their respective parts relating to the Series 2003 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2003 A Bonds, and such default shall have continued for a period of 30 days after the Issuer or Board, as appropriate, shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or the Registered Owner of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Series 2003 A Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Series 2003 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 2003 A Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Series 2003 A Bonds, or the rights of such Registered Owners; provided however, that all rights and remedies of the Registered Owners of the Series 2003 A Bonds shall be on a parity with those of the Registered Owners of the Prior Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Series 2003 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 the System and shall hold, operate and maintain, manage and control the System, 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 the System 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 Registered Owners of the Series 2003 A Bonds, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other 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 2003 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest on the Series 2003 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to the issuance of the Series 2003 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2003 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 2003 A Bonds shall be made without the consent in writing of the Registered Owners of the Series 2003 A 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 Owners thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2003 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 Registered Owner as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the excludability of interest on the Series 2003 A Bonds from gross income of the Registered Owners 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 2003 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. Except for the Prior Ordinance, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided that,

in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are outstanding.

Section 11.06. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of the Governing Body and the Sanitary Board 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 in the form set forth in Exhibit A attached hereto and incorporated herein by reference, 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 Charleston Gazette and The Charleston Daily Mail, 2 qualified newspapers of general circulation in The City of South Charleston, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2003 A 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 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. The Governing Body hereby determines that the abstract of this Ordinance as set forth in Exhibit A contains sufficient information as to give notice of the contents hereof. 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 immediately following public hearing and final reading hereof.

CERTIFICATION

Certified a true copy of an Ordinance duly passed by the Council of THE CITY OF SOUTH CHARLESTON on July 3, 2003, and effective July 17, 2003.

Dated this 5th day of September, 2003.

[SEAL]

City Clerk

EXHIBIT A

CITY OF SOUTH CHARLESTON

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on July 3, 2003, the Council of the City of South Charleston (the "Issuer") adopted an ordinance which, among other things:

1. Authorized the acquisition and construction of certain additions, betterments and improvements (the "Project") to the Issuer's existing public sewerage system (the "System") and the financing of the cost, not otherwise provided, thereof through the issuance of not more than $5,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution or in the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority and the West Virginia Department of Environmental Protection (the "Loan Agreement").

3. Authorized the execution and delivery of the Loan Agreement.

4. Directed the continuation of a Revenue Fund and the disposition of the revenues of the System; provided for the payment of operating expenses; provided for the monthly payment of principal of and interest on the Bonds when due; provided for the creation of a Sinking Fund, a Reserve Account and a Renewal and Replacement Fund for the Bonds; and provided for the use of excess funds of the System.

5. Directed the creation of a Bond Construction Trust Fund and the disbursement of Bond proceeds.

6. Provided that the Bonds shall not 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 of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the Registered Owners of the Bonds to the Net Revenues of the System.

7. Provided certain conditions for the issuance of additional bonds.

8. Provided for insurance coverage on the Project, enforcement of collection of rates and other charges for the System, and other covenants of the Issuer in favor of the Registered Owners of the Bonds.

9. Established the events of default and the remedies of the Registered Owners of the Bonds.

10. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The Issuer contemplates the issuance of the Bonds described in and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of South Charleston at a regular meeting on Thursday, July 17, 2003, at 7:00 p.m., in the Council Chambers, City Hall, 4th Avenue and D Street, South Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council is on file with the City Clerk for review by interested persons during the office hours of the City Hall.

/s/_____
City Clerk

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO THE PRINCIPAL AMOUNT, DATE, MATURITY DATE, INTEREST RATE, PAYMENT SCHEDULE, SALE PRICE AND OTHER TERMS OF THE CITY OF SOUTH CHARLESTON SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); AUTHORIZING AND APPROVING THE LOAN AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Council (the "Governing Body") of The City of South Charleston (the "Issuer") has duly and officially passed a Bond Ordinance on July 3, 2003, effective July 17, 2003 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF SOUTH CHARLESTON AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $5,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2003 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

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

WHEREAS, the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, in an aggregate principal amount not to exceed $5,000,000 (the "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 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 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms of the Bonds should be established by a supplemental resolution, 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 ratified by the Issuer, that the exact principal amount, date, maturity date, interest rate, payment schedule, sale price and other terms 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 SOUTH CHARLESTON, AS FOLLOWS:

Section 1. It is hereby found and determined that:

(A) The Notice of Public Hearing and Abstract of Bond Ordinance (the "Notice") was duly published in The Charleston Gazette and The Charleston Daily Mail, 2 qualified newspapers of general circulation in the Issuer, with the first publication thereof being not less than 10 days before the day set by the Bond Ordinance and the Notice for the public hearing at which interested persons may appear before the Council and present protests and suggestions and with the last publication thereof being prior to said date set by the Bond Ordinance and the Notice for the public hearing, and a copy of the Affidavit of Publication reflecting such publications is incorporated herein by reference;

(B) In accordance with the Bond Ordinance and the Notice, the City Clerk has maintained in his or her office a certified copy of the Bond Ordinance for review by interested persons during the regular office hours of such office;

(C) In Council chambers, City Hall, South Charleston, West Virginia, on July 17, 2003, at 7:00 p.m., prevailing time, in accordance with the Bond Ordinance and the Notice, the Council met for the purpose of hearing protests and suggestions regarding whether the Bond Ordinance should be put into effect and heard all protests and suggestions with regard thereto;

(D) At the public hearing, no significant reasons were presented that would require modification or amendment of the Bond Ordinance and no written protest with regard thereto was filed by 30 percent or more of the freeholders of the Issuer; and

(E) The Bond Ordinance shall be put into effect as of the date hereof and the Bonds contemplated thereby shall be issued, all as provided in the Bond Ordinance and this Supplemental Resolution.

Section 2. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original principal amount of $4,567,360. The Bonds shall be dated the date of delivery, shall finally mature December 1, 2024, shall bear interest at the rate of 2% per annum. The principal of and interest on the Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2005, 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 Issuer hereby approves and shall pay the SRF Administrative Fee equal to 1% of the principal amount of the Bonds set forth in the Schedule Y attached to the Loan Agreement. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the Registered Owner of the Bonds.

Section 3. 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 4. The Issuer hereby ratifies, approves and accepts the Loan Agreement, including all schedules and exhibits attached thereto, a copy of which is incorporated herein by reference, and the execution and delivery of the Loan Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and

representations made in the Loan Agreement and in the application to the DEP and the Authority. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 5. The Issuer hereby appoints and designates Bank One, NA, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Bonds under the Bond Ordinance and approves and accepts 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, directed and approved.

Section 6. The Issuer hereby appoints and designates the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Commission"), to serve as Paying Agent for the Bonds under the Bond Ordinance.

Section 7. The Issuer hereby appoints and designates Bank One, NA, Charleston, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 8. Series 2003 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2003 A Bonds Sinking Fund as capitalized interest.

Section 9. Series 2003 A Bonds proceeds in the amount of $-0-shall be deposited in the Series 2003 A Bonds Reserve Account.

Section 10. The remaining proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Series 2003 A Bonds Construction Trust Fund, as received from time to time for payment of costs of the Project, including costs of issuance of the Bonds.

Section 11. The Mayor and City Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered to the Authority pursuant to the Loan Agreement on or about September 5, 2003.

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

Section 13. The Issuer hereby determines to invest all moneys in the funds

Section 13. The Issuer hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to invest all moneys in such money market accounts until further directed in writing by the Issuer. Moneys in the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account shall be invested by the Commission in the West Virginia Consolidated Fund.

Section 14. The Issuer hereby approves and accepts all contracts relating to the financing, acquisition and construction of the Project.

Section 15. The Issuer hereby approves the costs of issuance and authorizes the payment of the same.

Section 16. The Issuer shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the Issuer to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The Issuer will take all actions necessary to comply with the Code, including any regulations to be promulgated thereunder.

Section 17. The Issuer is a governmental unit with general taxing powers to finance operations of or facilities of the nature of the Project and the System; no part of the Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and the Issuer reasonably expects to issue less than $5,000,000 aggregate principal face amount of tax-exempt obligations (other than private activity bonds) during the calendar year 2003, being the calendar year in which the Bonds are to be issued. For purposes of this Section and for purposes of applying Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this Section and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

Section 18. This Supplemental Resolution shall be effective immediately following adoption hereof.

Adopted this 4th day of September, 2003.

Mayor

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of South Charleston on the 4th day of September, 2003.

Dated this 5th day of September, 2003.

[SEAL]

City Clerk

08/26/03
001793/00308

inhabitants. This passed by a unanimous voice vote.

Also, Mayor Robb called for a property board meeting immediately following the council meeting.

RECOGNIZE GIRLS HIGH SCHOOL TENNIS TEAM - STATE CHAMPIONS (MAYOR)

Mayor Robb recognized Lynsey Bolar with the girls tennis team and presented her with a plaque.

Also Joe Lambert was recognized and ask for council's help in order for his team to attend the AAU state tournament. Therefore, it was moved by Mr. Shirkey; seconded by Mr. Williams to refer this to the finance committee for further review. This passed by a unanimous voice vote.

RESOLUTION FOR GENERAL FUND REVISION #2003-01-02 (BUCKLEY)

It was moved by Mr. Buckley; seconded by Mr. Shirkey to approve the resolution. This passed by a unanimous roll call vote.

A PETITION OF THE SANITARY BOARD OF SOUTH CHARLESTON FOR REPLACEMENT AND IMPROVEMENTS IN CONSTRUCTION OF WORKS AND ISSUANCE OF BONDS AND AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO EXISTING SEWERAGE SYSTEM (FIRST READING) (MAYOR)

It was moved by Mr. Buckley; seconded by Mr. Griffith to receive and file the petition and to pass the ordinance on to a second reading. This passed by a unanimous voice vote.

A REQUEST BY THE SANITARY BOARD FOR RATE INCREASE AND AN ORDINANCE AUTHORIZING SAID RATE INCREASE PURSUANT TO THE BOARDS REQUEST (FIRST READING) (MAYOR)

It was moved by Mr. Williams; seconded by Mr. Buckley to accept the request and pass the ordinance on to a second reading. This passed by a unanimous voice vote.

CERTIFY GENERAL ELECTION RESULTS AND RECOUNT RESULTS (MAYOR)

It was moved by Mr. Shirkey; seconded by Mr. Williams to approve the results. This passed by a unanimous voice vote.

RECOGNIZE RHUEL AND VIRGINIA CRADDOCK (WILLIAMS)

Mayor Robb recognized Mr. and Mrs. Craddock who spoke asking the city for assistance in the drainage system in Rock Lake Village.

*****

PETITIONS, COMMUNICATIONS AND PUBLIC HEARINGS

AN ORDINANCE TO APPROVE AN AUTOMATIC AID AGREEMENT FOR KANAWHA RIVER (SECOND READING) (PUBLIC HEARING)(MAYOR)

It was moved by Mr. Shirkey; seconded by Mr. Neal to adopt the ordinance.

Mayor Robb opened the floor for a public hearing. As there was no one to speak for or against the ordinance Mayor Robb closed the public hearing. Therefore the ordinance was adopted by a unanimous roll call vote.

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO EXISTING SEWERAGE SYSTEM (SECOND READING) (PUBLIC HEARING) (MAYOR)

This item will be placed on the next agenda.

AN ORDINANCE AUTHORIZING A RATE INCREASE FOR THE SANITARY BOARD (SECOND READING) (PUBLIC HEARING) (MAYOR)

It was moved by Mr. Shirkey; seconded by Mr. Hutchison to approve the ordinance.

Mayor Robb opened the floor for a public hearing. As there was no one to speak for or against the ordinance, Mayor Robb closed the public hearing. Therefore, the ordinance was adopted by a unanimous roll call vote.

RESOLUTION FOR COAL SEVERANCE REVISION #2004-02-01 (BUCKLEY)

It was moved by Mr. Buckley; seconded by Mr. Griffith to approve the resolution. This passed by a unanimous roll call vote.

RECOGNIZE RON PERRY OF JEFFERSON PARK REGARDING RIGHT OF WAY (BUCKLEY)

Mr. Buckley recognized Mr. Perry of 3806 Washington Street who spoke asking the city for assistance in obtaining a right of way in the alley behind his home in order to be able to access his garage. Therefore, it was moved by Mr. Buckley; seconded by Mr. Hutchison to refer this to Frank Mullens, PWD and report back at the next meeting.

AN ORDINANCE AMENDING THE PERSONNEL POLICY DEALING WITH THE GRADED ANNUAL SALARY FOR ELECTED OFFICIALS (FIRST READING) (BUCKLEY)

It was moved by Mr. Buckley; seconded by Mr. Griffith to pass the ordinance to a second reading.

It was amended by Mr. Shirkey; seconded by Mr. Neal to refer the ordinance to the Ordinance and Claims committee. This passed by a 6-2 vote with Mr. Buckley and Mayor Robb voting in the negative.

PETITIONS, COMMUNICATIONS AND PUBLIC HEARINGS

It was moved by Mr. Buckley; seconded by Mr. Hutchison to suspend the rules for a presentation of awards. This passed by a unanimous voice vote.

Council President Griffith presented awards to the following police department personnel for their outstanding investigative work in the recent assault case:

Detective Yeager
Detective Grey
Detective Turley
Police Chief Dunlap

It was moved by Mr. Neal; seconded by Mr. Buckley to return to the regular order of business. This passed by a unanimous voice vote.

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN IMPROVEMENTS TO EXISTING SEWERAGE SYSTEM (SECOND READING) (PUBLIC HEARING) (MAYOR)

It was moved by Mr. Triplett; seconded by Mr. Mayes to adopt the ordinance.

Council President Griffith opened the floor for a public hearing. As there was no one to speak for or against the ordinance the public hearing was closed. Therefore the ordinance was adopted by a unanimous roll call vote.

AN ORDINANCE TO AMEND AND READOPT THE CITY CODE AMENDING ARTICLE 349 TITLED, "TRAFFIC CODE" (SECOND READING) (PUBLIC HEARING) (MAYES)

It was moved by Mr. Mayes; seconded by Mr. Holstine to approve the ordinance.

Council President Griffith opened the floor for a public hearing. As there was no one to speak for or against the ordinance, the public hearing was closed. Therefore, the ordinance was adopted by a unanimous roll call vote.

APPROVE RESOLUTION AUTHORIZING THE SUBMISSION OF A SMALL CITIES BLOCK GRANT (MAYOR)

It was moved by Mr. Buckley; seconded by Mr. Hutchison to approve the resolution. This passed by a unanimous voice vote.

RECOGNIZE JOE FREEMAN OF 137 10TH AVENUE REGARDING WATER PROBLEM (GRIFFITH)

Mr. Griffith recognized Mr. Freeman who spoke asking assistance from the city in helping alleviating flooding in and around his home. Mr. Mullens will look into this problem.

LEGAL ADVERTISEMENT

CITY OF SOUTH CHARLESTON

NOTICE OF PUBLIC HEARING AND ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on July 3, 2003, the Council of the City of South Charleston (the "Issuer") adopted an ordinance which, among other things:

1. Authorized the acquisition and construction of certain additions, betterments and improvements (the "Project") to the Issuer's existing public sewerage system (the "System") and the financing of the cost, not otherwise provided, thereof through the issuance of not more than $5,000,000 in aggregate principal amount of Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Bonds").

2. Directed that the Bonds be issued in such principal amounts, bear interest at such rate or rates, not exceeding the then legal maximum rate, payable quarterly on such dates, mature on such dates and in such amounts and redeemable, in whole or in part, as prescribed in a supplemental resolution or in the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority and the West Virginia Department of Environmental Protection (the "Loan Agreement").

3. Authorized the execution and delivery of the Loan Agreement.

4. Directed the continuation of a Revenue Fund and the disposition of the revenues of the System; provided for the payment of operating expenses; provided for the monthly payment of principal of and interest on the Bonds when due; provided for the creation of a Sinking Fund, a Reserve Account and a Renewal and Replacement Fund for the Bonds; and provided for the use of excess funds of the System.

5. Directed the creation of a Bond Construction Trust Fund and the disbursement of Bond proceeds.

6. Provided that the Bonds shall not 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 of the System; pledged the Net Revenues of the System to payment of the Bonds and established the rights of the Registered Owners of the Bonds to the Net Revenues of the System.

7. Provided certain conditions for the issuance of additional bonds.

8. Provided for insurance coverage on the Project, enforcement of collection of rates and other charges for the System, and other covenants of the Issuer in favor of the Registered Owners of the Bonds.

9. Established the events of default and the remedies of the Registered Owners of the Bonds.

10. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The Issuer contemplates the issuance of the Bonds described in and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the Council of the City of South Charleston at a regular meeting on Thursday, July 17, 2003, at 7:00 p.m., in the Council Chambers, City Hall, 4th Avenue and D Street, South Charleston, West Virginia, and present protests and be heard as to whether the above-described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the Council is on file with the City Clerk for review by interested persons during the office hours of the City Hall.

Jack Woolwine
City Clerk
(057298)

LEGAL ADVERTISEMENT

16

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

INVOICE DATE	07/16/03
ACCOUNT NBR	038491106
SALES REP ID	0022
INVOICE NBR	046465001

BILLED TO
JACKSON & KELLY
150 CLAY STREET
MORGANTOWN WV 26507 USA

Please return this portion with your payment.
Make checks payable to: Charleston Newspapers

AMOUNT PAID: _____

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS
FEIN 55-0676079

INVOICE DATE	07/16/03
ACCOUNT NBR	038491106
SALES REP ID	0022
INVOICE NBR	046465001

Legal pricing is based upon 63 words per column inch.
Each successive insertion is discounted by 25% of the first insertion rate.
The Daily Mail is at a rate of $.12 per word, and the Charleston Gazette is at a rate of $.12 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
			046465004		13.00	7.56	98.28	
			LEGAL DISCOUNT 25%				24.57-	73.71
			TOTAL INVOICE AMOUNT					343.98

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sandra Legg of
THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER,
THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,
published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:
CITY OF SOUTH CHARLESTON
was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 8TH day of JULY 2003. Published during the following dates: 07/07/03-07/14/03
Subscribed and sworn to before me this 17 day of July
Printers fee $ 343.98

Notary Public of Kanawha County, West Virginia

CHARLESTON NEWSPAPERS
P.O. Box 2993
Charleston, West Virginia 25330
Billing 348-4898
Classified 348-4848
1-800-WVA-NEWS

LEGAL ADVERTISING INVOICE

INVOICE DATE	07/16/03
ACCOUNT NBR	038491106
SALES REP ID	0022
INVOICE NBR	046465001

BILLED TO

JACKSON & KELLY
150 CLAY STREET
MORGANTOWN WV 26507 USA

Please return this portion with your payment.
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INVOICE DATE	07/16/03
ACCOUNT NBR	038491106
SALES REP ID	0022
INVOICE NBR	046465001

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The Daily Mail is at a rate of $.12 per word, and the Charleston Gazette is at a rate of $.12 per word.

ISSUE DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
07/07	LEGF	DM	CITY OF SOUTH CHARLE 046465001	0057298	1X1300 13.00	7.56	98.28	98.28
07/07	LEGF	GZ	CITY OF SOUTH CHARLE 046465002		1X1300 13.00	7.56	98.28	98.28
07/14	LEGR	DM	CITY OF SOUTH CHARLE 046465003		1X1300 13.00	7.56	98.28	
			LEGAL DISCOUNT 25%				24.57-	73.71
07/14	LEGR	GZ	CITY OF SOUTH CHARLE		1X1300			

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, _____ of

published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the day of . Published during the following dates:
Subscribed and sworn to before me this_____day of_____.
Printers fee $

_____
Notary Public of Kanawha County, West Virginia

AR-1

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BOND, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $4,567,360

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia in Kanawha County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of FOUR MILLION FIVE HUNDRED SIXTY SEVEN THOUSAND THREE HUNDRED SIXTY DOLLARS ($4,567,360), 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, 2005, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said EXHIBIT B. The interest and SRF Administrative Fee (as defined in the hereinafter described Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2005, as set forth on said EXHIBIT B.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent"). The interest on this Bond are payable by check or draft of the Paying Agent mailed to the Registered Owner (as defined in the hereinafter described Bond Legislation) hereof at the address as it appears on the books of the Registrar (as defined in the hereinafter described

Bond Legislation) on the 15th day of the month next preceding a payment date, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Loan Agreement by and among the Issuer, the Authority and the DEP, dated August 26, 2003.

This Bond is issued (i) to pay the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of this Bond and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on July 17, 2003, and a Supplemental Resolution duly adopted by the Issuer on September 4, 2003 (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 this Bond 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 (1) SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, DATED AUGUST 29, 1986, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $378,985; AND (2) SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A (WEST VIRGINIA SRF PROGRAM), DATED MAY 25, 1999, ISSUED IN THE ORIGINAL PRINCIPAL AMOUNT OF $605,854 (COLLECTIVELY, 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 System, on a parity with the pledge of Net Revenues in favor of the holders of the Prior Bonds, and from moneys in the reserve account created under the Bond Legislation for this Bond (the "Series 2003 A Bonds Reserve Account"), and unexpended proceeds of this Bond. 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 shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute

SPECIMEN

a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest hereon, except from said special fund provided from the Net Revenues, the moneys in the Series 2003 A Bonds Reserve Account and unexpended proceeds of this Bond. 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 of principal of and interest on this Bond payable in any year and all other obligations secured by a lien on or payable from such revenues on a parity with this Bond, including the Prior Bonds; provided however, that so long as there exists in the Series 2003 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest which will become due on this Bond in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with this Bond, 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 Owner of this Bond for the terms of which reference is made to the Bond Legislation. Remedies provided the Registered Owner of this Bond are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation) by the Registered Owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the Registered Owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law and the Bond Legislation, shall be applied solely to payment of the costs of the Project and 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.

SPECIMEN

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

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

IN WITNESS WHEREOF, THE CITY OF SOUTH CHARLESTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed and attested by its City Clerk, and has caused this Bond to be dated September 5, 2003.

[SEAL]

Mayor

SPECIMEN

ATTEST:

City Clerk

SPECIMEN

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2003 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 5, 2003.

BANK ONE, NA, as Registrar

SPECIMEN

Authorized Officer

NUMBER

AR-1

EXHIBIT A

SPECIMEN

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) $228,369	9/5/03	(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

SPECIMEN

City of South Charleston

Loan of $4,567,360
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 5, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
12/01/2003	-	-	-	-
3/01/2004	-	-	-	-
6/01/2004	-	-	-	-
9/01/2004	-	-	-	-
12/01/2004	-	-	-	-
3/01/2005	46,574.00	2.000%	22,836.80	69,410.80
6/01/2005	46,806.00	2.000%	22,603.93	69,409.93
9/01/2005	47,040.00	2.000%	22,369.90	69,409.90
12/01/2005	47,276.00	2.000%	22,134.70	69,410.70
3/01/2006	47,512.00	2.000%	21,898.32	69,410.32
6/01/2006	47,750.00	2.000%	21,660.76	69,410.76
9/01/2006	47,988.00	2.000%	21,422.01	69,410.01
12/01/2006	48,228.00	2.000%	21,182.07	69,410.07
3/01/2007	48,469.00	2.000%	20,940.93	69,409.93
6/01/2007	48,712.00	2.000%	20,698.59	69,410.59
9/01/2007	48,955.00	2.000%	20,455.03	69,410.03
12/01/2007	49,200.00	2.000%	20,210.25	69,410.25
3/01/2008	49,446.00	2.000%	19,964.25	69,410.25
6/01/2008	49,693.00	2.000%	19,717.02	69,410.02
9/01/2008	49,942.00	2.000%	19,468.56	69,410.56
12/01/2008	50,191.00	2.000%	19,218.85	69,409.85
3/01/2009	50,442.00	2.000%	18,967.89	69,409.89
6/01/2009	50,695.00	2.000%	18,715.68	69,410.68
9/01/2009	50,948.00	2.000%	18,462.21	69,410.21
12/01/2009	51,203.00	2.000%	18,207.47	69,410.47
3/01/2010	51,459.00	2.000%	17,951.45	69,410.45
6/01/2010	51,716.00	2.000%	17,694.16	69,410.16
9/01/2010	51,975.00	2.000%	17,435.58	69,410.58
12/01/2010	52,235.00	2.000%	17,175.70	69,410.70
3/01/2011	52,496.00	2.000%	16,914.53	69,410.53
6/01/2011	52,758.00	2.000%	16,652.05	69,410.05
9/01/2011	53,022.00	2.000%	16,388.26	69,410.26
12/01/2011	53,287.00	2.000%	16,123.15	69,410.15
3/01/2012	53,554.00	2.000%	15,856.71	69,410.71
6/01/2012	53,821.00	2.000%	15,588.94	69,409.94
9/01/2012	54,091.00	2.000%	15,319.84	69,410.84
12/01/2012	54,361.00	2.000%	15,049.38	69,410.38
3/01/2013	54,633.00	2.000%	14,777.58	69,410.58
6/01/2013	54,906.00	2.000%	14,504.41	69,410.41
9/01/2013	55,180.00	2.000%	14,229.88	69,409.88
12/01/2013	55,456.00	2.000%	13,953.98	69,409.98
3/01/2014	55,734.00	2.000%	13,676.70	69,410.70
6/01/2014	56,012.00	2.000%	13,398.03	69,410.03
9/01/2014	56,292.00	2.000%	13,117.97	69,409.97
12/01/2014	56,574.00	2.000%	12,836.51	69,410.51
3/01/2015	56,857.00	2.000%	12,553.64	69,410.64
6/01/2015	57,141.00	2.000%	12,269.36	69,410.36

City of South Charleston

SPECIMEN

Loan of $4,567,360
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 5, 2003

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
9/01/2015	57,427.00	2.000%	11,983.65	69,410.65
12/01/2015	57,714.00	2.000%	11,696.52	69,410.52
3/01/2016	58,002.00	2.000%	11,407.95	69,409.95
6/01/2016	58,292.00	2.000%	11,117.94	69,409.94
9/01/2016	58,584.00	2.000%	10,826.48	69,410.48
12/01/2016	58,877.00	2.000%	10,533.56	69,410.56
3/01/2017	59,171.00	2.000%	10,239.17	69,410.17
6/01/2017	59,467.00	2.000%	9,943.32	69,410.32
9/01/2017	59,764.00	2.000%	9,645.98	69,409.98
12/01/2017	60,063.00	2.000%	9,347.16	69,410.16
3/01/2018	60,364.00	2.000%	9,046.85	69,410.85
6/01/2018	60,665.00	2.000%	8,745.03	69,410.03
9/01/2018	60,969.00	2.000%	8,441.70	69,410.70
12/01/2018	61,273.00	2.000%	8,136.86	69,409.86
3/01/2019	61,580.00	2.000%	7,830.49	69,410.49
6/01/2019	61,888.00	2.000%	7,522.59	69,410.59
9/01/2019	62,197.00	2.000%	7,213.15	69,410.15
12/01/2019	62,508.00	2.000%	6,902.17	69,410.17
3/01/2020	62,821.00	2.000%	6,589.63	69,410.63
6/01/2020	63,135.00	2.000%	6,275.52	69,410.52
9/01/2020	63,451.00	2.000%	5,959.85	69,410.85
12/01/2020	63,768.00	2.000%	5,642.59	69,410.59
3/01/2021	64,087.00	2.000%	5,323.75	69,410.75
6/01/2021	64,407.00	2.000%	5,003.32	69,410.32
9/01/2021	64,729.00	2.000%	4,681.28	69,410.28
12/01/2021	65,053.00	2.000%	4,357.64	69,410.64
3/01/2022	65,378.00	2.000%	4,032.37	69,410.37
6/01/2022	65,705.00	2.000%	3,705.48	69,410.48
9/01/2022	66,033.00	2.000%	3,376.96	69,409.96
12/01/2022	66,364.00	2.000%	3,046.79	69,410.79
3/01/2023	66,695.00	2.000%	2,714.97	69,409.97
6/01/2023	67,029.00	2.000%	2,381.50	69,410.50
9/01/2023	67,364.00	2.000%	2,046.35	69,410.35
12/01/2023	67,701.00	2.000%	1,709.53	69,410.53
3/01/2024	68,039.00	2.000%	1,371.03	69,410.03
6/01/2024	68,380.00	2.000%	1,030.83	69,410.83
9/01/2024	68,721.00	2.000%	688.93	69,409.93
12/01/2024	69,065.00	2.000%	345.33	69,410.33
Total	**4,567,360.00**	**-**	**985,467.25**	**5,552,827.25 ***

***Plus $6,159.17 one-percent administrative fee paid quarterly. Total fee over life of loan is $492,733.60.**

Ferris, Baker Watts
West Virginia Public Finance Office

File = South Charleston Loans.sf-SRF 8-26-03- SINGLE PURPOSE
8/26/2003 10:12 AM

SPECIMEN

City of South Charleston

Loan of $4,567,360
20 Years, 2% Interest Rate, 1% Administrative Fee
Closing Date: September 5, 2003

DEBT SERVICE SCHEDULE

YIELD STATISTICS

Accrued Interest from 09/05/2003 to 09/05/2003	(113,169.03)
Bond Year Dollars	$54,931.81
Average Life	12.027 Years
Average Coupon	1.7939830%
Net Interest Cost (NIC)	1.7939830%
True Interest Cost (TIC)	2.0085294%
Bond Yield for Arbitrage Purposes	2.0085294%
All Inclusive Cost (AIC)	2.8919026%

IRS FORM 8038

Net Interest Cost	2.0000003%
Weighted Average Maturity	12.027 Years

Ferris, Baker Watts
West Virginia Public Finance Office

File = South Charleston Loans.sf-SRF 8-26-03- SINGLE PURPOSE
8/26/2003 10:12 AM

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: _____, _____.

SPECIMEN

_____

In the presence of:

_____

BOND REGISTER

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

Bond Number	Principal Amount	Date of Bond
No. AR-1	$4,567,360	September 5, 2003

NO WRITING ON THIS BOND REGISTER EXCEPT BY THE REGISTRAR

Name of Registered Owner:	Signature of Registrar:
West Virginia Water Development Authority 180 Association Drive Charleston, WV 25311	Bank One, NA Authorized Representative
_____	_____
_____	_____
_____	_____

08/26/03
001793/00308

M0382968.1

THE CITY OF SOUTH CHARLESTON

BOND ORDINANCE

19A

THE CITY OF SOUTH CHARLESTON

BOND ORDINANCE

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CHASFS3:141474

Introduced before the City Council
on the 18th day of March, 1999

Introduced by the
Honorable Richard A. Robb, Mayor

Passed by the City Council
on the ___ day of _____, 1999

An Ordinance authorizing the acquisition and construction of certain additions, extensions, betterments and improvements to the existing sewerage collection and treatment system of The City of South Charleston; authorizing the issuance of one or more series of Sewerage System Revenue Bonds of The City of South Charleston in aggregate principal amount not to exceed $650,000 to be used, along with other funds and moneys of, or available to, The City of South Charleston which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction and to pay other costs in connection therewith; providing for the rights and remedies of and security for the 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; and adopting other provisions related thereto.

Be It Ordained by the City Council of The City of South Charleston, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 16, Article 13, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and other applicable provisions of law.

Section 1.02. Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly requires otherwise.

"Act" shall mean collectively Chapter 16, Article 13, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

"Authority" shall mean the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds on behalf of the Program, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

"Board" shall mean the Sanitary Board of the City, as created and appointed pursuant to the provisions of Section 18 of the hereinafter-defined Bond Act, and any successor thereto.

"Bond Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Ordinance.

"Bond Construction Trust Fund" shall mean the fund created by Section 6.01 hereof.

"Bondholder" or "Holder" or "Owner of the Bonds" or "Registered Owners" or any similar term shall mean any person who shall be the registered owner of any Outstanding Bond as hereinafter defined.

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

"Bonds" shall mean the Original Bonds and any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Bonds in substantially the form set forth in Section 3.08 hereof.

"City" shall mean The City of South Charleston, a municipal corporation of the State of West Virginia, and, when appropriate, also means the City Council thereof and any department, board, organization or institution thereof in control of the management and operation of the System, as hereinafter defined.

"City Clerk" shall mean the City Clerk of the City.

"City Council" shall mean the governning body of the City as set forth in its Charter.

"Closing Date" shall mean the date upon which there is an exchange of the Bonds for the proceeds or a portion of the proceeds representing the purchase of the Bonds by the Authority.

"Code" shall mean the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

"Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

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

"Consulting Engineers" shall mean Howard K. Bell Consulting Engineers, Scott Depot, West Virginia, or any engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineers for the System.

"Cost of Project" or "Costs" shall mean those costs described in Section 1.04(H) hereof to be a part of the cost of the acquisition and construction of the Project, as the case may be, as hereinafter defined.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

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

"Event of Default" shall mean any event or occurrence specified in Section 9.01 hereof.

"Excess Investment Earnings" shall mean an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment earnings] had been equal to the Yield on the Bonds, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"Fiscal Year" shall mean each twelve month period beginning on July 1 and ending on the succeeding June 30.

"First Lien Bonds" shall mean the City's Sewer Revenue Bonds, Series 1961, dated February 16, 1961 and issued in the aggregate principal amount of $8,000,000.

"Fund" shall mean the "West Virginia Water Pollution Control Revolving Fund" established by the State, administered by the DEP and funded by capitalization grants awarded to the State pursuant to the federal Clean Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the construction, acquisition and improvement of wastewater treatment facilities.

"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 (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 Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Original Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Original Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Original Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Original Bonds ratably as original proceeds of the Original Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds [as referenced in clauses (i) through (iii) above] of the Original Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Original Bonds and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Original Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Original Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

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

"Independent Accountants" shall mean Grigoraci, Trainer, Wright & Paterno, Certified Public Accountants and Consultants, Charleston, West Virginia, or any certified public accountant or firm of certified public accountants which shall be retained by the City as independent accountants for the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

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

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

"Loan Agreement" shall mean the loan agreement entered into by and among the City, the DEP and the Authority providing for the purchase of the Original Bonds from the City by the Authority.

"Mayor" shall mean the Mayor of the City.

"Net Proceeds" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1999 A Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" shall mean the balance of the Gross Revenues remaining after deduction of Operating Expenses, as hereafter defined.

"Nonpurpose Investment" shall mean any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

"Ordinance" or "this Ordinance" shall mean this Ordinance, in its present form or as hereafter amended or supplemented.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases shall mean the not more than $650,000 Subordinate Sewer Revenue Bonds, Series 1999 A, to be issued for the purpose of paying a portion of the Costs of the acquisition and construction of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto.

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

"Parity Bonds" shall mean additional Bonds issued under the provisions and within the limitations prescribed by Section 7.08 hereof, payable from Net Revenues on a parity with the Original Bonds.

"Paying Agent" shall mean the West Virginia Municipal Bond Commission or such other entity or authority as may be designated as a paying agent by the City.

"Prior Bonds" shall mean the First Lien Bonds, the Subordinate Bonds and the Supplemental Bonds.

"Prior Ordinances" shall mean the 1961 Ordinance and the 1986 Ordinance.

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

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

"Project" shall mean the acquisition and construction of the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference, and any extensions, additions, betterments and improvements to the System.

"Purchase Price," for the purpose of computation of the Yield of the Bonds, shall have the same meaning as the term "Issue Price" in Sections 1273(b) and 1274 of the Code and, in general, means the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition costs of the first buyer. Purchase Price for purposes of computing Yield of Nonpurpose Investments means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Bonds for acquisition thereof or, if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

"Qualified Investments" shall mean and include 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; the Tennessee Valley Authority; or the Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligation 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 Federal Deposit Insurance Corporation ("FDIC"), shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e), above, with banks or national banking associations

which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the owner 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 "consolidated fund" (or any distinct portion thereof) managed by the West Virginia Investment Management Board pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended; and

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

"Rebate Fund" shall mean the separate fund created by Section 8.03(A) hereof.

"Registrar" or "Bond Registrar" shall mean the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Regulations" shall mean the regulations promulgated under the Code.

"Renewal and Replacement Fund" shall mean the fund created by Section 5.01(2) hereof.

"Revenue Fund" shall mean the fund created or continued by Section 5.01(1) hereof.

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

"SRF Act" shall mean Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Ordinance.

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

"Series 1999 A Reserve Account" shall mean the reserve account established in the Series 1999 A Sinking Fund created in Section 5.02(1)(a) hereof.

"Series 1999 A Reserve Requirement" shall mean as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on each series of the Bonds in the then current or any succeeding Fiscal Year.

"Series 1999 A Sinking Fund" shall mean the sinking fund established for the Bonds and created in Section 5.02(1) hereof.

"State" shall mean the State of West Virginia.

"Subordinate Bonds" shall mean the City's Subordinate Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of $761,015.

"Supplemental Bonds" shall mean the City's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of $378,985.

"Supplemental Resolution" shall mean any resolution, ordinance or order of the City supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Original Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Original Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" shall mean the net revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds, including the reserve accounts and the Renewal and Replacement Fund.

"System" shall mean the existing sanitary sewerage collection and treatment system, both within and without said City, to be owned by the City, and shall include any extensions, additions, betterments and improvements thereto.

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

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Bonds, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

"1961 Ordinance" shall mean the ordinance authorizing the issuance of the First Lien Bonds.

"1986 Ordinance" shall mean the ordinance authorizing the issuance of the Subordinate Bonds and the Supplemental Bonds.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Words importing the masculine gender include all other genders.

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 general accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of the enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds and any other bonds authorized to be issued hereunder by those who shall own the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Findings. It is hereby found, determined and declared as follows:

A. The City is a municipal corporation and political subdivision of the State in Kanawha County of said State. Currently, the City operates a sanitary sewerage collection and treatment system (the "System"). The City deems it necessary and convenient that certain additions, extensions, betterments and improvements to the System be acquired and constructed (the "Project"). A general description of the Project is set forth in Exhibit A hereto. The Project will replace a sanitary sewer system with a gravity sewer system designed to serve certain existing industrial customers of the System. The City has entered into an "Agreement for Payment of Gravity Sewer System" with FMC Corporation, Clearon Corporation, Park Corporation, Cambridge Career Products, and First Principal Partnership (collectively, the "Industrial Users") dated July 22, 1998 under which the Industrial Users have contracted to pay the City an assessment in addition to their regular monthly sewer fees. The amount of the assessment will be calculated to repay over a twenty-year period the prinicpal of, interest on and other fees associated with the Bonds described below.

B. In accordance with Section 3 of the Bond Act, the System is under the supervision and control of the Sanitary Board of the City (the "Board"). The Board has

presented a petition to the City Council, requesting that the City Council construct the Project and enact this Ordinance.

C. The City derives Net Revenues from the System. The Net Revenues are encumbered by three series of sewer revenue bonds of the City. The City's Sewer Revenue Bonds, Series 1961, dated February 16, 1961 and issued in the aggregate principal amount of $8,000,000 (the "First Lien Bonds"), are secured by a first lien on the net revenues of the System, as set forth in the ordinance authorizing the issuance of the First Lien Bonds (the "1961 Ordinance"). The City's Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of 761,015 (the "Subordinate Bonds"), are secured by a lien on the net revenues of the System that is (i) junior and subordinate to the lien of the First Lien Bonds, as set forth in the ordinance authorizing the issuance of the Subordinate Bonds and the Supplemental Bonds defined below (the "1986 Ordinance"), and (ii) senior and prior to the lien of the Supplemental Bonds defined below. The City's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of 378,985 (the "Supplemental Bonds," and together with the First Lien Bonds and the Subordinate Bonds, the "Prior Bonds") are secured by a lien on the net revenues of the System that is junior and subordinate to the liens of the First Lien Bonds and the Subordinate Bonds, as set forth in the 1986 Ordinance.

D. The City is unable to meet the test set forth in Section 16 of the 1961 Ordinance for the issuance of bonds on a parity with the lien of the First Lien Bonds.

E. Section 6.08 of the 1986 Ordinance provides that no bonds on a parity as to the lien on and source of and security for the Subordinate Bonds shall be issued (i) so long as any Supplemental Bonds (as defined herein) are outstanding and (ii) unless the net revenues actually derived (subject to certain adjustments provided therein) from the System during any twelve consecutive months within the eighteen months immediately preceding the date of issuance of such parity bonds, plus the estimated average annual net revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum annual debt service in any succeeding year on the 1961 Bonds (as defined herein), the Subordinate Bonds (as defined herein), any additional parity bonds previously issued pursuant to the 1986 Ordinance, and the parity bonds then proposed to be issued. The parity test described in clause (ii) of the preceding sentence incorporates the definition of "Net Revenues" in the 1986 Ordinance, which in turn relies on a definition of "Operating Expenses" in the 1986 Ordinance that does not specifically exclude charges for depreciation. The City's ability to meet the parity test described above depends upon the exclusion from the term "operating expenses" as used in Section 6.08 of the 1986 Ordinance (and the consequent inclusion in the term "net revenues" as used in that section) of the additional cash flow generated from the calculation of charges for depreciation.

F. The City has secured the consent of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Subordinate Bonds and the Supplemental Bonds: (i) to the waiver of the restriction against the issuance of bonds on

a parity with the Subordinate Bonds so long as any Supplemental Bonds are Outstanding; (ii) to the modification by the City of the definition of "operating expenses" set forth in Section 1.04(W) of the 1986 Ordinance to exclude "charges for depreciation"; and (iii) to the issuance of the Bonds on a parity with the Subordinate Bonds and senior and prior to the Supplemental Bonds.

G. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of said System, including the assessments paid by the Industrial Users described above, will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and the Prior Bonds, and all sinking fund and other payments provided for in this Ordinance, the 1961 Ordinance and the 1986 Ordinance.

H. It is deemed necessary for the City to issue its Original Bonds in the aggregate principal amount of not more than $650,000 to finance the costs of the acquisition and construction of the Project herein described through the Program. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Original Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project, if any; engineering, fiscal and legal expenses; expenses for estimates of cost and revenue; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Authority and DEP, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City for any amounts expended by it for allowable costs prior to the issuance of the Original Bonds or the repayment of the indebtedness incurred by the City for such purposes shall be deemed part of the Cost of the Project.

I. The Infrastructure Council has approved the Project.

J. It is in the best interests of the City that the Original Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

K. The City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Original Bonds, or will have so complied prior to the issuance of any thereof, including, among other things, the obtaining of a letter from the Public Service Commission of West Virginia stating that a Certificate of Convenience and Necessity is not necessary for the acquisition and construction of the Project.

L. The Code provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements. It is in the best interest of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions for the Original Bonds. Accordingly, it is hereby found and determined:

(1) The City is a governmental unit with general taxing powers.

(2) The Original Bonds are not private activity bonds as defined by the Code.

(3) Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Original Bonds will be used for local governmental activities of the City.

(4) The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the Original Bonds will be issued will not exceed $5,000,000.

M. The City will not permit, at any time, any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

N. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

O. The Bonds will not be federally guaranteed within the meaning of the Code.

P. It is reasonably anticipated that all proceeds of the Original Bonds will be spent within three years from the date of issuance.

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01. Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized the acquisition and construction of the Project in accordance with plans and specifications prepared by the Consulting Engineers, approved by DEP and the City, and on file in the office of the Board.

The City has received or will receive bids for the construction of the Project that are compatible with the financing plan submitted to the Program. The City will enter into contracts for the acquisition and construction of the Project within ninety days of its issuance of the Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Original Bonds. For the purposes of paying costs of issuance, financing a portion of the costs of the acquisition and construction of the Project not otherwise provided for, funding reserve accounts therefor or any one or more of such items, there shall be issued the Original Bonds of the City. The Original Bonds shall be issued in one or more series, designated "Subordinate Sewer Revenue Bonds, Series 1999 A," and so on, in an aggregate principal amount of not more than $650,000. Each series of Original Bonds shall be dated as of the date of delivery thereof, shall bear such interest not to exceed two percent per annum, shall mature at such times, not exceeding twenty (20) years after the date of issuance, and in such amount or amounts as shall be set forth in the Loan Agreement and in the Supplemental Resolution. The Original Bonds shall not bear interest, if any, 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, if any, on the Bonds shall begin not later than one (1) year after the Completion Date. The Original Bonds shall be subject to the SRF Administrative Fee. The repayment of principal and interest, if any, on the Original Bonds shall be as set forth on Schedule Y to the respective Loan Agreements. The Original Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and the Loan Agreement and as the City Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said City Council as said City Council shall determine) adopted in connection with the sale of such Original Bonds.

The Bonds shall be payable as to principal at the principal office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds, if any, shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, provided, that so long as the Authority is the owner thereof, interest on the Original Bonds may be paid by wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a payment record attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Loan Agreement and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding, 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 may be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in said Supplemental Resolution and shall bear interest from such date.

Section 3.02. Execution of Bonds. Said Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Bonds, shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.08, shall have been duly manually executed by the 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 Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain Outstanding, the City, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

Bonds shall be transferable only upon the books of the Registrar, by the registered Owner thereof in person or by the Owner's attorney duly authorized in writing,

upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Owner or the Owner's duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the 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 Registrar incurred in connection therewith, which sum or sums shall be paid by the City. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond 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 Owner's furnishing the City proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Bond. All Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by anyone, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of security for payment from the revenues pledged herein with all other Bonds issued hereunder.

Section 3.06. Bonds not to be Indebtedness of the City. The Bonds shall not, in any event, be or constitute an indebtedness of the City 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 Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or any interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Original Bonds shall be secured forthwith equally and ratably with each other and with the Subordinate Bonds by a second lien on the Net Revenues derived from the System. The lien on the Net Revenues of the System of the Original Bonds and the

Subordinate Bonds shall be junior and subordinate to the lien of the First Lien Bonds for so long as the First Lien Bonds are Outstanding. The lien on the Net Revenues of the System of the Original Bonds and the Subordinate Bonds shall be senior and prior to the lien of the Supplemental Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and the Prior Bonds and to make the payments into the sinking funds, reserve accounts, and renewal and replacement or depreciation accounts established or continued by this Ordinance and the Prior Ordinances are hereby irrevocably pledged to the payment of the principal of and interest, if any, on the Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Original Bonds. The text of each series of Original Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

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[FORM OF THE ORIGINAL BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), 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 ___ _____ ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, ___, as set forth on the "Schedule of Debt Service" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter-described Bond Ordinance) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ____, as set forth on Exhibit B attached hereto.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 200_, at the rate of _____ percent (__%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, 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 Paying Agent. The interest on this Bond is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated _____, 199__, among the Authority, the West Virginia Division of Environmental Protection and the City.

This Bond is issued (i) to pay costs of acquisition and construction of a certain additions, extensions, betterments and improvements to the existing wastewater treatment and collection facilities of the City (the "Project"), [(ii) to fund a reserve account therefor,] and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on _____, 1999, and a Supplemental Resolution adopted by the City on the _____, 1999 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

THIS BOND RANKS EQUALLY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,015 (THE "SUBORDINATE BONDS"); JUNIOR AND SUBORDINATE AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SEWER REVENUE BONDS, SERIES 1961, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $8,000,000 (THE "FIRST LIEN BONDS"); AND SENIOR AND PRIOR AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,985 (THE "SUPPLEMENTAL BONDS," AND TOGETHER WITH THE SUBORDINATE BONDS AND THE FIRST LIEN BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a lien on the Net Revenues, on a parity with the lien of the Subordinate Bonds and junior and subordinate to the lien of the First Lien Bonds, to be derived from the operation of the System, moneys in the Series 1999 A Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds payable from such Net Revenues, and on the Supplemental Bonds, provided however, that so long as there exists in the Series 1999 A Reserve Account an amount equal to the maximum amount of principal and interest which will become due on

the Bonds and any bonds senior to or on a parity therewith, in any succeeding fiscal year, an amount equal to the requirement therefor, and so long as there exists in the reserve accounts established for the Prior Bonds are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or 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.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

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 City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

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

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, The City of South Charleston has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated the __ day of _____, 199_.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____,
as Registrar

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) $		(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____

_____

_____

_____

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

Dated: _____, ___.

_____

In the presence of:

_____

Section 3.09. Sale of Original Bonds; Ratification and Execution of Loan Agreement. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreements. As a ratification of the resolution of City Council authorizing execution of the Loan Agreement, the Mayor is specifically authorized and directed to execute the Loan Agreement and the City Clerk is directed to affix the seal of the City, attest the same and deliver the Loan Agreement to the Authority. The Loan Agreement is specifically incorporated into this Ordinance.

Section 3.10. Certificate of Consulting Engineers. Prior to the issuance of the Original Bonds, the City must obtain the certificate of the Consulting Engineers, in the form attached to the Loan Agreement, to the effect that the Project has been designed as provided in the Program application and will be constructed in accordance with the approved plans, specifications and design as submitted to the DEP and the Authority, that the Project will be adequate for the purposes for which it was designed, and the funding plan as submitted to the DEP and the Authority is sufficient to pay the costs of the acquisition and construction of the Project.

Section 3.11. Amended Schedule A Filing. Within 60 days following the Completion Date, the City will file with the Authority its schedule, in substantially the form of "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds used therefor.

ARTICLE IV

[Reserved]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are continued by or created with and shall be held by the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) the Series 1999 A Sinking Fund;

(a) Within the Series 1999 A Sinking Fund, the Series 1999 A Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. As long as the First Lien Bonds are outstanding, the entire Gross Revenues derived from the operation of the System shall be deposited in the Sewer Revenue Fund pursuant to the terms of Section 11 of the 1961 Ordinance, with such additional deposits into the Renewal and Replacement Fund established in the 1961 Ordinance as are necessary to pay the principal of and interest on the Subordinate Bonds, the Bonds and the Supplemental Bonds, and to make the required deposits into the reserve accounts established for the Subordinate Bonds, the Bonds and the Supplemental Bonds, all as set forth and with the priorities established in subdivisions (2) through (6), inclusive, of this Section 5.03A. When the First Lien Bonds are no longer outstanding, the entire Gross Revenues derived from the operation of the System shall be deposited in the Revenue Fund established by the 1986 Ordinance and continued hereby. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner therein and herein provided.

When the First Lien Bonds are no longer outstanding, the City shall make the following transfers from the Revenue Fund:

(1) The City shall, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The City shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) transfer to the Commission the amounts required by the 1986 Ordinance to be deposited in the sinking fund for the Subordinate Bonds for the payment of the principal and interest on the Subordinate Bonds; (ii) commencing 4 months prior to the first date of payment of interest, if any, on the Bonds for which interest has not been capitalized, remit to the Commission, for deposit in the Series 1999 A Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Bonds on the next ensuing quarterly interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1999 A Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date; and (iii) on the first day of each month, commencing 4 months prior to the first date of payment of principal on the Bonds, remit to the Commission, for deposit in the Series 1999 A Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1999 A Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. When additional series of Original Bonds are issued, the payment of interest and principal on said bonds shall be made simultaneously with the payments described in this Section 5.03A(2) and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds and any Subordinate Bonds then Outstanding.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) transfer to the Commission the amount required by the 1986 Ordinance, if any, to make up any deficiency in the reserve account established by the 1986 Ordinance for the Subordinate Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Bonds, transfer to the Commission for deposit in the Series 1999 A Reserve Account, if not fully funded upon issuance of the Bonds, an amount equal to 1/120 of the Series 1999 A Reserve Requirement; provided, that no further payments shall be made into the Series 1999 A Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1999 A Reserve Requirement. When additional series of Original Bonds are issued, the deposits into the reserve accounts established for such additional series of Original Bonds shall be made simultaneously with the payments described in this Section 5.03A(3), and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds and any Subordinate Bonds then Outstanding.

(4) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the reserve accounts established for the Bonds, the Subordinate Bonds, and any additional

series of Original Bonds issued hereunder. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City 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 reserve account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1999 A Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due. Moneys in the Series 1999 A Reserve Account shall be used only for the purpose of paying principal of or interest on the Bonds, as the same shall come due, when other moneys in the Series 1999 A Sinking Fund are insufficient therefor, and for no other purpose. Except for the funds required to be deposited in the Rebate Fund, all investment earnings on moneys in the Series 1999 A Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Project and thereafter, pro rata, to the Series 1999 A Sinking Fund.

Any withdrawals from the Series 1999 A Reserve Account which result in a reduction in the balance of the Series 1999 A Reserve Account to an amount below the Series 1999 A Reserve Requirement shall be subsequently restored, on a pro rata basis with any deposits required to be made to restore a reduction in the balance in the reserve account established for the Subordinate Bonds, from the first Net Revenues available after all required payments to the sinking funds for payment of debt service on the Bonds and the Subordinate Bonds have been made in full.

(5) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month for as long as the Supplemental Bonds are Outstanding, transfer to the Commission the amounts required by Section 4.03(A)(9) of the 1986 Ordinance for payment of the principal of the Supplemental Bonds.

(6) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month for as long as the Supplemental Bonds are Outstanding, transfer to the Commission the amount required by Section 4.03(A)(10) of the 1986 Ordinance, if any, to make up any deficiency in the reserve account established by the 1986 Ordinance for the Supplemental Bonds.

B. As and when additional Bonds ranking on a parity with the Original Bonds are issued, provision shall be made for additional payments into the Series 1999 A Sinking Fund sufficient to pay any interest on such additional Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1999 A Reserve Account in an amount equal to the Series 1999 A Reserve Requirement.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 A Sinking Fund created hereunder, and all amounts required for the Series 1999 A Sinking Fund shall be remitted to the Commission from the Revenue Fund by the City at the times provided herein.

The payments into the Series 1999 A Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Moneys in the Series 1999 A Reserve Account shall be invested and reinvested by the Commission in accordance with Article VIII hereof.

The Series 1999 A Sinking Fund, including the Series 1999 A Reserve Account therein, shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity with them that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Series 1999 A Sinking Fund and the sinking funds established for the Subordinate Bonds and the Supplemental Bonds then Outstanding, including the reserve accounts therein, and the Renewal and Replacement Fund during the following month or such longer period as shall be required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

D. The City shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges then due.

Simultaneously with the deposits made to the Commission pursuant to Section 5.03A(2) and (3) the City shall remit to the Commission the SRF Administrative Fee.

The City shall complete the "monthly payment form," which form 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 fifth day of each calendar month.

E. The moneys in excess of the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If, on any monthly payment date, the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments, in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

Section 5.04. Excess Bond Proceeds. Upon completion of construction of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the Bonds shall be used as directed in writing by the Authority and the DEP.

ARTICLE VI

APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Original Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bonds, there shall be deposited with the Commission in the Series 1999 A Reserve Account the sum, if any, set forth in the Supplemental Resolution.

B. The remaining moneys derived from the sale of the Original Bonds shall be deposited by the City, as received from time to time, in the Bond Construction Trust Fund hereinafter established.

C. There is hereby created and established with the Depository Bank a special fund, designated the "Bond Construction Trust Fund". The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in this Ordinance. Except with respect to any transfers to the Rebate Fund, moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

A. On or before the Closing Date, the City shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the cost of issuance of the Original Bonds which shall be made upon request of the City) shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) A "Payment Requisition Form," attached to the Loan Agreement, and

(2) a certificate, signed by the Chairman and the Consulting Engineers, stating:

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

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

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

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

B. In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall, from time to time, file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the City.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

Section 7.01. General Covenants of the City. All the covenants, agreements and provisions set forth in this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any owner or owners of the Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the owners of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, or the interest thereon, is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the City. The Bonds shall not be nor constitute an indebtedness of the City 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 Ordinance. No Holder or Holders of any Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or the interest thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Original Bonds issued hereunder shall be secured forthwith, equally and ratably, by a lien on the Net Revenues derived from the operation of the System that is junior and subordinate to the lien of the First Lien Bonds, equal to and on a parity with the lien of the Subordinate Bonds, and senior and prior to the lien of the Supplemental Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and the Prior Bonds and to make the payments into the reserve accounts established herein for the Series 1999 A Bonds and the reserve accounts established by the Prior Ordinances for the Prior Bonds, and all other payments provided for in this Ordinance, are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Prior Bonds and for the other purposes provided in the Ordinance.

Section 7.04. Rates. Prior to issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the Prior Ordinances. 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. The City shall take the necessary actions with respect to the imposition of rates, at such times and with such provisions with respect to interest rate and maturity of the Bonds, to finance the issuance of

the Bonds as the purchasers thereof shall require. 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 City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and the Prior Bonds then Outstanding; provided that, in the event that amounts at least equal to or in excess of the reserve requirements established for the Bonds and the Prior Bonds are on deposit in the respective reserve accounts for the Bonds and the Prior Bonds, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and the Prior Bonds.

Section 7.05. Completion, Operation and Maintenance; Schedule of Cost. The City will expeditiously complete the Project and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures, for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof, from the revenues of said System, in the manner provided in the Ordinance.

Upon completion of the Project, the City shall file with the Authority a schedule, in substantially the form of Amended Schedule A to the Program loan application, setting forth the actual costs of the Project and sources of funds therefor.

Section 7.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Bonds and Prior Bonds then Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the appropriate sinking funds, and the City shall direct the Commission to apply such proceeds to the payment of principal and any interest at maturity of Bonds and Prior Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other Outstanding Bonds and Prior Bonds. Any balance remaining after the redemption or payment of all the Bonds and Prior Bonds and interest thereon shall be remitted to the City by the Commission, unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City 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. The City Council may then, if it be so advised, as evidenced by certificates of the Consulting Engineers, by resolution duly adopted, approve and concur in such finding and provide for the sale of such property if the amount to be received therefor is not in excess of ten thousand dollars ($10,000), or

authorize such sale, lease or other disposition of such property, upon public bidding, if the amount to be received therefor is in excess of ten thousand dollars ($10,000) but not in excess of fifty thousand dollars ($50,000). The proceeds of any such sale, lease or other disposition of such property, not in excess of $10,000, shall be deposited in the Renewal and Replacement Fund. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the City to the Commission for deposit in the appropriate sinking funds and shall be applied only to the redemption of Bonds or Prior Bonds of the last maturities then Outstanding or to the purchase of Bonds or Prior Bonds of the last maturities then Outstanding at prices not greater than the redemption price of such Bonds or Prior Bonds. Such payments of such proceeds into the sinking funds or the renewal and replacement funds therein shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance and the Prior Ordinances.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of fifty thousand dollars ($50,000) and be insufficient to pay or redeem, prior to maturity, all the Bonds and Prior Bonds then Outstanding, without the prior approval and consent in writing of the owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds and Prior Bonds then Outstanding. The City shall prepare the form of such approval and consent for execution by the then owners of the Bonds and Prior Bonds, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except pari passu additional Bonds provided for in Section 7.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Parity Bonds may be issued as provided in Section 7.08 hereafter. All obligations hereafter issued by the City payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds to the extent such are Outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1999 A Reserve Account and the Renewal and Replacement Fund, at the time of the issuance of such subordinate obligations, have been made and are current.

Except as provided above, the City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

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

Section 7.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided and with the prior written consent of DEP and the Authority.

No Parity Bonds shall be issued, except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (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 three (3) succeeding years after the completion of the improvements to be financed by such additional Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(1) The Prior Bonds then Outstanding;

(2) Each series of Original 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 three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the 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 owners of the Original Bonds and the owners of any Parity Bonds subsequently issued, from time to time, within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for 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 lien of the Outstanding Bonds on such revenues. The City 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 Bonds.

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

Section 7.09. Insurance and Construction Bonds. The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will 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 the DEP, so long as the Authority is the Owner of the Bonds. The City will itself, or will require each contractor and subcontractor to, obtain and 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, to protect the interests of the City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The City shall also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

The City 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.

Section 7.10. Consulting Engineers. The City shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers. Such resident engineer shall certify to the Authority, the DEP and the City, 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 City 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 City shall notify the DEP in writing of such receipt. The City shall submit a Performance Certificate, the form of which is attached as Exhibit A to the Loan Agreement and is incorporated herein by reference, to the DEP within 60 days of the end of the first year after the Project is completed.

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

to operate the System during the entire term of the Loan Agreement. The City shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

The City agrees that qualified operating personnel, properly certified by the State, will be retained to operate the System during the entire term of the Loan Agreement.

Section 7.11. Compliance With Loan Agreement, Rules and Regulations. The City hereby covenants and agrees to perform and satisfy all terms and conditions of the Loan Agreement and to comply with all applicable laws, rules and regulations issued by the Authority and DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System. Notwithstanding anything herein to the contrary, the City will provide the DEP with copies of all documents submitted to the Authority.

Section 7.12. No Free Services. The City will not render or cause to be rendered any free services, of any nature, by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself or herself 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 City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.13. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, 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, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, or of the waterworks system, if any, or the sewerage system constituting a part thereof, shall remain unpaid for a period of thirty (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. The City further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations promulgated by the Public Service Commission of West Virginia applicable thereto, discontinue and shut off both the water, if any, and the sewerage services and facilities of the System to all delinquent users of the services and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, and will not restore either water or sewerage services of the System until all delinquent charges for the service and facilities of the System, or of the waterworks system or sewerage system

constituting a part thereof, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 7.14. No Competing Franchise. To the extent allowable by law, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.15. Books, Records and Facilities. The City 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 City 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 City shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the Loan Agreements or other sources of financing for the Project.

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

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

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the West Virginia Public Service Commission and the Bond Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the City.

The City shall file with the Consulting Engineers and the Authority and DEP, and shall mail in each year to any owner or owners 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 Ordinance with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations Outstanding and secured by a lien on the Net Revenues of the System.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent 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 Accountants, or a summary thereof, to any owner or owners of Bonds issued pursuant to this Ordinance, and shall submit said report to the Authority and the DEP. The report of said audit shall include a statement that the City is in compliance with the terms and provisions of the Act and the Loan Agreement and that the City's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

The City shall, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, each month complete a Monthly Financial Report and forward a copy by the 10th of each month to the Authority and the DEP.

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

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

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

Section 7.16. Operating Budget. The Board 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 thirty days of the 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 the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made, except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his address with the City and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.17. Mandatory Connection. The mandatory use of the System is essential and necessary to protect and preserve the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the City and 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 Bureau of Public 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 matter from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau of Public Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

Any such house, dwelling or building from which emanates sewage or water-borne waste matter and which is not so connected with the System is hereby declared and found to be a hazard to the health, safety, comfort and welfare of the inhabitants of the City 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 7.18. Statutory Mortgage Lien. For the further protection of the Bondholders, a statutory mortgage lien upon the System is granted and created by the Bond Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds and shall be for the benefit of all Owners of the Bonds.

Section 7.19. PSC Matters. The City has received a letter from the Public Service Commission of West Virginia stating that the City is not required to seek or obtain a Certificate of Convenience and Necessity to acquire and construct the Project. To the extent this finding is ever successfully challenged, the City will take all necessary steps to secure a Certificate of Convenience and Necessity for the Project.

Section 7.20. Covenant to Amend Ordinance. The City retains the right to make any amendments to or insertions or deletions from this Ordinance by a further amendatory ordinance or by the Supplemental Resolution as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Authority and the DEP.

Section 7.21. Tax Covenants. The City hereby further covenants and agrees as follows:

A. PUBLIC PURPOSE BONDS. The City shall use the proceeds of the Bonds solely for the Project and as otherwise set forth herein, and the Project will be solely operated as a public purpose and as local governmental activity of the City.

B. PRIVATE ACTIVITY BOND COVENANT. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

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

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

E. INFORMATION RETURN. The City will file all statements, instruments and returns necessary to assure the tax exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

F. FURTHER ACTIONS. The City will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludible from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

Section 8.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, 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 direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specified 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. 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 of such liquidation. The Depository Bank or such other bank or national banking association may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 8.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the City's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exception from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(D) of the Code, the City covenants that it is a governmental unit with general taxing powers; that no part of the Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unity the jurisdiction of which is entirely within the jurisdiction of the City); and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City during the calendar year in which the Bonds are issued does not and will not exceed $5,000,000,

determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect as applicable to the Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)D) of the Code, the City and all entities that issue obligation on behalf of the City shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

If it is determined that the City does not quality for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the Bonds, the City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the City shall deposit, or cause to be deposited, with the Depository Bank in a separate fund designated the Rebate Fund, such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, if any, and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the City shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the City. To the extent not so performed by the Authority, the City and the Depository Bank (at the expense of the City) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City or the Depository Bank may deem appropriate in order to assure compliance with this Section 9.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to

this Section 9.03 in accordance with the requirements of Section 148(f) of the Code. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

The City shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority and shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as that term is defined in the Code) from time to time as the Authority may request.

Section 8.04. Restriction of Yield and Bond Proceeds. If required, the City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to such Bonds set forth in this Ordinance, any supplemental resolution, or in such Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by any bank or banking association holding any fund or account hereunder or an owner of such Bonds; or

(C) If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default with respect to any Bonds, any Registered Owner of such Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding, enforce all rights of such registered Owners, including the right to require the City to perform its duties under the Act and the Ordinance 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 such Bonds, (iv) by action at law or bill in equity, require the City to account as if it were the trustee of an express trust for the registered Owners of such Bonds, and (v) by action or bill in equity, enjoin any acts in violation of the Ordinance with respect to such Bonds, or the rights of such registered Owners.

Section 9.03. Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including 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 default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in the Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the City of such default, any Bondholder shall, in addition to all other remedies or rights, have the right, by appropriate legal proceedings, to obtain the appointment of a receiver to administer the System on behalf

of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Ordinance and the Act.

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

Whenever all that is due upon the Bonds issued pursuant to the Ordinance and interest thereon and under any covenants of the Ordinance 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 Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any owner of Bonds issued pursuant to this Ordinance 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, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and Owners of Bonds issued pursuant to the Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and Bondholders, and the curing and making good of any default under the provisions of the Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient to pay, as and when due, the principal of and interest on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agents, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments and interest due and to become due on said Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purposes other than, and shall be held in trust for, the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this Section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or Ordinanceamendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the owners of two-thirds (2/3) or more in principal amount of the Bonds then Outstanding and to be affected by said modification; provided, however, 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 City to pay such principal and interest out of the revenues of the System without the consent of the owner thereof. No amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 11.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 11.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 11.04. Covenant of Due Procedure. The City 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 final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of City Council 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 11.05. Abstract of Ordinance and Notice of Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least six full days intervening between each publication, in The Charleston Gazette and The Daily Mail, newspapers of general circulation in the City, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the City upon a certain date, 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 City for review by interested persons during office hours of the City. The City Council hereby determines that the Abstract

contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the City shall take such action as it shall deem proper in the premises.

Section 11.06. Effective Date. This Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

First Reading: March 18, 1999

Second Reading
and Passage: April 1, 1999

Public Hearing: April 15, 1999

This Ordinance was placed into effect following the public hearing held on April 15, 1999.

(SEAL)

City Clerk

Mayor

EXHIBIT A

Project Description

The Project consists of certain sanitary sewer system improvements at the Old Charleston Naval Ordnance Plant, including the installation of approximately 2,293 linear feet of 15-inch PVC gravity sewer pipe, 1,361 linear feet of 10-inch PVC gravity sewer pipe, 3 flow-monitoring manholes/assemblies and other miscellaneous accessories.

EXHIBIT B

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING and ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on April 1, 1999, the City Council of The City of South Charleston, West Virginia (the "City") enacted an ordinance which:

1. Authorized the acquisition and construction of certain additions, extensions, betterments and improvements (the "Project") to the City's existing wastewater collection and treatment system of the City (the "System") and the financing of the permanent cost, not otherwise provided, thereof through the issuance of not more than $650,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, with series designations to be set forth in the Supplemental Resolution (the "Bonds").

2. Directed that the Bonds be issued and in the form of one bond, fully registered with a payment record attached; that interest on the Bonds shall be not more than two percentum (0%) per annum, that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the City Clerk; that such Bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development Authority as the Original Purchaser on behalf of the West Virginia Division of Environmental Protection.

3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a reserve account for the Bonds and the continuation of a Renewal and Replacement Fund; and provided for the use of excess funds of the System.

4. Provided for the disbursement of Bond proceeds and created a Bond Construction Trust Fund.

5. Pledged to payment of the Bonds the Net Revenues of the System and established the rights of the holders of the Bonds to the Net Revenues of the System.

6. Provided upon certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the Project; provided that the City will render no free service; provided for the enforcement of collection of fees, rates, rentals or other charges for service.

8. Established the terms for defaults and the remedies of the Bondholders.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the City Council of The City of South Charleston at a regular meeting thereof at 7:30 p.m., prevailing time, on April 15, 1999, in the City Council Chambers, 4th Avenue and D Street, South Charleston, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the City Council of City, is on file with the City Clerk for review by interested persons during the regular hours at the address listed above, to-wit: 9:00 a.m. to 4:30 p.m., Monday through Friday.

_____
City Clerk - The City of South Charleston,
West Virginia

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as City Clerk of The City of South Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of The City of South Charleston, and that the action taken by the City Council in the foregoing document remains in full force and effect and has not been amended.

Dated this 25th day of May, 1999.

City Clerk

[SEAL]

CHASFS3:141474

Resolution NO. 1661

INTRODUCED IN COUNCIL

April 15, 1999

PASSED BY COUNCIL

~~April 15,~~ 1999

BEFORE THE COMMON COUNCIL OF THE
CITY OF SOUTH CHARLESTON, WEST VIRGINIA

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITIES, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT SCHEDULE, SALE PRICES AND OTHER TERMS OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; SPECIFYING A CONTRIBUTION OF THE CITY OF SOUTH CHARLESTON TO THE PROJECT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Common Council (the "Governing Body") of The City of South Charleston (the "City"), has duly and officially adopted a Bond Ordinance on March 18, 1999, effective April 1, 1999 (the "Bond Ordinance"), entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE COLLECTION AND TREATMENT SYSTEM OF THE CITY OF SOUTH CHARLESTON; AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF SOUTH CHARLESTON IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $650,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE CITY OF SOUTH CHARLESTON WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE 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; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

19B

WHEREAS, the Bond Ordinance provided for the issuance of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City (the "Bonds"), in the aggregate principal amount not to exceed $650,000, and authorized the execution and delivery of a loan agreement relating to the Bonds, including all amendments and supplements (collectively, the "Loan Agreement"), by and between the City and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Division of Environmental Protection ("DEP"), all in accordance with Chapter 22C, Article 2, and Chapter 16, Article 13, of the West Virginia Code of 1991, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the exact principal amount, maturity dates, interest rate, interest and principal payment date, 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 Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted and that the exact principal amount, price, maturity dates, interest rate and interest and principal payment dates of the Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Bonds be herein provided for;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

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 City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City, originally represented by a single Bond, numbered AR-1, in the original principal amount of $650,000. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2019, and shall bear interest at the rate of two percent (2%) per annum. Principal of and interest on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2000. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal and interest in the amounts as set forth in "Schedule Y," attached thereto and to the Loan Agreement and incorporated herein by reference. The City shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement.

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 execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the City are hereby authorized, directed, ratified and approved. The City hereby affirms all covenants and

representations made in the Loan Agreement and in the Application to the DEP. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the City.

Section 4. The City does hereby appoint and designate United National Bank, Charleston, West Virginia, as Registrar (the "Registrar") for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the City and the Registrar, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the City are hereby authorized, approved and directed.

Section 5. The City does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 6. The City does hereby appoint United National Bank, South Charleston, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. The City has created a Series 1999 A Reserve Account which will be funded from the proceeds of the Bonds in the amount not to exceed $45,000, and being an amount equal to the Series 1999 A Reserve Requirement. Moneys in the Reserve Account and the Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

Section 8. The proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Bond Construction Trust Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds.

Section 9. The Mayor and Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about May 10, 1999, to the Authority pursuant to the Loan Agreement.

Section 10. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

Section 11. The City hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the City hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in

writing by the City. Moneys in the Sinking Fund, including the Series 1999 A Reserve Account therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 12. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 13. The City, through its Sanitary Board, has contributed $31,900 to the Cost of the Project in the form of amounts already expended on technical and fiscal services.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

The foregoing Resolution was read and duly adopted at a regular meeting of the Common Council of The City of South Charleston held on the 15th day of April, 1999.

THE CITY OF SOUTH CHARLESTON

[SEAL]

Mayor

ATTEST:

Clerk

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of South Charleston on the 15th day of April, 1999.

Dated: 15 APRIL, 1999.

Clerk

141081

BEFORE THE COMMON COUNCIL OF THE
CITY OF SOUTH CHARLESTON, WEST VIRGINIA

SECOND SUPPLEMENTAL RESOLUTION AMENDING AND MODIFYING SUPPLEMENTAL RESOLUTION ADOPTED ON APRIL 15, 1999, AND PROVIDING AS TO INTEREST AND PRINCIPAL PAYMENT SCHEDULE AND DELIVERY DATE OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A.

WHEREAS, the Common Council (the "Governing Body") of The City of South Charleston (the "City"), has duly and officially adopted a Supplemental Resolution on April 15, 1999 (the "Supplemental Resolution"), entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITIES, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT SCHEDULE, SALE PRICES AND OTHER TERMS OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; SPECIFYING A CONTRIBUTION OF THE CITY OF SOUTH CHARLESTON TO THE PROJECT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Supplemental Resolution provided for the issuance of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City (the "Bonds"), and further provided, among other things, (i) that the Bonds would finally mature on December 1, 2019; (ii) that the payment of principal of and interest on the Bonds would commence on March 1, 2000; and (iii) that the Bonds would be delivered on or about May 10, 1999;

WHEREAS, during the course of preparations for the issuance of the Bonds, the final maturity date, the date for the commencement of payment of principal of and interest on the Bonds, and the date of the delivery of the Bonds has changed;

WHEREAS, the Governing Body deems it essential and desirable that the Supplemental Resolution be amended and modified to reflect these changes;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

Section 1. Section 1 of the Supplemental Resolution is hereby amended and modified to read as follows:

"The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City, originally represented by a single Bond, numbered AR-1, in the original principal amount of $650,000. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2020, and shall bear interest at the rate of two percent (2%) per annum. Principal of and interest on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2000. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal and interest in the amounts as set forth in "Schedule Y," attached thereto and to the Loan Agreement and incorporated herein by reference. The City shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement."

Section 2. Section 9 of the Supplemental Resolution is hereby amended and modified to read as follows:

"The Mayor and Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about May 25, 1999, to the Authority pursuant to the Loan Agreement."

Section 3. This Supplemental Resolution shall be effective immediately following adoption hereof.

The foregoing Resolution was read and duly adopted at a regular meeting of the Common Council of The City of South Charleston held on the 20th day of May, 1999.

THE CITY OF SOUTH CHARLESTON

[SEAL]

Richard H. Pohl
Mayor

ATTEST:

Jack Wolfe
Clerk

CERTIFICATION

Certified a true copy of a Second Supplemental Resolution duly adopted by the Council of The City of South Charleston on the 20th day of May, 1999.

Dated: May 25, 1999.

Clerk

CHASFS3:145586

BOND ORDINANCE

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

20A

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Ordinance No. 1545

Introduced in Council

Passed by Council

August 14, 1986

Introduced by

Referred to

BOND ORDINANCE

An Ordinance authorizing the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewage facilities of The City of South Charleston; authorizing the issuance of not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, and not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, of said City of South Charleston to be used, along with other funds and moneys of, or available to, The City of South Charleston which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction; providing for the sale of such bonds to the West Virginia Water Development Authority and for the rights and remedies of and security for the owners of such bonds; directing the transfer of certain existing funds in connection with such acquisition and construction and the issuance of such bonds; and adopting other provisions related thereto.

Be It Ordained by The City Council of The City of South Charleston, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and other applicable provisions of law.

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

A. The City of South Charleston, West Virginia (the "City"), now owns a public sewage collection and treatment system (the "System"), consisting of a sewage treatment plant or plants and some or all of collecting, intercepting and

this Ordinance.

J. It is deemed necessary for the City to issue its Bonds to finance the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of the acquisition of any real property involved; the cost of the construction of said extensions, additions, betterments and improvements to the System and any other expenses necessary, incidental, desirable or appurtenant to the acquisition and construction of such extensions, additions, betterments and improvements to the System; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; expenses for fiscal or other agents in connection with the issuance of the Bonds; interest on the Subordinate Bonds prior to, during and for 6 months after completion of construction of the Project; and such other expenses as may be necessary or desirable to said acquisition and construction of the extensions, additions, betterments and improvements to the System authorized by this Ordinance and the financing authorized by this Ordinance.

K. It is in the best interests of the City that its Bonds be sold to the Authority pursuant to the terms and provisions of the WDA Loan Agreements to be entered into between the City and the Authority.

L. It is in the best interests of the City that the amounts currently on deposit in the Renewal and Replacement Fund pursuant to Subsection 11(3) of the 1961 Ordinance and certain excess excess moneys in the Sewer Revenue Fund maintained under the Prior Ordinances be transferred as prescribed herein.

M. The City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds and such other bonds authorized to be issued hereunder by those who shall own the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal owners of any and all of such Subordinate Bonds and of such Supplemental Bonds, as the case maybe, all of which Subordinate Bonds and Supplemental Bonds, respectively, shall be of equal rank and without

preference, priority or distinction between any one Subordinate Bond and any other Subordinate Bonds or between any one Supplemental Bond and any other Supplemental Bond, as the case may be, 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 in this Ordinance unless the context expressly requires otherwise:

A. "Act" shall mean Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

B. "Authority" shall mean the West Virginia Water Development Authority, which is expected to be the original purchaser of the Original Bonds, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

C. "Authorized Officer" shall mean the Mayor of the City or any acting Mayor duly appointed or any other officer duly so authorized by the Council.

D. "Bond Construction Trust Fund" shall mean the fund created by Section 4.01(C) hereof.

E. "Bondholder" or "Owner of the Bonds" or "Owner" or any similar term shall mean any person who shall be the registered owner of any outstanding Bond, Subordinate Bond or Supplemental Bond, as the case may be.

F. "Bonds" or "Bonds authorized hereby" or similar phrases shall mean collectively, the Subordinate Bonds and the Supplemental Bonds issued for the purpose of paying the Costs of the Project and such other purposes permitted hereby and authorized by resolution supplemental hereto.

G. "City" shall mean The City of South Charleston, a municipal corporation of the State of West Virginia, and, when appropriate, also means the Council thereof and any department, board or agency thereof in control of the management and operation of the System, as hereinafter defined.

H. "Clerk" or "City Clerk" shall mean the Clerk of the City.

I. "Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

J. "Consulting Engineers" shall mean Howard K. Bell, Consulting Engineers, Inc., Lexington, Kentucky, or any

engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineers for the System as hereinafter defined.

K. "Cost of Project" shall mean those costs described in Section 1.02(J) hereof to be a part of the cost of the acquisition and construction of the Project, as hereinafter defined.

L. "Council" shall mean the Council of the City or any other governing body of the City that succeeds to the functions of the Council as presently constituted.

M. "Depository Bank" shall mean the bank designated as such in the Supplemental Resolution, as hereinafter defined, and its successors and assigns.

N. "Event of Default" shall mean any occurrence or event specified in Section 8.01.

O. "FDIC" shall mean the Federal Deposit Insurance Corporation or any successor to the functions of the FDIC.

P. "Fiscal Year" shall mean each twelve month period beginning on July 1 and ending on the succeeding June 30.

Q. "Government Obligations" shall mean (i) direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, (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.

R. "Gross Revenues" shall mean all rates, charges, fees, rents or other income received by or accrued to the Board and the City, from the operation and management of the System and all parts thereof, all as calculated in accordance with sound accounting practice.

S. "Independent Accountants" shall mean any firm of certified public accountants which shall be retained by the City as independent accountants for the System.

T. "Loan Agreement" shall mean the Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit B hereto and incorporated herein by

reference, providing for the purchase of the Subordinate Bonds from the City by the Authority.

U. "Mayor" shall mean the Mayor of the City.

V. "Net Revenues" shall mean the balance of the Gross Revenues remaining after deduction of Operating Expenses, as hereafter defined.

W. "Operating Expenses" shall mean such reasonable current expenses, paid or accrued, of operation, repair and maintenance of the System as are normally and regularly included under recognized accounting practices, including such administrative and supervisory expenses as relate solely to the operation and maintenance of the System and the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred; and shall also include payments to any person, firm or corporation for the operation and management of the facilities and properties of the System, or any part thereof, pursuant to contracts or agreements entered into under the provisions of Section 22, of the Act.

X. "Outstanding," when used with reference to the Bonds, whether Subordinate or Supplemental Bonds, and as of any particular date, shall mean all such Bonds theretofore and thereupon being authenticated and delivered except (i) any such Bond cancelled by the Registrar, at or prior to said date; (ii) any such Bond for the payment of which moneys, equal to its principal amount, with interest to the date of maturity of any such Bonds, shall be in trust hereunder and set aside for such payment (whether upon or prior to maturity); (iii) any such Bond deemed to have been paid as provided in Section 9.01 or 9.02 hereof; and (iv) for purposes of consents or other action by a specified percentage of Bondholders, any such Bond registered to the City.

Y. "Parity Bonds" shall mean additional Bonds issued under the provisions and within the limitations prescribed by Section 6.08 hereof, payable from Net Revenues on a parity with the Subordinate Bonds.

Z. "Parity Supplemental Bonds" shall mean additional Bonds issued under the provisions and within the limitations prescribed by Section 6.08 hereof, payable from Net Revenues on a parity with the Supplemental Bonds.

AA. "Paying Agent" shall mean the entity or entities designated as such in a resolution supplemental hereto.

BB. "Permitted Liens" shall mean the priority liens on the Net Revenues created by Prior Bonds.

CC. "Prior Bonds" shall mean the City's Sewer Revenue Bonds, dated March 1, 1956 and February 16, 1961 issued in the principal amount of $2,000,000 and $8,000,000 respectively and currently outstanding in the principal amount of $748,000 and $4,685,000 respectively.

DD. "Prior Ordinances" shall mean the ordinances passed by the Council of the City on March 1, 1956 and February 16, 1961, authorizing the issuance of the Prior Bonds.

EE. "Program" shall mean the Authority's loan program, under which the Authority purchases the water development revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of water development revenue bonds of the Authority.

FF. "Project" shall mean the extensions, additions, betterments and improvements described in Exhibit A attached hereto to the existing public sewage collection and treatment system of the City.

GG. "PSC" shall mean the Public Service Commission of West Virginia or any other agency of the State that succeeds to the functions of the PSC.

HH. "Qualified Investments" shall mean and include 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; the Government National Mortgage Association; the Tennessee Valley Authority or the Washington Metropolitan Area Transit Authority;

(d) Any bond, debenture, note, participation certificate or other similar obligation 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 Federal Deposit Insurance Corporation ("FDIC") or Federal Savings and Loan Insurance Corporation, shall be secured by a pledge of Government Obligations, provided, that said Government Obligations pledged either must mature as nearly as practicable coincident with the maturity of said time accounts or must be replaced or increased so that the market value thereof is always at least equal to the principal amount of said time accounts;

(f) 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 owner 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; and

(g) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia State Board of Investments pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended, provided that investments by such fund (or portion thereof) on behalf of the City may only be in Qualified Investments other than the those described in this paragraph (g).

II. "Registrar" shall mean the bank designated as such in a resolution supplemental hereto.

JJ. "Renewal and Replacement Fund" shall mean the renewal and replacement fund created by Section 4.01(B) and, if the Prior Bonds are outstanding the Renewal and Replacement Fund shall mean the the renewal and replacement fund described in Subsection 11(3) of the 1961 Ordinance.

KK. "Reserve Account" shall mean the account in the Sinking Fund as hereinafter defined created by Section 4.02(A).

LL. "Reserve Account Requirement" shall mean the maximum amount of principal and interest which will mature and come due on the Subordinate Bonds in any Fiscal Year.

MM. "Revenue Fund" shall mean the revenue fund created by Section 4.01(A), and if the Prior Bonds are outstanding, the Revenue Fund means the Renewal and Replacement

Fund pursuant to Subsection 11(3) of the 1961 Ordinance with the additional funding specified in Section 4.03(A)(2).

NN. "Sanitary Board" shall mean the Sanitary Board of the City established by ordinance duly enacted by this City and successors to the function thereof.

OO. "Sinking Fund" shall mean the fund created by Section 4.02(A).

PP. "State" shall mean the State of West Virginia.

QQ. "Subordinate Bonds" shall mean the not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, originally authorized by this Ordinance and any pair passu additional Bond hereafter issued within the terms, restrictions and conditions contained herein.

RR. "Supplemental Bonds" shall mean the not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, originally authorized by this Ordinance and any pari passu additional Bonds hereinafter issued within the terms, resolutions and conditions contained herein.

SS. "Supplemental Loan Agreement" shall mean the Supplemental Loan Agreement between the Authority and the City, in substantially the form attached as Exhibit C hereto and incorporated herein by reference, providing for the purchase of the Supplemental Bonds from the City by the Authority.

TT. "Supplemental Bonds Reserve Account" shall mean the account established in the Supplemental Sinking Fund pursuant to Section 4.02 hereof.

UU. "Supplemental Reserve Requirement" shall mean as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on the Supplemental Bonds in any Fiscal Year.

VV. "Supplemental Resolution" shall mean any resolution, ordinance or order of the City supplementing or amending this Ordinance and, when preceded by the article "the", refers specifically to the supplemental resolutions authorizing the sale of the Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Bonds and not so included may be included in another Supplemental Resolution.

WW. "Supplemental Sinking Fund" shall mean the Supplemental Sinking Fund established by Section 4.02 hereof.

XX. "System" shall mean the complete existing public

sewerage system now owned by the City, consisting of a sewage treatment plant or plants and some or all of collecting, intercepting and outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations, ejector stations and all other appurtenances, and shall include the Project and any further extensions, additions, betterments and improvements thereto hereafter acquired or constructed for said sewerage system from any sources whatsoever, both within and without said City.

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

ZZ. "WDA Loan Agreements" shall mean, collectively, the Loan Agreement and the Supplemental Loan Agreement.

aa. Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Words importing the masculine gender include all other genders.

bb. 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.

cc. The terms "herein", "hereunder", "hereby", "hereto", "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of the enactment of this Ordinance.

dd. Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01. Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized the acquisition and construction of the Project in accordance with plans and specifications therefor prepared by the Consulting Engineers.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Bonds. For the purpose of financing a portion of the costs of the acquisition and construction of the Project not otherwise provided for, there shall be issued the Bonds of the City. The Bonds shall be issued in two issues, to be designated, respectively, "Subordinate Sewer Revenue Bonds, Series 1986" in an aggregate principal amount of not more than $100,000, and "Supplemental Subordinate Sewer Revenue Bonds, Series 1986," in the aggregate principal amount of not more than $500,000. The precise principal amounts of the Bonds shall be specified by the Supplemental Resolution. The Bonds shall be dated as of the date of delivery thereof, shall mature on October 1 in such years, not exceeding forty (40) years after the date of issuance; and in such amounts as shall be set out in Schedule X to the WDA Loan Agreements, respectively. The Subordinate Bonds shall bear interest at the rate set forth in the Supplemental Resolution, not to exceed twelve percent (12%) per annum, payable semiannually, on April 1 and October 1 of each year, beginning on the first interest payment date following issuance and delivery of the Bonds. The Supplemental Bonds bear no interest. The Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and the WDA Loan Agreements and as the Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said Council as said Council shall determine) adopted in connection with the sale of such Bonds.

The Bonds shall be payable as to principal at the principal office of the Paying Agent in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Registrar, provided, that so long as the Authority is the owner thereof, interest on the Subordinate Bonds may be paid by wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Bonds shall be issued in the form of a single bond for each issue, fully registered to the Authority, representing the aggregate principal amount of each issue, and shall mature in principal installments, all as provided in the WDA Loan Agreements and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Owner for other fully registered Bonds in aggregate principal amount

equal to the amount of said Bonds then Outstanding, 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 may be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in a said Supplemental Resolution and shall bear interest from such date.

Section 3.02. Execution of Bonds. Said Bonds shall be executed in the name of the City by the Mayor, and the seal of the City shall be affixed thereto or imprinted thereon and attested by the Clerk. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as at the actual time of the execution of such Bonds shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.08 shall have been duly manually executed by the 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 Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable

instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as any of the Bonds remain outstanding, the City, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

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

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Registrar. For every such exchange or transfer of Bonds, the 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 Registrar incurred in connection therewith, which sum or sums for any Bonds owned by the Authority, in the event of partial redemption of any Bond or in connection with the first transfer of any Bond from the original purchaser thereof shall be paid by the City and, otherwise, shall be paid by the Owner requesting such transfer or exchange. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bonds shall become mutilated or be destroyed, stolen or lost, the City may in its discretion issue, and the Registrar shall authenticate and deliver, a new Bond or Bonds as the Bond or Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds, upon surrender and cancellation of such mutilated Bonds, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Owner's furnishing the City proof of his ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur. All Bonds so surrendered shall be cancelled by the Registrar and held for the account of the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute

Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

Any such duplicate Bonds issued pursuant to this Section shall constitute original, additional contractual obligations on the part of the City, whether or not the lost, stolen or destroyed Bonds be at any time found by any one, and such duplicate Bonds shall be entitled to equal and proportionate benefits and rights as to lien and source of and security for payment from the revenues pledged herein with all other Subordinate Bonds or Supplemental Bonds, as the case may be, issued hereunder.

Section 3.06. Bonds not to be Indebtedness of the City. The Bonds shall not, in any event, be or constitute an indebtedness of the City 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 Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or any interest thereon.

Section 3.07. Subordinate Bonds Secured by Subordinate Pledge of Net Revenues; Supplemental Bonds to be Junior and Subordinate to Subordinate Bonds. The payment of the debt service of all the Subordinate Bonds shall be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System junior and subordinate only to the Permitted Liens. The payment of the debt service of all the Supplemental Bonds shall also be secured forthwith equally and ratably with each other by a lien on the Net Revenues derived from the System, but junior and subordinate to the lien on such Net Revenue in favor of the Owners of the Prior Bonds and the Subordinate Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and to make the payments into the sinking funds and the reserve accounts therein and in the Renewal and Replacement Fund hereinafter established, are hereby irrevocably pledged to the payment of the principal of and any interest on the Bonds as the same become due.

Section 3.08. Form of Bonds. The text of the Subordinate Bonds and Supplemental Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

[FORM OF THE SUBORDINATE BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BOND,
SERIES 1986

No. R-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority "), or registered assigns, the sum of _____ Dollars ($_____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference, with interest on each installment at the rate per annum set forth on said Exhibit A.

The interest rate on each installment shall run from the date of this Bond until payment of such installment, and such interest shall be payable on the 1st day of April, and the 1st day of October in each year beginning _____ 1, 198__. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of _____, _____, West Virginia, as paying agent (the "Paying Agent"). The interest on this Bond is payable by check or draft mailed to the registered owner hereof at the address as it appears on the books of _____, _____, West Virginia, as registrar (the "Registrar") on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable so long as the Authority is registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement, dated as of _____, between the City and the Authority.

This Bond is issued to pay costs of acquisition and construction of certain improvements, additions, extensions and betterments to the existing public sewerage system of the City

(the "Project") (said existing system, together with the Project and any further improvements, additions, extensions or betterments thereto, is hereinafter referred to as the "System") and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on the _____ day of _____, 1986, and a Supplemental Resolution adopted by the City on the _____ day of _____, 1986 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

This Bond is issued contemporaneously with the Supplemental Subordinate Sewer Revenue Bonds, Series 1986 of the City (the "Supplemental Bonds"), issued in the aggregate principal amount of $430,000, which Supplemental Bonds are junior and subordinate with respect to liens and sources of and security for payment of the Prior Bonds, as hereinafter defined, and the Bonds of this issue.

This Bond is payable only from and secured by a lien subordinate only to the Permitted Liens on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, moneys in the Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds, payable from such revenues, and on the Supplemental Bonds, provided however, that so long as there exists in the Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds on a parity therewith in

any succeeding fiscal year, and the reserve accounts for the Prior Bonds, as hereinafter defined, and any other obligations prior to the Bonds and for the Supplemental Bonds are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

The City has outstanding its Sewer Revenue Bonds, dated March 1, 1956 and Sewer Revenue Bonds, Series 1961 in the principal amount of $748,000 and $4,685,000, respectively (the "Prior Bonds"), which Prior Bonds are payable from and secured by the Net Revenues of the System prior to the Bonds.

This Bond is transferable, as provided in the Ordinance, only upon the books of the Registrar, kept for that purpose at the office of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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

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

All provisions of the Ordinance, 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 SOUTH CHARLESTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its Clerk, and has caused this Bond to be dated _____, 1986.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____
as Registrar

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

Dated: _____, _____.

_____

In the presence of:

_____

[FORM OF THE SUPPLEMENTAL BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON
SUPPLEMENTAL SUBORDINATE
SEWER REVENUE BOND,
SERIES 1986

No. SR-_____ $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia in Kanawha County of said State, (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to West Virginia Water Development Authority (the "Authority"), or registered assigns, the sum of _____ ($_____), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit A hereto and incorporated herein by reference.

Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of _____, _____, West Virginia, as paying agent (the "Paying Agent"). This Bond bears no interest.

This Bond may be redeemed prior to its stated date of maturity in whole or in part at any time, but only with the express written consent of the Authority.

This Bond is issued to pay costs of acquisition and construction of certain improvements, additions, extensions and betterments to the existing public sewerage system of the City (the "Project") (said existing system, together with the Project and any further improvements, additions, extensions or betterments thereto, is hereinafter referred to as the "System") and to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on the _____ day of _____, 1986, and a Supplemental Resolution adopted by the City on the _____ day of _____, 1986 (collectively called the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for

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

This Bond is issued contemporaneously with the Sewer Revenue Bonds, Series 1986, of the City (the "Subordinate Bonds") issued in the aggregate principal amount of $_____, which Subordinate Bonds rank prior with respect to liens and sources of and security for payment to the Bonds of this issue. This Bond is also junior and subordinate to the Prior Bonds, as hereinafter defined.

The City has outstanding its Sewer Revenue Bonds dated March 1, 1956 and Sewer Revenue Bond, Series 1961 in the principal amount of $748,000 and $4,685,000, respectively (the "Prior Bonds"), which Prior Bonds are payable from and secured by the Net Revenue of the System prior to both the Subordinate Bonds and the Bonds.

This Bond is payable only from and secured by a lien, subordinate only to the Permitted Liens and Subordinate Bonds respectively, on the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, moneys in the Supplemental Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same except from said special fund provided from the Net Revenues, the moneys in the Supplemental Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City 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 to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds, provided however, that so long as there exists in the Supplemental Reserve Account an amount equal to the maximum amount of principal and interest, if any, which will become due on the Bonds and any bonds on a parity therewith in any fiscal year, and in the reserve accounts for any such prior or parity obligation an amount equal to the respective requirement therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Ordinance. Remedies provided the registered owners of the

Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, West Virginia, as registrar (the "Registrar"), kept for that purpose at the office of the Registrar by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

All money received from the sale of this Bond, after reimbursement and repayment of all amounts advanced for preliminary expenses as provided by law, shall be applied solely to the payment of the Costs of the Project described in the Ordinance, 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; provided that such lien on moneys deposited in the Bond Construction Trust Fund created by the Ordinance shall be subordinate to that of the Subordinate Bonds.

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

All provisions of the Ordinance, 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 SOUTH CHARLESTON has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by

its Clerk, and has caused this Bond to be dated _____, 1986.

[SEAL]

_____
Mayor

ATTEST:

_____
Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____
as Registrar

By _____
Its Authorized Officer

Date: _____

EXHIBIT A

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

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

_____

_____

_____

_____

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.09. Sale of Bonds; Execution of WDA Loan Agreements. The Bonds shall be sold to the Authority, pursuant to the respective terms and conditions of the WDA Loan Agreements. Execution and delivery to the Authority of the WDA Loan Agreements by the Mayor and Clerk are hereby specifically authorized, confirmed and ratified. The WDA Loan Agreements are specifically incorporated into this Ordinance.

ARTICLE IV

SYSTEM REVENUES AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are created with and shall be held by the Depository Bank:

(A) Revenue Fund (when the Prior Bonds are no longer outstanding);

(B) Renewal and Replacement Fund (when the Prior Bonds are no longer outstanding); and

(C) Bond Construction Trust Fund.

Section 4.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(A) Sinking Fund;

(1) Within the Sinking Fund, the Reserve Account.

(B) Supplemental Sinking Fund;

(2) Within the Supplemental Sinking Fund the Supplemental Reserve Account.

Section 4.03. System Revenues; Flow of Funds.

(A) As long as the Prior Bonds are outstanding the entire Gross Revenues derived from the operation of the System shall be deposited pursuant to the terms of the Prior Ordinances. The Gross Revenues shall be disposed of in the order and priority set forth in Section 11 of the 1961 Ordinance, attached hereto as Exhibit D and incorporated by reference. When the Prior Bonds are no longer outstanding, the entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. Such Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and

distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner herein provided.

(1) So long as the Prior Bonds are outstanding the City shall first make all transfers and deposits as required by the Prior Ordinances.

(2) The City, in addition to the money required by the Prior Ordinances to be deposited in the Renewal and Replacement Fund shall deposit in the Renewal and Replacement Fund such additional money as necessary to service the debt on the Subordinate and Supplemental Bonds, as set forth below. Such use of the moneys in the Renewal and Replacement Fund shall constitute use for the construction ad acquisition of the Project.

(3) When the Prior Bonds are no longer outstanding, the City shall first each month, from the Revenue Fund, pay the current Operating Expenses of the System.

(4) Thereafter, from the money remaining in the Renewal and Replacement Fund, if the Prior Bonds are outstanding, or the Revenue Fund, if no Prior Bonds are outstanding (hereinafter referred to in either case as the Revenue Fund), the City shall on the first day of each month, commencing seven months prior to the first date of payment of interest on the Subordinate Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission, for deposit in the Sinking Fund, a sum equal to 1/6th of the amount of interest which will become due on said Subordinate Bonds on the next ensuing semiannual interest payment date, with a credit to the deposit preceding the interest payment for any amounts already on deposit therein, and an adjustment for the first interest payment date of if less than seven months after the issuance of the Bonds.

(5) The City shall also, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Subordinate Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Subordinate Bonds on the next ensuing principal payment date, with a credit to the deposit preceding the principal payment for any amounts already on deposit therein and not credited pursuant to paragraph (4) above.

(6) The City shall next from the Revenue Fund on the first day of each month, make up any deficiency in the Reserve Account. Any withdrawals from the Reserve Account which result in a reduction in the balance of the Reserve Account to below the Reserve Requirement shall be subsequently

restored from the first Net Revenues available after all required payments prescribed above have been made in full.

Moneys in the Sinking Fund shall be used only for the purposes of paying principal of and interest on the Subordinate Bonds as the same shall become due. Moneys in the Reserve Account in the Sinking Fund shall be used only for the purpose of paying principal of or interest on the Subordinate Bonds, as the same shall come due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Project and thereafter, to the Sinking Fund.

(7) The City shall not be required to make any further payments into the Sinking Fund or into the Reserve Account therein when the aggregate amount of funds in said Sinking Fund and said Reserve Account is at least equal to the aggregate principal amount of and interest on the Subordinate Bonds issued pursuant to this Ordinance then Outstanding.

(8) From the moneys remaining in the Revenue Fund, the City shall next, on the first day of each month, commencing the month succeeding the first full calendar month after completion of the Project, retain in or transfer to (depending on any Prior Bonds remaining as outstanding) the Renewal and Replacement Fund a sum equal to 2-1/2% of the Gross Revenues each month, exclusive of payments for account of the Reserve Account in the Sinking Fund. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with Article VII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for enlargements, improvements and extensions to the System so long as any of the Prior Bonds is outstanding and, if no Prior Bonds are outstanding, for replacements, emergency repairs, or improvements or extensions to the System; provided, that any deficiency in the Reserve Account occurring when no Prior Bonds are outstanding shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

(9) The City shall next, on the first day of each month, commencing 13 months prior to the first date of payment of principal on the Supplemental Bonds, apportion and set apart out of the Revenue Fund and remit to the Commission for deposit in the Supplemental Sinking Fund, a sum equal to 1/12th of the amount of principal which will mature and become due on said Supplemental Bonds on the next ensuing principal payment date, with a credit to the deposit preceding the principal payment for any amounts already on deposit therein.

(10) The City shall next make up any

deficiency in the Supplemental Reserve Account. Any withdrawals from the Supplemental Reserve Account which result in a reduction in the balance of the Supplemental Reserve Account to below the Supplemental Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments prescribed above have been made in full.

Moneys in the Supplemental Sinking Fund shall be used only for the purposes of paying principal of the Supplemental Bonds as the same shall become due. Moneys in the Supplemental Reserve Account in the Supplemental Sinking Fund shall be used only for the purpose of paying principal of the Supplemental Bonds, as the same shall come due, when other moneys in the Supplemental Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Supplemental Reserve Account shall be transferred, no less than once each year, to the Bond Construction Trust Fund prior to completion of the Project, and thereafter to the Supplemental Sinking Fund.

(B) As and when additional Bonds ranking on a parity with the Subordinate Bonds or the Supplemental Bonds are issued, provision shall be made for additional payments into the respective Sinking Fund sufficient to pay principal of and any interest on such additional Parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective Reserve Account in an amount equal to the respective Reserve Requirement.

The Commission is hereby designated as the fiscal agent for the administration of the respective Sinking Funds created hereunder, and all amounts required for said Sinking Funds shall be remitted to the Commission from the Revenue Fund by the City at the times provided herein.

The payments into the respective Sinking Funds shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Moneys in the respective Reserve Accounts shall be invested and reinvested by the Commission in accordance with Article IX hereof.

The respective Sinking Funds, including the respective Reserve Accounts therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the respective Bonds and any additional Bonds ranking on a parity with either thereof that may be issued and Outstanding under

the conditions and restrictions hereinafter set forth.

(C) Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and retained and paid into the respective Sinking Funds, including the Reserve Accounts therein, and the Renewal and Replacement Fund during the following month or such longer period as shall be required by the Act, such excess, if there are no Prior Bonds outstanding, shall be considered as surplus revenues and may be used for any lawful purpose of the System.

(D) The City shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges and the Paying Agent fees then due.

(E) The moneys in excess of the sum insured by the maximum amounts insured by FDIC in the Revenue Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

(F) If on any monthly payment date the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

ARTICLE V

APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS; TRANSFERS FROM EXISTING FUNDS

Section 5.01. Application of Bond Proceeds. All of the moneys received from the sale of any or all of the Bonds originally issued hereunder shall be deposited by the City in the Bond Construction Trust Fund hereinafter established.

Section 5.02. Bond Construction Trust Fund. There is hereby created and established with the Depository Bank a special fund to be known as "The City of South Charleston Bond Construction Trust Fund," which fund shall be kept separate and apart from all other funds of the City and used and applied by the City solely for the payment of the Costs of the Project, and for no other purposes whatsoever. Unless invested in Qualified Investments, the moneys in said fund shall be secured at all times by the deposit in such bank, as security, of direct obligations of the United States of America having a fair market value at least equal to the balance in said fund in excess of the amount insured by the FDIC. Any moneys not needed immediately for said purposes shall be invested in Qualified Investments having maturities so as to enable the moneys to be available as deemed necessary by the Consulting Engineers and otherwise in accordance Article VII. If for any reason such proceeds, or any part thereof, are not necessary for, or are not applied to, such purposes, then such unapplied proceeds may be used for other capital construction or acquisition needs of the System during the period of three years of the issuance of the Bonds and, thereafter, shall be used to make up any deficiency in the Reserve Account or the Supplemental Reserve Account and, if none exits, shall be deposited by the City in the Sinking Funds established pursuant to this Ordinance (first for the Subordinate Bonds and then for the Supplemental Bonds) and shall be used only as provided herein for said funds. All such proceeds shall constitute a trust fund for such purposes, and there is hereby created a lien upon such moneys until so applied in favor of the owners of the Original Bonds with the lien on behalf of the Supplemental Bond being subordinate to that of the Subordinate Bond.

Expenditures or disbursements by the Depository Bank from said Bond Construction Trust Fund, except for legal, fiscal and engineering expenses and expenses in connection with the issuance and sale of the Original Bonds, shall be made only after such expenditures or disbursements shall have been approved in writing by the Sanitary Board and the Consulting Engineers.

Section 5.03. Transfers from Exsiting Funds. All of the moneys on deposit in the Renewal and Replacement Fund described in Subsection 11(3) of the 1961 Ordinance and commonly referred to as the "domestic" Renewal and Replacement Fund, currently estimated to be $1,042,900, shall be deposited in the Bond Construction Trust Fund and used to pay the cost of acquisition and construction of the Project. To enable the acquisition and construction of the Project by facilitating the issuance of the Bonds originally authorized hereby, there shall also be transferred from the surplus moneys in the Sewer Revenue Fund created and maintained under the Prior Ordinances, first to the Special Account described in Subsection 11(4) of

the 1961 Ordinance, then to the Renewal and Replacement Fund described in Subsection 11(3) of the 1961 Ordinance, and then to the Reserve Account and the Supplemental Reserve Account, respectively, the amounts necessary to fund such accounts at the Reserve Requirement and the Supplemental Reserve Requirement. If the moneys on deposit in the Bond Construction Trust Fund, including the interest earnings thereon and those transferred from the Reserve Account and the Supplemental Reserve Account, are insufficient to pay the Costs of the Project, the City shall transfer the amount needed from the surplus funds in the Sewer Revenue Fund created and maintained under the Prior Ordinances, first to said Special Account, then to said Renewal and Replacement Fund and then to the Bond Construction Trust Fund. If the surplus moneys on deposit in said Sewer Revenue Fund are insufficient for such purpose, the City shall transfer all moneys in the Sewer Revenue Fund available for such transfer prior to the issuance of completion bonds as described in Subsection 6.08.

ARTICLE VI

ADDITIONAL COVENANTS OF THE CITY

Section 6.01. General Covenants of the City. All the covenants, agreements and provisions of this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any owner or owners of the Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the owners of the Bonds as hereinafter provided in this Article VI. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, or the interest thereon, is outstanding and unpaid.

Section 6.02. Bonds Not To Be Indebtedness of the City. The Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the Net Revenues of the System, or from the respective Reserve Account or unexpended Bond proceeds, as herein provided. No owner or owners of any Bonds issued hereunder shall ever have the right to compel the exercise of the taxing power of the City to pay said Bonds or the interest thereon.

Section 6.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all of the Subordinate Bonds issued hereunder shall be secured forthwith equally and ratably by a lien on the Net Revenues derived from the operation of the System but such lien shall be junior and subordinate to a lien on Net Revenues in favor of the owners of

Prior Bonds, and payment of the debt service of the Supplemental Bonds issued hereunder shall be secured forthwith equally and relatively by a lien on said Net Revenues, but such lien shall be junior and subordinate to the lien on said Net Revenues in favor of the owners of the Prior Bonds and the Subordinate Bonds. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized, and to make the payments into the respective Sinking Funds, including the Reserve Accounts therein, and all other payments provided for in this Ordinance, are hereby irrevocably pledged in the manner provided in this Ordinance to the payment of the principal of and any interest on the Bonds herein authorized as the same become due and for the other purposes provided in this Ordinance, subject only to said Permitted Liens.

Section 6.04. Rates. There have been heretofore, by ordinance dated June 17, 1986 as amended and reenacted on January 17, 1980, established and are now maintained, just and equitable rates for the use of and services rendered by the System, which constitute the initial schedule of rates and charges for the System for purposes of this Ordinance. The schedule of rates and charges shall at all times to be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created under the Prior Ordinances and 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 City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the Prior Bonds (there being no other obligations prior to the Subordinate Bonds), the Subordinate Bonds and the Supplemental Bonds; provided that, in the event that an amount at least equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account and an amount at least equal to the Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and the reserve account for the Prior Bonds is funded at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Prior Bonds and the Bonds.

Section 6.05. Completion, Operation and Maintenance. The City will expeditiously complete the Project and will maintain the System in good condition and will operate the same

as a revenue-producing enterprise in an efficient and economical manner, making such expenditures for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof from the revenues of said System in the manner provided in this Ordinance.

Section 6.06. Sale of the System. The System may be sold, mortgaged, leased, or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity the Prior Bonds and all the Bonds outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the appropriate sinking funds, and the City shall direct the Commission to apply such proceeds to the payment on principal and any interest at maturity of the Prior Bonds and Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other outstanding Prior Bonds and Bonds. Any balance remaining after the redemption or payment of all the Prior Bonds and Bonds and interest thereon shall be remitted to the City by the Commission unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor is not in excess of $10,000, the City shall, in writing, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the Council may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property shall be in excess of $10,000 but not in excess of $50,000, the Council shall first, in writing, determine with the written approval of the Consulting Engineer that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof, and the City Council may then, if it be so advised, by resolution duly adopted, approve and concur in such finding and authorize such sale, lease or other disposition of such property upon public bidding. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the City to the Commission for deposit in the appropriate sinking funds and shall be applied only to the redemption or purchase, at prices

not greater than the applicable redemption price or, if not redeemable, par, of Prior Bonds and Bonds of the last maturities then outstanding (upon receipt of approval of the Authority, if need) or, otherwise, to the Renewal and Replacement Fund. Such payments of such proceeds into the sinking funds or the Renewal and Replacement Fund shall not reduce the amounts required to be paid into said funds by other provisions of the Prior Ordinances or this Ordinance.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of $50,000 and insufficient to pay or redeem prior to maturity all the Prior Bond or the Bonds then outstanding; provided, if no Prior Bonds are outstanding the prior approval and consent in writing of the owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds then outstanding may be obtained for such purpose. The City shall prepare the form of such approval and consent for execution by the then owners of the Bonds, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 6.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except pari passu additional Bonds provided for in Section 6.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Supplemental Bonds or, if no Supplemental Bonds are outstanding, with the Subordinate Bonds; provided, however, that additional Parity Bonds may be issued as provided in Section 6.08 hereafter. All obligations hereafter issued by the City payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds to the extent such are outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the respective Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.

Except as provided above, the City shall not create, or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part

thereof.

Section 6.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No Parity Subordinate Bonds shall be issued so long as any Supplemental Bonds are outstanding. No Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of Bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineer, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (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 three (3) succeeding years after the completion of the improvements to be financed by such additional parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(1) The Prior Bonds (there being no other obligations prior to or on a parity with the Subordinate Bonds);

(2) The Original Bonds then Outstanding;

(3) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

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

The "estimated average increased annual net revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineer, which shall be filed in the office of the City Clerk prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineer and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineer and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the 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 owners of the Subordinate Bonds and the owners of any Parity Subordinate Bonds and the owners of the Supplemental Bonds and the Parity Supplemental Bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Subordinate Bonds, regardless of the time or times of their issuance, and all the Supplemental Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Subordinate Bond over any other or any Supplemental Bond over any other. The City shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for 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 lien of the outstanding Prior Bonds, Subordinate Bonds and Supplemental Bonds on such revenues.

Parity Bonds shall be not issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then outstanding, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Parity Bonds.

Notwithstanding the foregoing, the City may issue Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any issues or series

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

With the written consent in advance of the Authority and anything to the contrary in this Section 6.08 notwithstanding, Parity Bonds and Parity Supplemental Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Project as described in the City's Program application to the Authority accordance with the plans and specifications, in the event that the Original Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Project; provided, however, that, prior to the issuance of such Parity Bonds and Parity Supplemental Bonds under the provisions of this paragraph, the Consulting Engineers shall file with the City Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds and Parity Supplemental Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project, and the maturities of any such Parity Bonds and Party Supplemental Bonds shall be in years and amounts suggested by the Authority.

As long as any Supplemental Bonds are outstanding, the City may issue Parity Supplemental Bonds upon satisfaction of the tests set forth above and taking into consideration all debt service requirements on all bonds superior to the Supplemental Bonds, the Supplemental Bonds and including the proposed Parity Supplemental Bonds.

Section 6.09. Insurance. The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by 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 repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The City will also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Authority.

Section 6.10. Services Rendered to the City. The City will not render or cause to be rendered any free services of any nature by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself or herself 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 City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 6.11. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, 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, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State of West Virginia and the rules and regulations of the PSC. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, shall remain unpaid for a period of thirty (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. The City further covenants and agrees that it will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the City owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

Section 6.12. No Competing Franchise. To the extent allowable by law, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 6.13. Books and Records. The City will keep

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

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the West Virginia Public Service Commission and the Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the City. The City 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 City shall be reported to such agent of the City as the Council shall direct.

The City shall file with the Consulting Engineer and the Authority, and shall mail in each year to any owner or owners of Bonds requesting the same, an annual report containing the following:

A. A statement of Gross Revenues, Operating Expenses and Net Revenues derived from the System.

B. A balance sheet statement showing all deposits in all the funds and accounts provided for in the Prior Ordinances, this Ordinance, and the status of all said funds.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants, shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any owner or owners of Bonds issued pursuant to this Ordinance, and shall submit said report the Authority. The report of said audit shall include a statement that the City is in compliance with the terms and provisions of the WDA Loan Agreements and this Ordinance.

Section 6.14. Operating Budget. The Board shall annually, at least forty-five (45) days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding Fiscal Year. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and

recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the City Council shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of ten percent (10%) of the amount of such budget shall be made except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to any Bondholder who requests in writing that copies of all such budgets and resolutions be furnished him or her, and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Bondholder or anyone acting for and in behalf of such Bondholder.

Section 6.15. Connection. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, prospective users of the System shall be required to connect thereto.

Section 6.16. Covenant to Amend Ordinance. Notwithstanding the provisions of Section 10.01 hereof, the City shall without Bondholder consent amend this Ordinance by a resolution supplemental hereto to comply with any Tax Reform Act, as enacted by the Congress of the United States and signed by the President, if terms of the law as enacted apply to the Bonds and are not included herein. The Council of the City hereby retains the specific authority to amend this Ordinance or supplement it by resolution to comply with said related federal legislation. In its determination to amend or supplement this Ordinance, the City may rely on the opinion of nationally recognized bond counsel.

ARTICLE VII

INVESTMENT OF FUNDS

Section 7.01. Investments. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specified restrictions and provisions set forth in this Section 7.01.

Except for the specifically authorized transfers, 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, including but not limited to those in the Bond Construction Trust Fund, and used for the purpose of such fund or account. 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. The Commission 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 of such liquidation. Such other bank or national banking association may make any and all investments permitted by this section through its own bond department and shall not be responsible for any losses from such investments, other than for its own negligence or willful misconduct.

Section 7.02. Restrictions as to Arbitrage Bonds. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 103(c)(2) of the Internal Revenue Code of 1954, as amended, and as set forth in the Tax Reform Act or the rules and regulations promulgated pursuant thereto, and the Mayor of the City shall deliver his certificate, based upon this covenant, with regard thereto to the purchaser of the Original Bonds.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Subordinate Bonds or the Supplemental Bonds as the case maybe:

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

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to such Bonds set forth in this Ordinance, any supplemental resolution, or in such Bonds, and such default

shall have continued for a period of 30 days after the City shall have been given written notice of such default by any bank or banking association holding any fund or account hereunder or an owner of such Bonds; or

(C) If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

Section 8.02. Remedies. Upon the happening and continuance of any Event of Default with respect to any Subordinate Bonds or Supplemental Bonds, as the case may be, any Registered Owner of such Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such registered Owners including the right to require the City to perform its duties under the Act and the Ordinance 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 such Bonds, (iv) by action at law or bill in equity require the City to account as if it were the trustee of an express trust for the registered owners of such Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Ordinance with respect to such Bonds, or the rights of such registered Owners.

Section 8.03. Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the City under this Ordinance and the Act, including 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 default in the payment of interest on any Subordinate Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in this Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the City of such default, any Bondholder shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System on behalf of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Ordinance and the Act.

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

Whenever all that is due upon the Bonds issued pursuant to this Ordinance and interest thereon and under any covenants of this Ordinance for reserve, sinking or other funds and upon any other obligations and interest thereon having a charge, lien or encumbrance upon the revenues of the System shall have been paid and made good, and all defaults under the provisions of this Ordinance shall have been cured and made good, possession of the System shall be surrendered to the City upon the entry of an order of the court to that effect. Upon any subsequent default, any owner of Bonds issued pursuant to this Ordinance 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, shall be under the direction and supervision of the court making such appointment, shall at all times be subject to the orders and decrees of such court and may be removed thereby and a successor receiver appointed in the discretion of such court. Nothing herein contained shall limit or restrict the jurisdiction of such court to enter such other and further orders and decrees as such court may deem necessary or appropriate for the exercise by the receiver of any function not specifically set forth herein.

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and owners of Bonds issued pursuant to this Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and Bondholders, and the curing and making good of any default under the provisions of this Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System. The provisions of this Article shall be subject to the senior rights of the Subordinate Bonds over the Supplemental Bonds and of the Prior Bonds over the Bonds.

ARTICLE IX

DEFEASANCE

Section 9.01. Defeasance of Subordinate Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of all Subordinate Bonds the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Ordinance, then with respect to the Subordinate Bonds only, at the option of the City expressed in an instrument in writing approved by City Council, and delivered to the Paying Agent, the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Bondholders of the Subordinate Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Paying Agent and the Commission shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and any fiduciaries shall pay over or deliver to the City all monies, securities and funds held by them pursuant to this Resolution which are not required for the payment of redemption.

Subordinate Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay, as and when due, the principal of and interest on the Subordinate Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. All Subordinate Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Commission in form satisfactory to its irrevocable instructions to publish notice of redemption on said date of such Bonds and if there shall have been deposited with the Commission or its agents, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due (whether by maturity or redemption) the principal installments and interest due and to become due on said Subordinate Bonds on and prior to the maturity or redemption dates, as applicable thereof. Neither securities nor moneys deposited with the Commission pursuant to this Section nor principal or interest payments on any such securities shall be

withdrawn or used for any purposes other than, and shall be held in trust for, the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if applicable, on and interest to become due on said Subordinate Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this Section, securities shall mean and include only Government Obligations.

Anything in this Ordinance to the contrary notwithstanding, any monies held by the Commission or any of its agents in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such monies were held by Commission at such date, or for six years after the date of deposit of such monies if deposited with the Commission after the said date when such Bonds became due and payable, shall, at the written request of the City, be repaid by the Commission to the City, as its absolute property and free from trust, and the Commission shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Commission shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said monies remain unclaimed and that, after a date named in said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such monies then unclaimed will be returned to the City.

Section 9.02. Defeasance of Supplemental Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the respective Owners of all Supplemental Bonds, the principal and interest, if any, thereof, at the times and in the manner stipulated therein and in this Ordinance, then with respect to the Supplemental Bonds only, at the option of the City, expressed in an instrument in writing approved by City Council and delivered to the Paying Agent, the pledge of Net Revenues and other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the registered Owners of the Supplemental Bonds shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the

Paying Agent and the Commission shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and any fiduciaries shall pay over or deliver to the City all monies, securities and funds held by them pursuant to this Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Supplemental Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient, to pay as and when due the principal installments of such Supplemental Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section. All Supplemental Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section, if in case any of said Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Commission in form satisfactory to it irrevocable instructions to publish notice of redemption on said date of such Bonds and if there shall have been deposited with the Commission or its agent, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due (whether by maturity or redemption) the principal installments of said Supplemental Bonds on and prior to the maturity or redemption dates, as applicable, thereof. Neither securities nor moneys deposited with the Commission pursuant to this section nor principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal installments of said Supplemental Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission or its agent, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal installments of said Supplemental Bonds on and prior to the maturity dates thereof, and interest earned from such reinvestments shall be paid over to the City as received by the Commission or its agent, free and clear of any trust, lien or pledge. For the purpose of this section, securities shall mean and include only Government Obligations.

Anything in this Ordinance to the contrary notwithstanding, any monies held by the Commission or any of its agents in trust for the payment and discharge of any of the Bonds which remain unclaimed for six years after the date when

such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such monies were held by the Commission at such date, or for six years after the date of deposit of such monies if deposited with the Commission after the said date when such Bonds became due and payable, shall, at the written request of the City, be repaid by the Commission to the City, as its absolute property and free from trust, and the Commission shall thereupon be released and discharged with respect thereto and the Bondholders shall look only to the City for the payment of such Bonds; provided, however, that before being required to make any such payment to the City, the Commission shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper, a notice that said monies remain unclaimed and that, after a date named in the said notice, which date shall be not less than 30 days after the date of the first publication of such notice, the balance of such monies then unclaimed will be returned to the City.

ARTICLE X

MISCELLANEOUS

Section 10.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the owners of two-thirds (2/3) or more in principal amount of the Bonds then outstanding and to be affected by said modification; provided, however, 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 City to pay such principal and interest out of the revenues of the System without the consent of the owner thereof. No amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 10.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 10.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are to the extent of such conflict repealed; provided, that so long as any of the Prior Bonds is outstanding, Prior Ordinances shall not be repealed hereby.

Section 10.04. Covenant of Due Procedure. The City 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 final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of City Council 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 10.05. Effective Date. This Ordinance shall take effect immediately after passage, public hearing and otherwise in the manner prescribed by law.

First Reading: August 7, 1986

Second Reading and Passage: August 14, 1986

Public Hearing: August 25, 1986

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

By: Richard A. Robb
Richard A. Robb, Mayor

ATTEST:

[SEAL]

Carles J. Atkinson
Carles J. Atkinson, City Clerk

This Ordinance approved as to form

Harley E. Tingler
Harley E. Tingler, City Attorney

EXHIBIT A

Project Description

The Project involves the upgrading of the treatment processes to meet the West Virginia NPDES permit. The plant hydraulic capacity will remain unchanged with a design average day flow of 3.0 MGD. The plant has a hydraulic capacity to handle 7.8 MGD. The improvements in this Project include a new screening facility, new grit removal facilities, conversion of two existing aero-accelerators to the conventional activated sludge process with coarse bubble diffused air systems, two new circular secondary clarifiers with activated return sludge and waste sludge pumping, a new effluent chlorination basin, a new chlorine feed building, new chlorine mixing basins with mechanical mixers, a new plant effluent water pumping station and a new submersible pumping station for basin dewatering. New blowers will be furnished and installed in the existing blower building. Also included is the electrical and instrumentation work associated with a project of this nature. Several pumps and blowers will use variable frequency drives for speed control. The Project includes appurtenances incidental to the above.

CERTIFICATE

Certified to be a true and correct copy of Ordinance No. 1545 adopted by the City Council of The City of South Charleston, West Virginia, on August 14th, duly filed and of record in the office of the City Clerk of the City of South Charleston, West Virginia.

Given under my hand and the official seal of The City of South Charleston, West Virginia, this 25th day of August, 1986.

(SEAL)

Carles J. Atkinson
City Clerk

Resolution No. 1399

Introduced in Council

Passed by Council

August 14, 1986

Introduced by

Resolution for Publication and Public Hearing
on Sewer Bonds, Series 1986

A Resolution finding that Ordinance No. 1545, was passed by the Council of The City of South Charleston, West Virginia, on August 14, 1986, authorizing the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewage facilities of The City of South Charleston; authorizing the issuance of not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, and not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, of said City of South Charleston to be used, along with other funds and moneys of, or available to, The City of South Charleston which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction, providing for the sale of such bonds to the West Virginia Water Development Authority and for the rights and remedies of and security for the owners of such bonds and directing the transfer of certain existing funds in connection with such acquisition and construction and the issuance of such bonds, all as more fully set out therein; finding that an abstract of Ordinance No. 1545, together with a notice that said ordinance has been adopted, that The City of South Charleston contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1986, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, as described in said Ordinance No. 1545, and that any person interested may appear before the Council of The City of South Charleston upon a certain date and present protests, must be published; reviewing the abstract prepared on behalf of the City Clerk and determining that such abstract contains sufficient information as to give notice of the contents of Ordinance No. 1545; and directing the publication of such abstract, together with said notice.

WHEREAS, the Council of The City of South Charleston, West Virginia (the "Council"), on August 14, 1986, passed Ordinance No. 1545, authorizing the acquisition and

construction of certain extensions, additions, betterments and improvements to the existing public sewage facilities of The City of South Charleston (the "City"); authorizing the issuance of not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, and not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, of the City to be used, along with other funds and moneys of, or available to, the City which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction; providing for the sale of such bonds to the West Virginia Water Development Authority and for the rights and remedies of and security for the owners of such bonds; directing the transfer of certain existing funds in connection with such acquisition and construction and the issuance of such bonds; all as more fully set out therein (said Ordinance No. 1545 is hereinafter referred to as the "Ordinance"); and

WHEREAS, Chapter 16, Article 13, Section 6 of the Code of West Virginia, 1931, as amended (the "Act"), requires that an abstract of the Ordinance, together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1986, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, as described in the Ordinance and that any person interested may appear before the Council upon a certain date and present protests, be published; and

WHEREAS, the Act further requires that such abstract of the Ordinance be determined by the Council to contain sufficient information to give notice of the content of such Ordinance; and

WHEREAS, the City Clerk presented to this meeting an abstract of the Ordinance (the "Abstract"), together with a notice as described above (the "Notice"), as hereinafter set forth; and

WHEREAS, the Council of the City has reviewed the Abstract and has found and determined that such Abstract contains sufficient information as to give notice of the contents of the Ordinance;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, AS FOLLOWS:

(1) It is hereby found and determined that the Ordinance was duly passed by the Council at a special meeting duly called and held on August 14, 1986, and that the Act requires that the Abstract, together with the Notice, be published.

(2) The Abstract, together with the Notice as prepared on behalf of the City Clerk in the following form and substance:

> Notice is hereby given to any person interested that on August 14, 1986, the Council of The City of South Charleston, West Virginia (the "City"), passed Ordinance No. 1545 (the "Ordinance"), which
>
> 1. Determined that it is necessary and desirable for the health, welfare and safety of the inhabitants of the City that there be constructed certain extensions, additions, betterments and improvements to the existing public sewage facilities of the City, which include but are not limited to upgrading the treatment processes (the "Project") (the exisiting facilities, together with the Project and any further extensions, additions, betterments and improvements thereto, are hereinafter referred to as the "System"). The estimated cost of the Project is $5,234,800, in accordance with the plans and specifications prepared and revised by Howard K. Bell, Consulting Engineers, Inc., Lexington, Kentucky which plans and specifications are on file with the City and which extensions, additions, betterments and improvements, are described and included in the Ordinance.
>
> 2. Upon petition of the Sanitary Board of the City, the City authorized the acquisition and construction of the Project and the financing of the costs, not otherwise provided, for the Project through the issuance by the City of not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, and not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (the "Bonds").
>
> 3. Provided for the sale of the Bonds to the West Virginia Water Development Authority (the "Authority"), pursuant to the terms and provisions of the respective loan agreements to be entered into between the City and the Authority.
>
> 4. Determined that the City currently has outstanding $748,000 in Sewer Revenue Bonds, 1956, dated March 1, 1956, and $4,685,000 in Sewer Revenue Bonds, Series 1961, dated February 16, 1961 (the "Prior Bonds"), which will rank superior to the Bonds as to lien and source of and security for payment.

5. Determined that the estimated revenues to be derived in each year after the enactment of the Ordinance 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 Prior Bonds and the Bonds and all sinking fund and other payments provided for in the Prior Ordinances and the Ordinance.

6. Determined to transfer some of the moneys currently on deposit pursuant to the Prior Ordinances to partically pay the cost of the Project and to continue to fund the Renewal and Replacement Fund and the Revenue Fund as provided by the Prior Ordinances and the Ordinance.

7. Determined the rates, which have been heretofore, by ordinance dated June 17, 1956 as amended and reenacted on January 17, 1980, shall constitute the initial schedule of rates and charges for the System for purposes of this Ordinance. The City covenants that the schedule of rates or charges for the System shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any fiscal year for payment of principal of and interest on the Prior Bonds and the Bonds; provided that, in the event that an amount at least equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account and an amount at least equal to the Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and the reserve account for the Prior Bonds is funded at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding fiscal year for payment of principal of and interest on the Prior Bonds and the Bonds.

8. Determined that the City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Bonds, or will have so complied prior to issuance of any thereof, including, among other things, the obtaining of a Certificate of Convenience and Necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired.

9. Authorized the issuance of subsequent series of bonds only upon compliance with certain terms and conditions.

10. Provided for the methods of defeasing the Bonds.

11. Provided that the Bonds shall not be or constitute an indebtedness of the City within the meaning of any constitutional, statutory or charter limitation of indebtedness but shall be payable solely from the revenues of the System or from the reserve accounts.

The City contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1986, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, described in, and under the conditions set forth in, the Ordinance abstracted above. Any person interested may appear before the Council of The City of South Charleston at a meeting thereof at 7:30 p.m. on August 25, 1986 at City Hall, 4th Avenue and D Street, South Charleston, and present protests and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of Ordinance No. 1545, as adopted by the Council of the City on August 14, 1986, is on file in the office of the City Clerk of the City for review by interested persons during the regular office hours of such office, to-wit: 8:00 a.m. to 4:30 p.m., Mondays through Fridays.

Carles J. Atkinson
Carles J. Atkinson
City Clerk of The City of
South Charleston, West Virginia

contains sufficient information as to give notice of the contents of the Ordinance.

(3) The City Clerk, as provided in the Notice, shall maintain in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office.

(4) The Council of the City, as provided in the Notice, shall meet on Monday, August 25, 1986, at 7:30 p.m., in Council Chambers in the City Hall, for the purpose of hearing all objections and suggestions regarding whether the Ordinance shall be put into effect.

(5) The City Clerk is hereby authorized and directed to cause the Abstract, together with the Notice to be published as a Class II legal advertisement in The Charleston Gazette, a newspaper of general circulation in the City, and the first publication of such Abstract and Notice shall be not less than ten days before the date set aforesaid at which interested persons may appear before the Council of the City and present protests, and the last publication of such Abstract and Notice shall be prior to said date set aforesaid.

(6) At such hearing, all objections and suggestions shall be heard, and the Council of the City shall take such action as it shall deem proper in the premises; provided, however, that, if at such hearing written protest is filed by thirty percent (30%) or more of the owners of real estate situate in the City, then the Council of the City shall not take further action unless four-fifths (4/5) of the qualified members of said Council assent thereto.

(7) This Resolution shall take effect immediately upon adoption.

Resolution dated this 14th day of August, 1986.

THE CITY OF SOUTH CHARLESTON

Richard A. Robb

Richard A. Robb, Mayor

[SEAL]

Carles J. Atkinson

Carles J. Atkinson, City Clerk

Approved as to form

Harley E. Tingler
City Attorney

CERTIFICATE

Certified to be a true and correct copy of Resolution NO. 1399 adopted by the council of the City of South Charleston on August 14th duly filed and of record in the office of the City Clerk of the City of South Charleston, West Virginia.

Given under my hand and the official seal of the City of South Charleston, West Virginia, this 25th day of August, 1986

(SEAL)

Carlea J. Atkinson
City Clerk

2.11
08/18/86

Resolution No. 1403

Introduced in Council

August 25, 1986

Introduced by

Mayor Robb

Adopted by Council

August 25, 1986

A Resolution finding that the Council of The City of South Charleston, West Virginia, adopted Ordinance No. 1545 on August 14, 1986; finding that the Council of The City of South Charleston adopted a resolution on August 14, 1986, directing that an abstract of Ordinance No. 1545, together with a notice that said Ordinance has been adopted, that The City of South Charleston contemplates the issuance of the Subordinate Sewer Revenue Bonds, Series 1986, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, as described in Ordinance No. 1545, and that any person interested may appear before the Council of The City of South Charleston upon a certain date and present protests, be published; finding that said abstract and notice have been duly published; finding that the Council of The City of South Charleston met and heard all objections and suggestions regarding whether Ordinance No. 1545 should be put into effect; and ordering that Ordinance No. 1545 be put into effect and that the Subordinate Sewer Revenue Bonds, Series 1986, and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, be issued as provided therein.

WHEREAS, the Council of The City of South Charleston, West Virginia (the "Council"), on August 14, 1986, adopted Ordinance No. 1545 (the "Ordinance"), which authorized the acquisition and construction of certain extensions, additions, betterments and improvements to the existing public sewage facilities of The City of South Charleston, West Virginia (the "City"), authorized the issuance of not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, and not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (collectively, the "Bonds"), of the City to be used, along with other funds and moneys of, or available to, the City which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction, and to pay other costs in

20C

connection therewith; provided for the sale of the Bonds to the West Virginia Water Development Authority (the "Authority") and for the rights and remedies of and security for the owners of the Bonds and directed the transfer of certain existing funds in connection with such acquisition and construction and the issuance of the Bonds, all as more fully set out therein;

WHEREAS, the Council of the City, on August 14, 1986, adopted a resolution (the "Resolution") which, pursuant to Chapter 16, Article 13, Section 6, of the Code of West Virginia, 1931, as amended (the "Act"), directed the Clerk of the City to publish an abstract of the Ordinance (the "Abstract"), together with a notice that the Ordinance has been adopted, that the City contemplates the issuance of the Bonds, as described in the Ordinance, and that any person interested may appear before the Council upon a certain date and present protests (the "Notice"); and

WHEREAS, the Resolution required that the Abstract and Notice be published as a Class II legal advertisement in The Charleston Gazette, and the first publication of such Abstract and Notice was to be not less than ten (10) days before the date set by the Resolution and the Notice at which interested persons might appear before the Council and present protests, and the last publication of such Abstract and Notice was to be prior to said date set by the Resolution and the Notice; and

WHEREAS, the Resolution and the Notice provided for a public hearing to be held in Council Chambers at 7:30 p.m. on Monday, August 25, 1986;

NOW, THEREFORE, Be It Resolved By the Council of The City of South Charleston, West Virginia, as follows:

(1) It is hereby found and determined:

(A) That the Abstract and Notice were duly published in The Charleston Gazette, a newspaper of general circulation in The City of South Charleston, with the first publication thereof being on August 15, 1986, which first publication date was not less than ten (10) days before the date set by the Resolution and the Notice for the public hearing at which interested persons might appear before the Council of the City and present protests, and with the last publication thereof being on August 22, 1986, which last publication date was prior to said date set by the Resolution and the Notice for the public hearing, and a copy of the affidavit of publication reflecting such publication shall be attached hereto and incorporated herein;

(B) That, in accordance with the Resolution and the Notice, the Clerk has maintained in her office a certified copy of the Ordinance for review by interested persons during the regular office hours of such office;

(C) That, in Council Chambers in the City Hall, 4th Avenue and D Street, on August 25, 1986, at 7:30 p.m., in accordance with the Resolution and the Notice, the Council met for the purpose of hearing all objections and suggestions regarding whether the Ordinance should be put into effect, and heard all objections and suggestions with regard thereto; and

(D) That, at said public hearing, no significant reasons were presented that could require modification or amendment of the Ordinance, and no written protest with regard thereto was filed by thirty percent (30%) or more of the owners of real estate situate in the City.

(2) The Ordinance shall be put into effect as of the date hereof, and the Bonds described therein shall be issued to the Authority as provided therein.

(3) This resolution shall be effective immediately upon its adoption.

Resolution dated August 25, 1986

The City of South Charleston

[Seal]

Richard A. Robb, Mayor

Carles J. Atkinson, City Clerk

Approved as to form:

Harley E. Tingler, City Attorney

CERTIFICATE

Certified to be a true and correct copy of Resolution NO. 1403 adopted by the council of the City of South Charleston on August 25, 1986 duly filed and of record in the office of the City Clerk of the City of South Charleston, West Virginia.

Given under my hand and the official seal of the City of South Charleston, West Virginia, this 25th day of August, 1986

(SEAL)

Carles J. Atkinson
City Clerk

#1404

Introduced in Council:
August 25, 1986

Introduced by: Mayor Robb

Adopted by Council: August 25, 1986

A Resolution supplementing and nonsubstantively amending Ordinance No. 1545, enacted by the Council of The City of South Charleston on August 25, 1986; providing as to maturities, interest rate and other terms of the Subordinate Sewer Revenue Bonds, Series 1986, and Supplemental Subordinate Sewer Revenue Bonds, Series 1986, of The City of South Charleston; designating a Registrar, Paying Agent and Depository Bank; making certain nonsubstantive amendments to Ordinance No. 1545; and making other provisions with respect to the above-referenced bonds.

WHEREAS, the Council of The City of South Charleston, West Virginia (the "Council"), has duly and effectively enacted as of August 25, 1986, Ordinance No. 1545 (the "Ordinance"); and

WHEREAS, capitalized terms used and not otherwise defined in this Supplemental Resolution have the respective meanings given them in the Ordinance; and

WHEREAS, the Ordinance provides for the issuance of not more than $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, and not more than $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, of The City of South Charleston, West Virginia (the "City"), and the sale of the Bonds pursuant to the terms of the Loan Agreement and the Supplemental Loan Agreement, both dated August 12, 1986, entered into between the City and the Authority; and

WHEREAS, in the Ordinance, it is provided that the maturities, interest rate and other terms of the Bonds should be established by a Supplemental Resolution and that other matters relating to the Bonds be herein provided for; and

WHEREAS, it is necessary and desirable that certain nonsubstantive amendments be made to the Ordinance; and

WHEREAS, the Council deems it essential and desirable that this resolution (the "Supplemental Resolution") be adopted and that the maturities, interest rate and other terms of the Bonds be fixed hereby in the manner stated herein and that other matters relating to the Bonds by herein provided for and that said nonsubstantive amendments be made;

20D

NOW, THEREFORE, be it resolved by the Council of The City of South Charleston, West Virginia, as follows:

(1) Pursuant to the Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued the Subordinate Sewer Revenue Bonds, Series 1986, of the City in the aggregate principal amount of $761,015 and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, of the City in the aggregate principal amount of $378,985, all in the form and having the provisions set forth below and in the Ordinance:

(a) The Subordinate Bonds shall be originally issued in the form of a single bond, numbered R-1, fully registered to the Authority, in the principal amount of $761,015. The Subordinate Bonds shall be dated the date of delivery thereof; shall bear interest at the rate of 9.75 percent per annum, payable semiannually on April 1 and October 1 of each year, beginning April 1, 1987; shall be subject to redemption only with the written consent of the Authority and upon payment of the interest and redemption premium, if any, and subject to the other requirements and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Subordinate Bonds; and shall mature in principal installments on October 1 of each of the years from 1987 through 2025, inclusive, in the amounts set forth in Loan Agreement Schedule "X" attached as Exhibit A hereto and incorporated herein by reference.

(b) The Supplemental Bonds shall be originally issued in the form of a single bond, numbered SR-1, fully registered to the Authority, in the principal amount of $378,985. The Supplemental Bonds shall be dated the date of delivery thereof; shall bear no interest; shall be subject to redemption only with the written consent of the Authority so long as the Authority shall be the registered owner of the Supplemental Bonds; and shall mature in principal installments on October 1 of each of the years from 1987 through 2025, inclusive, in the amounts set forth in Supplemental Loan Agreement Schedule "X" attached as Exhibit B hereto and incorporated herein by reference.

(c) The Bonds shall be sold to the Authority at the price of 100 percent of par, there being no accrued interest.

(2) All other provisions relating to the Bonds shall be as provided in the Ordinance, and the Bonds shall be in substantially the respective forms provided in the Ordinance, with such changes, insertions and omissions as may be approved by the Mayor of the City. The execution of the Bonds by the Mayor shall be conclusive evidence of such approval.

(3) The City hereby authorizes, approves and confirms the attachment of the respective Schedules "X" to the Loan Agreement and to the Supplemental Loan Agreement. The City hereby authorizes and directs the sale and delivery of the bonds to the Authority as provided in the Loan Agreements.

(4) The City hereby appoints and designates Charleston National Bank, South Charleston, West Virginia, as the Depository Bank.

(5) The City hereby appoints and designates the West Virginia Municipal Bond Commission as the Paying Agent.

(6) The City hereby appoints and designates Kanawha Valley Bank, N.A., Charleston, West Virginia, as the Registrar. The Mayor is hereby authorized and directed to execute and deliver the Registrar's Agreement in substantially the form attached as Exhibit C hereto and incorporated herein by reference, with such changes, insertions and omissions as may be approved by the Mayor. The execution of the Registrar's Agreement by the Mayor shall be conclusive evidence of such approval.

(7) The Mayor and City Clerk and other appropriate officers and employees of the City and the Sanitary Board are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the issuance of the Bonds, to the extent that the Bonds may be delivered on or about August 26, 1986, to the Authority pursuant to the Loan Agreements.

(8) The Ordinance is hereby nonsubstantively amended and re-enacted as follows:

(A) Subsection 1.02(C) is hereby amended and re-enacted to read as follows:

> C. The acquisition and construction of the System was financed with the proceeds from $2,000,000 and $8,000,000 in principal amount of the City's Sewer Revenue Bonds, Series 1956 and 1961 dated March 1, 1956 and March 1, 1961, respectively (the "Prior Bonds"), authorized pursuant to ordinances of the City passed on March 1, 1956 (the "1956 Ordinance") and February 16, 1961 (the "1961 Ordinance"), respectively (together, the "Prior Ordinances").

(B) Subsection 1.04(CC) is hereby amended and re-enacted to read as follows:

CC. "Prior Bonds" shall mean the City's Sewer Revenue Bonds, dated March 1, 1956, and March 1, 1961, issued in the principal amount of $2,000,000 and $8,000,000 respectively, and currently outstanding in the principal amount of $748,000 and $4,685,000, respectively.

(C) Section 1.04 is hereby amended by adding thereto a new subsection, designated Subsection (EE), to read as follows:

EE. "Authorized Newspaper" shall mean a financial paper or a newspaper of general circulation, customary published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and circulated in The City of South Charleston, and State of West Virginia.

(D) Section 3.01 is hereby amended and re-enacted to read as follows:

Section 3.01. <u>Authorization and Terms of Bonds</u>. For the purpose of financing a portion of the costs of the acquisition and construction of the Project not otherwise provided for, there shall be issued the Bonds of the City. The Bonds shall be issued in two issues, to be designated, respectively, "Subordinate Sewer Revenue Bonds, Series 1986" in an aggregate principal amount of not more than $1,000,000, and "Supplemental Subordinate Sewer Revenue Bonds, Series 1986," in the aggregate principal amount of not more than $500,000. The precise principal amounts of the Bonds shall be specified by the Supplemental Resolution. The Bonds shall be dated as of the date of delivery thereof, shall mature on October 1 in such years, not exceeding forty (40) years after the date of issuance; and in such amounts as shall be set out in Schedule X to the WDA Loan Agreements, respectively. The Subordinate Bonds shall bear interest at the rate set forth in the Supplemental Resolution, not to exceed twelve percent (12%) per annum, payable semiannually, on April 1 and October 1 of each year, beginning on the first interest payment date following issuance and delivery of the Bonds. The

Supplemental Bonds bear no interest. The Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and the WDA Loan Agreements and as the Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said Council as said Council shall determine) adopted in connection with the sale of such Bonds.

The Bonds shall be payable as to principal at the principal office of the Paying Agent in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Registrar, provided, that so long as the Authority is the owner thereof, interest on the Subordinate Bonds may be paid by wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Bonds shall be issued in the form of a single bond for each issue, fully registered to the Authority, representing the aggregate principal amount of each issue, and shall mature in principal installments, all as provided in the WDA Loan Agreements and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Owner for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding, 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 may be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in a said

Supplemental Resolution and shall bear interest from such date.

(E) Section 6.04 is hereby amended and re-enacted to read as follows:

Section 6.04. Rates. There have been heretofore, by ordinance dated June 17, 1956 as amended and reenacted on January 17, 1980, established and are now maintained, just and equitable rates for the use of and services rendered by the System, which constitute the initial schedule of rates and charges for the System for purposes of this Ordinance. The schedule of rates and charges shall at all times to be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created under the Prior Ordinances and 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 City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any Fiscal Year for payment of principal of and interest on the Prior Bonds (there being no other obligations prior to the Subordinate Bonds), the Subordinate Bonds and the Supplemental Bonds; provided that, in the event that an amount at least equal to or in excess of the Reserve Requirement is on deposit in the Reserve Account and an amount at least equal to the Supplemental Reserve Requirement is on deposit in the Supplemental Reserve Account and the reserve account for the Prior Bonds is funded at the requirement therefor, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Prior Bonds

and the Bonds.

(F) Section 6.07 is hereby amended and re-enacted to read as follows:

> Section 6.07. <u>Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances.</u> The City shall not issue any other obligations whatsoever, except pari passu additional Bonds provided for in Section 6.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Supplemental Bonds or, if no Supplemental Bonds are outstanding, with the Subordinate Bonds; provided, however, that additional Parity Bonds and Parity Supplemental Bonds may be issued as provided in Section 6.08 hereafter. All obligations hereafter issued by the City payable from the revenues of the System, except such additional Parity Bonds and Parity Supplemental Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects, to the Bonds to the extent such are outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the respective Reserve Accounts and the Renewal and Replacement Fund at the time of the issuance of such subordinate obligations have been made and are current.
>
> Except as provided above, the City shall not create, or cause or permit to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

(G) Section 6.08 is hereby amended and re-enacted to read as follows:

Section 6.08. Parity Bonds. No Parity Bonds or Parity Supplemental Bonds (hereinafter referred to as "Parity BOnds" unless specifically mentioned or the context clearly requires otherwise) payable out of the revenues of the System, shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided.

No Parity Subordinate Bonds shall be issued so long as any Supplemental Bonds are outstanding. No Parity Bonds shall be issued except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of Bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineer, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (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 three (3) succeeding years after the completion of the improvements to be financed by such additional parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(1) The Prior Bonds (there being no other obligations prior to or on a parity with the Subordinate Bonds);

(2) The Original Bonds then Outstanding;

(3) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

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

The "estimated average increased annual net revenues to be received in each of the three (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 any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineer, which shall be filed in the office of the City Clerk prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineer and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineer and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the 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 owners of the Subordinate Bonds and the owners of any Parity Subordinate Bonds and the owners of the Supplemental Bonds and the Parity

Supplemental Bonds subsequently issued from time to time within the limitations of and in compliance with this Section. All the Subordinate Bonds, regardless of the time or times of their issuance, and all the Supplemental Bonds, regardless of the time or times of their issuance, shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Subordinate Bond over any other or any Supplemental Bond over any other. The City shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for 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 lien of the outstanding Prior Bonds, Subordinate Bonds and Supplemental Bonds on such revenues.

Parity Bonds shall be not issued at any time, however, unless all the payments into the respective funds and accounts provided for in this Ordinance on account of the Bonds then outstanding, and any other payments provided for in this Ordinance, shall have been made in full as required to the date of delivery of the Parity Bonds.

Notwithstanding the foregoing, the City may issue Parity Bonds without compliance with any other conditions for the purpose of refunding prior to maturity any issues or series of the Bonds, provided that the annual debt service required on account of the refunding Bonds and the Bonds which are not refunded shall not be greater in any year in which the Bonds not refunded and the refunding Bonds are to be outstanding than the annual debt service required in such year if the Bonds to be refunded were not so refunded.

With the written consent in advance of the Authority and anything to the contrary in this Section 6.08 notwithstanding, Parity Bonds and Parity Supplemental Bonds may be authorized and issued by the City pursuant to a Supplemental Resolution solely to complete the Project as described in the City's Program application to the Authority accordance with the plans and specifications, in the event that the Original Bonds should be insufficient, together with other funds lawfully available therefor, to pay all costs of acquisition and construction of the Project; provided, however, that, prior to the issuance of such Parity Bonds and Parity Supplemental Bonds under the provisions of this paragraph, the Consulting Engineers shall file with the City Clerk a certificate to the effect that additional funds are necessary for such purpose. All such Parity Bonds and Parity Supplemental Bonds authorized and issued under the provisions of this paragraph shall be limited to the aggregate principal amount required to make up any deficiency in funds for payment of the construction costs to complete the Project, and the maturities of any such Parity Bonds and Party Supplemental Bonds shall be in years and amounts suggested by the Authority.

As long as any Supplemental Bonds are outstanding, the City may issue Parity Supplemental Bonds upon satisfaction of the tests set forth above and taking into consideration all debt service requirements on all bonds superior to the Supplemental Bonds, the Supplemental Bonds and including the proposed Parity Supplemental Bonds.

(H) Section 6.12 is hereby amended and re-enacted to read as follows:

Section 6.12. <u>No Competing Franchise</u>. To the extent allowable by law, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System; provided, however that treatment or disposal facilities constructed by

industrial users when the facilities of the System are inadequate to supply the needs of such industrial users shall not be deemed to be competitive with the System under this section.

(I) Section 7.01 is hereby amended and re-enacted to read as follows:

Section 7.01. Investment. Any moneys held as a part of the funds and accounts created by this Ordinance, other than the Revenue Fund, shall be invested and reinvested by the Commission, or such other bank or national banking association holding such fund or account, as the case may be, at the direction of the City in any Qualified Investments to the fullest extent possible under applicable laws, this Ordinance, the need for such moneys for the purposes set forth herein and the specified restrictions and provisions set forth in this Section 7.01.

Except for the specifically authorized transfers, 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, including but not limited to those in the Bond Construction Trust Fund, and used for the purpose of such fund or account. 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; provided, that investments described in Subsection 4.01(HH)(g) shall be valued at par. The Commission 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 of such liquidation. Such other bank or national banking association 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.

(9) If any one or more of the covenants, stipulations or agreements provided in this Supplemental Resolution to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, stipulation or stipulations or agreement or agreements shall be deemed and construed to be severable from the remaining covenants, stipulations and agreements herein contained and shall in no way affect the validity of any other provisions of this Supplemental Resolution.

(10) All ordinances or resolutions or parts thereof or other proceedings of the City in conflict herewith shall be and the same are repealed in so far as such conflict exists; provided, however, that any provisions of the Ordinance or the Prior Ordinances shall not be affected hereby.

(11) This Supplemental Resolution is adopted under and shall be governed by the laws of the State of West Virginia.

(12) This Supplemental Resolution shall be effective immediately upon adoption.

THE CITY OF SOUTH CHARLESTON,
WEST VIRGINIA

By: Richard A. Robb
Richard A. Robb, Mayor

ATTEST:

[Seal]

Carles J. Atkinson
Carles J. Atkinson, City Clerk

This Resolution approved as to form:

Harley E. Tingler
Harley E. Tingler, City Attorney

SCHEDULE X
DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds $ 761,015.00

Purchase Price of Local Bonds $ 761,015.00

Interest on the Local Bonds is payable on April 1 and October 1 in each year, beginning with the first semi-annual interest payment date after delivery of the Local Bonds to the Authority, until the Local Bonds are paid in full, at the rate of 9.75% per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

None.

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

$748,000 Sewer Revenue Bonds dated March 1, 1956

$4,685,000 Sewer Revenue Bonds, Series 1961

TABLE II

CITY OF SOUTH CHARLESTON
Analysis of 7.00% Borrowing Cost for Local Issuer

Period Ending 10/1	1986 Series A Bonds Coupon	Principal	Interest	Debt Service
1986	9.75%	0.00	0.00	0.00
1987	9.75%	2,024.00	81,000.53	83,024.53
1988	9.75%	2,222.00	74,001.62	76,223.62
1989	9.75%	2,438.00	73,784.98	76,222.98
1990	9.75%	2,676.00	73,547.27	76,223.27
1991	9.75%	2,937.00	73,286.36	76,223.36
1992	9.75%	3,224.00	73,000.01	76,224.01
1993	9.75%	3,538.00	72,685.67	76,223.67
1994	9.75%	3,883.00	72,340.71	76,223.71
1995	9.75%	4,261.00	71,962.12	76,223.12
1996	9.75%	4,677.00	71,546.67	76,223.67
1997	9.75%	5,133.00	71,090.66	76,223.66
1998	9.75%	5,633.00	70,590.20	76,223.20
1999	9.75%	6,183.00	70,040.98	76,223.98
2000	9.75%	6,785.00	69,438.14	76,223.14
2001	9.75%	7,447.00	68,776.60	76,223.60
2002	9.75%	8,173.00	68,050.52	76,223.52
2003	9.75%	8,970.00	67,253.65	76,223.65
2004	9.75%	9,844.00	66,379.07	76,223.07
2005	9.75%	10,804.00	65,419.28	76,223.28
2006	9.75%	11,858.00	64,365.89	76,223.89
2007	9.75%	13,014.00	63,209.74	76,223.74
2008	9.75%	14,283.00	61,940.87	76,223.87
2009	9.75%	15,675.00	60,548.28	76,223.28
2010	9.75%	17,203.00	59,019.97	76,222.97
2011	9.75%	18,881.00	57,342.65	76,223.65
2012	9.75%	20,722.00	55,501.78	76,223.78
2013	9.75%	22,742.00	53,481.38	76,223.38
2014	9.75%	24,959.00	51,264.04	76,223.04
2015	9.75%	27,393.00	48,830.54	76,223.54
2016	9.75%	30,064.00	46,159.72	76,223.72
2017	9.75%	32,995.00	43,228.48	76,223.48
2018	9.75%	36,212.00	40,011.47	76,223.47
2019	9.75%	39,743.00	36,480.80	76,223.80
2020	9.75%	43,617.00	32,605.85	76,222.85
2021	9.75%	47,870.00	28,353.20	76,223.20
2022	9.75%	52,539.00	23,685.87	76,223.87
2023	9.75%	57,660.00	18,563.42	76,223.42
2024	9.75%	63,282.00	12,941.57	76,223.57
2025	9.75%	69,452.00	6,771.57	76,223.57
		761,015.00	2,218,502.16	2,979,517.16

Smith Barney, Harris Upham & Co.
Incorporated

Exhibit I

August 20, 1986

SCHEDULE X
DESCRIPTION OF SUPPLEMENTAL BONDS

Principal Amount of Supplemental Bonds	$ 378,985.00
Purchase Price of Supplemental Bonds	$ 378,985.00

Principal of the Supplemental Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

$748,000 Sewer Revenue Bonds dated March 1, 1956

$4,685,000 Sewer Revenue Bonds, Series 1961

TABLE III

CITY OF SOUTH CHARLESTON
Analysis of 7.00% Borrowing Cost for Local Issuer

Period Ending 10/1	Zero Coupon Bonds
1986	0.00
1987	9,717.72
1988	9,717.56
1989	9,717.56
1990	9,717.56
1991	9,717.56
1992	9,717.56
1993	9,717.56
1994	9,717.56
1995	9,717.56
1996	9,717.56
1997	9,717.56
1998	9,717.56
1999	9,717.56
2000	9,717.56
2001	9,717.56
2002	9,717.56
2003	9,717.56
2004	9,717.56
2005	9,717.56
2006	9,717.56
2007	9,717.56
2008	9,717.56
2009	9,717.56
2010	9,717.56
2011	9,717.56
2012	9,717.56
2013	9,717.56
2014	9,717.56
2015	9,717.56
2016	9,717.56
2017	9,717.56
2018	9,717.56
2019	9,717.56
2020	9,717.56
2021	9,717.56
2022	9,717.56
2023	9,717.56
2024	9,717.56
2025	9,717.56
	378,985.00

Smith Barney, Harris Upham & Co.
Incorporated

August 20, 1986

Exhibit 1

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 26th day of August, 1986, by and between THE CITY OF SOUTH CHARLESTON, a municipal corporation and political subdivision of the State of West Virginia (the "Governmental Agency"), and KANAWHA VALLEY BANK, N.A., a national banking association (the "Registrar").

WHEREAS, the Governmental Agency has contemporaneously with the execution hereof issued and sold its $1,000,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986 (the "Subordinate Bonds"), in the form of one bond numbered R-1, and its $500,000 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (the "Supplemental Bonds"), in the form of one bond numbered SR-1, and both in fully registered form (collectively, the "Bonds"), pursuant to Ordinance No. 1545, passed by the Council of the City on August 14, 1986, as supplemented on August 25, 1986 (the "Ordinance");

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 Ordinance, a copy of which has been received by the Registrar and is incorporated herein by reference;

WHEREAS, the Ordinance provides for the appointment by the Governmental Agency of a Registrar for the Bonds; and

WHEREAS, the Governmental Agency desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as registrar under the Ordinance 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 Governmental Agency 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 Ordinance, 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 Subordinate 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 Governmental Agency advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Governmental Agency with appropriate records of all transactions carried out by it as Registrar and to furnish the Governmental Agency 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 Governmental Agency 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 Governmental Agency.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Governmental Agency hereby agrees to pay $500 to the Registrar upon the execution of this Registrar's Agreement and, thereafter, from time to time, reimbursement for reasonable expenses incurred in connection herewith.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance shall govern.

6. The Governmental Agency 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 Ordinance 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 address:

GOVERNMENTAL AGENCY

The City of South Charleston
4th Avenue and D Street
South Charleston, WV 25303
Attention: Mayor

REGISTRAR:

Kanawha Valley Bank, N.A.
Summers & Lee Streets
Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

IN WITNESS WHEREOF, THE CITY OF SOUTH CHARLESTON and KANAWHA VALLEY BANK, N.A., have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

THE CITY OF SOUTH CHARLESTON

By: Richard A. Robb
RICHARD A. ROBB, MAYOR

KANAWHA VALLEY BANK, N.A.

By: _____
Its _____

CERTIFICATE

Certified to be a true and correct copy of Resolution NO. 1404 adopted by the council of the City of South Charleston on August 25, 1986 duly filed and of record in the office of the City Clerk of the City of South Charleston, West Virginia.

Given under my hand and the official seal of the City of South Charleston, West Virginia, this 25th day of August, 1986

(SEAL)

Carles J. Atkinson
City Clerk

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

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

CONSENT TO ISSUANCE OF PARITY BONDS

In reliance upon a certificate of the Issuer's certified public accountant stating that the coverage and parity requirements have been met, the undersigned duly authorized representative of the West Virginia Water Development Authority, the registered owner of the Prior Bonds, hereinafter defined and described, hereby consents to the issuance of the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Bonds"), in the original principal amount of $4,567,360, by The City of South Charleston (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 Supplemental Subordinate Sewer Revenue Bonds, Series 1986, and Subordinate Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) (collectively, the "Prior Bonds").

WITNESS my signature on this 5th day of September, 2003.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Daniel B. Yonkosky

Authorized Representative

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

GENERAL CERTIFICATE ON:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES AND DELIVERY
6. RATES
7. INCUMBENCY AND OFFICIAL NAME
8. MEETINGS
9. INSURANCE
10. LOAN AGREEMENT
11. SPECIMEN BOND
12. BOND PROCEEDS
13. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE
14. LAND AND RIGHTS-OF-WAY
15. PUBLIC SERVICE COMMISSION ORDER
16. CONFLICTS OF INTEREST
17. PROCUREMENT OF ENGINEERING SERVICES
18. VERIFICATION OF SCHEDULE A
19. CLEAN WATER ACT
20. COUNTERPARTS

We, the undersigned MAYOR and the undersigned CITY CLERK of The City of South Charleston in Kanawha County, West Virginia (the "Issuer"), and the undersigned CITY ATTORNEY for the Issuer, hereby certify in connection with The City of South Charleston Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), numbered AR-1, dated the date hereof, in the principal amount of $4,567,360(the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning set forth in the Bond Ordinance duly passed by the Issuer on July 3, 2003, effective July 17, 2003, the Supplemental Resolution duly adopted by the Issuer on September 4, 2003 (collectively, the "Ordinance"), and the Loan Agreement by and among the Issuer, the West Virginia Water Development

Authority (the "Authority"), and the West Virginia Department of Environmental Protection ("DEP"), dated August 26, 2003 (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting in any manner the authorization, issuance, sale and delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the Gross Revenues, or the pledge and security of the Net Revenues for the Bonds; nor affecting the validity of the Bonds or any provisions made or authorized for the payment thereof; nor questioning the existence of the Issuer or the title of the members or officers of the Issuer, the Governing Body, or the Sanitary Board to their respective offices; nor questioning any proceedings of the Issuer taken with respect to the authorization, issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection or use of the Gross Revenues, or the pledge and security of the Net Revenues for the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable and necessary 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 duly and timely 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 Code of West Virginia, 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. The Issuer has met all conditions set forth in the Loan Agreement and will provide the financial, institutional, legal and managerial capabilities necessary to complete and operate the Project.

The Bonds are 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 registered owners of the Prior Bonds to the issuance of the Bonds on a parity with the Prior Bonds. Other than the Prior Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all the terms and provisions of the Prior Bonds and the Prior Ordinances.

5. SIGNATURES AND DELIVERY: The undersigned Mayor and City Clerk are the duly elected or appointed, qualified and acting officers of the Issuer as indicated by the

official titles opposite their signatures below, and are duly authorized to execute and seal the Bonds for the Issuer. The seal impressed upon the Bonds and this Certificate is the duly authorized, proper and only seal of the Issuer. On the date hereof, the undersigned Mayor did officially sign all of the Bonds, consisting upon original issuance of a single Bond, dated the date hereof, by his manual signature; the undersigned City Clerk did officially cause the seal of the Issuer to be affixed upon the Bonds and to be attested by his manual signature; and the Registrar did officially authenticate and deliver the Bonds to a representative of the Authority as the original purchaser of the Bonds under the Loan Agreement.

6. RATES: The Issuer has duly enacted a sewer rate ordinance on July 3, 2003, setting forth the rates and charges for the services of the System. The Issuer has complied with all requirements of the Act and the Public Service Commission of West Virginia (the "PSC") to make the rates valid and effective. The time for appeal of such rate ordinance has expired and there has been no appeal thereof and such rates are in full force and effect.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is "The City of South Charleston." The Issuer is a municipal corporation of the State of West Virginia in Kanawha County of said State. The Governing Body of the Issuer is its Council, consisting of 8 Council members and the Mayor. The City Clerk is the ex officio clerk of the Council. The names and dates of commencement and termination of terms of office for all such officials are listed below:

Office	Name	Date Of Commencement Of Office	Date Of Termination Of Office
Mayor	Richard A. Robb	July 1, 1999	June 30, 2003
City Clerk	Jack D. Woolwine	July 1, 1999	June 30, 2003
Council Member	James R. Holstine	July 1, 1999	June 30, 2003
Council Member	Paul Neal	July 1, 1999	June 30, 2003
Council Member	William Buckley	July 1, 1999	June 30, 2003
Council Member	Dayton S. Griffith	July 1, 1999	June 30, 2003
Council Member	Warren M. Shirkey, Sr.	July 1, 1999	June 30, 2003
Council Member	James F. Triplett	July 1, 1999	June 30, 2003
Council Member	Kenneth R. Hutchison, Jr.	July 1, 1999	June 30, 2003
Council Member	Joe A. Mayes	July 1, 1999	June 30, 2003

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

Chairman: Richard A. Robb
Member: Ralph King, P.E.
Member: Charles Gannon

The duly appointed and acting City Attorney for the Issuer is Melissa Newberry, Esquire, of South Charleston, West Virginia. The duly appointed and acting special PSC counsel to the Issuer is Spilman, Thomas & Battle, PLLC.

8. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, adopted 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 meetings of the Governing Body duly and regularly or specifically called and held pursuant to the Rules of Procedure of the Governing Body and all applicable statutes including Chapter 6, Article 9A of the Code of West Virginia, 1931, as amended, and a quorum of duly elected or appointed, 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. INSURANCE: The Issuer will maintain or, as appropriate, will require all contractors to maintain worker's compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance and the Loan Agreement. All insurance for the System required by the Ordinance and the Loan Agreement 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 statements of 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 therein not misleading; and (iv) the Issuer is in compliance with the Loan Agreement.

11. SPECIMEN BOND: Attached hereto as Exhibit A is a specimen of the Bond which is identical in all respects with the Bond this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

12. BOND PROCEEDS: On the date hereof, the Issuer received $228,369 from the Authority and the DEP, being a portion of the principal amount of the Bonds and more

than a de minimus amount of the proceeds of the Bonds. The balance of the principal amount of the Bonds will be advanced to the Issuer from time to time as acquisition and construction of the Project progresses.

13. 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 Charleston Gazette and The Charleston Daily Mail, 2 qualified newspapers of general circulation in the Issuer, 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 the 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 July 17, 2003, at 7:00 p.m., prevailing time, in the council chambers of the City Hall in South Charleston, West Virginia, and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the City Clerk of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing and remains in full force and effect.

14. 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.

15. PUBLIC SERVICE COMMISSION ORDER: The Issuer has received the PSC Orders entered on December 18, 2002, and August 22, 2003, in Case No. 02-1217-S-CN, 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 PSC Order entered on December 18, 2002, has expired prior to the date hereof. The time for appeal of the PSC Order entered August 22, 2003, has not expired on the date hereof. However, the only parties to Case No. 02-1217-S-CN are the Issuer and the PSC Staff. The Issuer hereby certifies that it does not intend to appeal the August 22, 2003 Order. The Issuer has received

written notification that the PSC Staff does not intend to appeal the August 22, 2003 Order. Such Orders remain in full force and effect.

16. CONFLICTS OF INTEREST: No member, officer or employee of the Issuer or the Sanitary Board has a substantial financial interest, direct, indirect or by reason of ownership of stock in any corporation, in any contract with the Issuer or in the sale of any land, materials, supplies or services to the Issuer or to any contractor supplying the Issuer, relating to the Bonds, the Ordinance, 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.

17. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied with all the requirements of Chapter 5G, Article 1 of the Code of West Virginia, 1931, as amended, in the procurement of the engineering services of the Consulting Engineer.

18. VERIFICATION OF SCHEDULE A: The final amended Schedule A attached to the Certificate of Consulting Engineer, with the signature of the Mayor and the Consulting Engineer, accurately represents the estimated costs of the Project, the sources of funds available to pay the costs of the Project and the costs of financing of the Bonds.

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

20. COUNTERPARTS: This Certificate may be executed in counterparts and all counterparts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of The City of South Charleston on this 5th day of September, 2003.

[SEAL]

Signature	Official Title
	Mayor
	City Clerk
	City Attorney

EXHIBIT A

See Specimen Bond (Tab No. 17)

09/03/03
001793/00308

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE AS TO ARBITRAGE

The undersigned Mayor of The City of South Charleston in Kanawha County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $4,567,360 aggregate principal amount of Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of the Issuer, dated September 5, 2003 (the "Bonds"), hereby certifies as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the temporary and permanent regulations promulgated thereunder or under any predecessor thereto (collectively, the "Code"). I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the same meaning as set forth in the Bond Ordinance duly passed by the Issuer on July 3, 2003, effective July 17, 2003 (the "Bond Ordinance"), authorizing the Bonds.

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

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

4. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on September 5, 2003, the date on which the Bonds are to be physically delivered in exchange for more than a de minimis amount of the principal of the Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

5. In the Bond Ordinance pursuant to which the Bonds are issued, the Issuer has covenanted that (i) it shall not take, or permit or suffer to be taken, any action with respect to the gross or other proceeds of the Bonds which would cause the Bonds to be "arbitrage

bonds" within the meaning of Section 148 of the Code, and (ii) it shall take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds) so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion. The Issuer has, therefore, covenanted to not intentionally use any portion of the proceeds of the Bonds to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except as otherwise allowed under Sections 103 and 148 of the Code.

6. The Bonds were sold on September 5, 2003, to the West Virginia Water Development Authority (the "Authority"), pursuant to a loan agreement dated August 26, 2003, by and among the Issuer, the Authority, and the West Virginia Department of Environmental Protection (the "DEP"), for an aggregate purchase price of $4,567,360 (100% of par value), at which time, the Issuer received $228,369 from the Authority and the DEP, being more than a de minimus amount of the principal of the Bonds. No accrued interest has been or will be paid on 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.

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

8. The Issuer shall, on the date hereof or immediately hereafter, enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds for the acquisition and construction of the Project, constituting a substantial binding commitment, or has already done so. 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 proceed with due diligence to completion and, with the exception of proceeds deposited in the reserve account for the Bonds, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of acquisition and construction of the Project on or before September 2004. The acquisition and construction of the Project is expected to be completed by September 2004.

9. The total cost of acquisition and construction of the Project (including all costs of issuance of the Bonds) is estimated to be $4,567,360. Sources and uses of funds for the Project are as follows:

SOURCES

Gross Proceeds of the Bonds	$4,567,360
Total Sources	$4,567,360

USES

Construction of Project	$4,557,360
Costs of Issuance	$ 10,000
Total Uses	$4,567,360

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

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

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Series 2003 A Bonds Construction Trust Fund;

(4) Series 2003 A Bonds Sinking Fund; and

(5) Series 2003 A Bonds Reserve Account.

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

(1) Bond proceeds in the amount of $-0- will be deposited in the Series 2003 A Bonds Reserve Account.

(2) The balance of the proceeds of the Bonds will be deposited in the Series 2003 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of acquisition and construction of the Project, including costs of issuance of the Bonds and related costs, and for no other purpose.

The Issuer reasonably expects that (i) at least 85% of the net sale proceeds of the Bonds will be spent on the Project within 3 years from the date of issuance of the Bonds; (2) within 6 months of the date of issuance of the Bonds the Issuer will incur a substantial binding obligation to a third party to expend at least 5% of the net sale proceeds of the Bonds on the Project, and (iii) completion of the Project and allocation of the net sale proceeds of the Bonds to expenditures of the Project will proceed with due diligence. Accordingly, amounts in the Series 2003 A Bonds Construction Trust Fund, if invested, will be invested without yield limitation for a period necessary to complete the Project, not to exceed 3 years. All of such moneys are necessary for such purpose.

Except for "preliminary expenditures" as defined in Treas. Reg. § 1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the Issuer for costs of acquisition and construction of the Project previously incurred and paid by the Issuer with its own funds.

12. Moneys held in the Series 2003 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet costs of acquisition and construction of the Project. All investment earnings on moneys in the Series 2003 A Bonds Reserve Account (if equal to the Series 2003 A Bonds Reserve Requirement) will be withdrawn therefrom, not less than once each year, and, during acquisition and construction of the Project, deposited into the Series 2003 A Bonds Construction Trust Fund, and following completion of the Project, will be deposited in the Series 2003 A Bonds Sinking Fund, and such amounts will be applied as set forth in the Bond Ordinance.

13. Except for the Series 2003 A Bonds Sinking Fund and the Series 2003 A Bonds Reserve Account, there are no other funds or accounts established or held by the Issuer which are reasonably expected to be used to pay debt service on the Bonds, or which are pledged as collateral for the Bonds and for which there is a reasonable assurance that amounts therein will be available to pay debt service on the Bonds, if the Issuer encounters financial difficulties. The Issuer does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Bonds, and because such amounts may be expended for other purposes, there is no reasonable assurance that such amounts would be available to meet debt service if the Issuer encounters financial difficulties; thus, such amounts may be invested without yield limitation. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts, investment-type property or any residential rental property for family units which is not located within the jurisdiction of the Issuer and which is not acquired to implement a court

ordered or approved desegregation plan or other investment property producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. Less than 10% of the stated principal amount of the Bonds, if any, will be deposited in the Series 2003 A Bonds Reserve Account or any other reserve or replacement fund. The amounts deposited in the Series 2003 A Bonds Reserve Account from time to time by the Issuer will not exceed the maximum annual principal and interest on the Bonds and will not exceed 125% of average annual principal and interest on the Bonds. Amounts in the Series 2003 A Bonds Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Series 2003 A Bonds Reserve Account is required by the Authority, is vital to its purchase of the Bonds and is reasonably required to assure payments of debt service on the Bonds.

14. Not later than simultaneously with the delivery of the Bonds, the Issuer shall enter into a contract for the acquisition and construction of the Project, and the amount to be expended pursuant to such contract exceeds 5% of the net sale proceeds of the Bonds.

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

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

17. With the exception of the amount deposited in the Series 2003 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 12 months from the date of issuance thereof.

18. The Series 2003 A Bonds Sinking Fund (other than the Series 2003 A Bonds Reserve Account therein) is intended primarily to achieve a proper matching of payments of debt service on the Bonds each year. The Series 2003 A Bonds Sinking Fund (other than the Series 2003 A Bonds Reserve Account therein) will be depleted at least once a year, except for a reasonable carryover amount not in excess of the greater of 1/12th of annual debt service on the Bonds or 1 year's interest earnings on the Series 2003 A Bonds Sinking Fund (other than the Series 2003 A Bonds Reserve Account therein). Except as otherwise allowed, any money deposited in the Series 2003 A Bonds Sinking Fund for payment of the principal of or interest on the Bonds (other than the Series 2003 A Bonds Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt and will be invested without yield limitation, and any moneys received from the investment of amounts held in the Series 2003 A Bonds Sinking Fund (other than in the Series 2003 A Bonds Reserve Account therein) will be spent within a 1-year period beginning on the date of receipt.

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

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

21. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds or $5,000,000 have been or will be used to make or finance loans to, any person who is not a governmental unit.

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

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

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

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

26. The Issuer will rebate to the United States the amount, if any, required by the Code and take all steps necessary to make such rebates. In the event the Issuer fails to make such rebates as required, the Issuer shall pay the required rebate amount and any and all penalties and other amounts from lawfully available sources, and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

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

29. The Issuer has either (a) funded the Series 2003 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 2003 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until the Series 2003A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Series 2003 A Bonds Reserve Account and the Series 2003 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.

30. The Issuer shall submit to the Authority within 15 days following the end of each bond year a certified copy of its rebate calculation and a certificate with respect thereto or, if the Issuer qualifies for the small governmental issuer exception to rebate, or any other exception thereto, then the Issuer shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

31. The Issuer expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

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

33. The Issuer is a governmental unit and has general taxing powers; no Bonds are private activity bonds; 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer (or of a governmental unit the jurisdiction of which is entirely within the jurisdiction of the Issuer); and the aggregate face amount of all tax-exempt bonds or obligations (other than private activity bonds) issued by the Issuer during the calendar year 2003, the calendar year in which the Bonds are issued, is not reasonably expected to exceed $5,000,000, determined in accordance with Section 148(f)(4)(D) of the Code. For

purposes of this paragraph and for purposes of applying such Section 148(f)(4)(D) of the Code, the Issuer and all entities which issue obligations on behalf of the Issuer shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this paragraph and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer. No portion of the Bonds is issued to refund other obligations.

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

35. The Bonds are a fixed yield issue. No interest or other amount payable on the Bonds (other than in the event of an unanticipated contingency) is determined by

reference to (or by reference to an index that reflects) market interest rates or stock or commodity prices after the date of issue.

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

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

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

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

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

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

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

43. Jackson Kelly PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

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

WITNESS my signature on this 5th day of September, 2003.

THE CITY OF SOUTH CHARLESTON

Mayor

08/27/03
001793/00308

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF CITY CLERK AS TO TRUTH
AND ACCURACY OF DOCUMENTS DELIVERED

The undersigned duly elected City Clerk of The City of South Charleston (the "Issuer"), hereby certifies that the copies of the following documents being delivered in connection with the closing of the sale of The City of South Charleston Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Bonds") are, as of the date hereof, true, complete and accurate copies of the originals of those documents maintained on file with the Issuer and delivered in the transcript of proceedings, that said documents have been duly adopted, enacted or entered by the Council of the Issuer, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, rescission, supersedence, amendment or modification is also listed below:

1. Charter.

2. Oaths of Office of Mayor, City Clerk and Council Members.

3. Ordinance Creating Sanitary Board.

4. Oaths of Office of Sanitary Board Members.

5. Public Service Commission Order.

6. Infrastructure Council Approval Letter.

7. Loan Agreement.

8. Rate Ordinance.

9. Minutes of Council Meetings regarding All Readings and Public Hearing of the Rate Ordinance.

10. Affidavit of Publication of the Rate Ordinance and Notice of Public Hearing.

11. Petition of Sanitary Board.

12. Bond Ordinance.

13. Supplemental Resolution.

14. Minutes of Council Meetings regarding All Readings and Public Hearing of the Bond Ordinance and Adoption of the Supplemental Resolution.

15. Affidavit of Publication of the Notice of Public Hearing and Abstract of Bond Ordinance.

16. 1999 Bond Ordinance and Supplemental Resolution.

17. 1986 Bond Ordinance and Supplemental Resolution.

18. WDA Consent to Issuance of Parity Bonds.

19. NPDES Permit.

20. Evidence of Insurance.

[The rest of this page is intentionally left blank.]

WITNESS my signature and the official seal of The City of South Charleston on this 5th day of September, 2003.

City Clerk

[SEAL]

08/25/03
001793/00308

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF CONSULTING ENGINEER

I, Brent A. Tippey, Registered Professional Engineer, West Virginia License No. 13399, of Quest Engineers, Inc., Lexington, Kentucky, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of certain additions, betterments and improvements (the "Project") to the existing public sewerage system (the "System") of The City of South Charleston (the "Issuer"), to be constructed primarily in Kanawha County, West Virginia, which acquisition and construction are being permanently financed by the above-captioned bonds (the "Bonds") of the Issuer. All capitalized words used herein and not defined herein shall have the same meaning set forth in the Bond Ordinance passed by the Issuer on July 3, 2003, effective July 17, 2003, and the Loan Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection ("DEP"), dated August 26, 2003 (the "Loan Agreement").

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

3. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and 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 25 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 A attached hereto as Exhibit A, and in reliance upon the opinion of Melissa

Newberry, Esquire, of even date herewith, 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; (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) in reliance upon the certificate of Grigoraci, Trainer, Wright & Paterno, CPA, of even date herewith, as of the effective date thereof, the rates and charges for the System as 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 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 5th day of September, 2003.

[SEAL]

BRENT ALAN TIPPEY
REGISTERED
13399
STATE OF
WEST VIRGINIA
PROFESSIONAL ENGINEER

QUEST ENGINEERS, INC.

Brent A. Tippey, P.E.
West Virginia License No. 13399

08/27/03
001793/00308

M0382973.1

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY: South Charleston Sanitary Board

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

		A. Cost of Project	
1.	Construction	$ 4,014,870	
2.	Technical Services	$ 326,750	
3.	Legal and Fiscal	$ 15,000	
4.	Administrative	$ --	
* 5.	Site and Other Lands	$ --	
** 6.	Fac. Plan/Design or Other Loan Repayment (Specify Type: _____)	$ --	
7.	Interim Financing Costs	$ --	
8.	Contingency	$ 200,740	
9.	Miscellaneous	$	
10.	Total of Lines 1 Through 9		$ 4,557,360

			B. Sources of Funds	
11.	Federal Grants:[1]		$	
	(Specify Sources)		$	
12.	State Grants:[1]		$	
	(Specify Sources)		$	
13.	Other Grants:[1]		$	
	(Specify Sources)		$	
14.	Any Other Source[2]		$	
	(Specify)		$	
15.	Total of Lines 11 Through 14			$ 0
16.	Net Proceeds Required from Bond Issue (Line 10 minus Line 15)			$ 4,557,360

		C. Cost of Financing	
17.	Bond Council	$ 10,000	
18.	Funded Reserve Account:[3]	$ --	
19.	Total Cost of Financing (lines 17 + 18)		$ 10,000
20.	Size of Bond Issue (Line 16 plus Line 19)		$ 4,567,360

* not allowable for State Revolving Fund Assistance

** WDA loans associated with EPA grants are not allowable

Signature of Applicant

Date 4/4/2003

Signature of Consulting Engineer

Date 4/8/03

G & T W & P

GRIGORACI, TRAINER, WRIGHT & PATERNO

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)

608 TENNESSEE AVENUE

P. O. BOX 1191
CHARLESTON, WV 25324
(304) 343-5511
FAX: (304) 343-5514

September 4, 2003

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A ($4,567,360)
(WEST VIRGINIA SRF PROGRAM)

The City of South Charleston
P.O. Box 8597
South Charleston, WV 25303

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 have reviewed the sewer service rates of The City of South Charleston (the "Issuer"), enacted by the Issuer on July 3, 2003, and the projected operating expenses and anticipated customer usage provided by Quest Engineers, Inc., the consulting engineer of the Issuer. It is our opinion that such rates are sufficient (i) to provide for all operating expenses of the sewerage system of the Issuer (the "System"), and (ii) to leave a balance each fiscal year equal to at least 115% of the maximum amount required in any succeeding fiscal year for the payment of principal and interest on the Issuer's Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Series 2003 A Bonds") and all other obligations secured by or payable from revenues of the System on a parity with the Series 2003 A Bonds, including the Issuer's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, and Subordinate Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) (collectively, the "Prior Bonds").

It is further our 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 Series 2003 A 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 Series 2003 A Bonds, will not be less than 115% of the maximum debt service in any succeeding year on the Prior Bonds and the Series 2003 A Bonds.

Capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Ordinance authorizing the Series 2003 A Bonds.

Very truly yours,

Brigan Trainer Wright & Paterno

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

RECEIPT FOR BONDS

The undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, hereby certifies as follows:

1. On the 5th day of September, 2003, in Charleston, West Virginia, the Authority received the entire original issue of $4,567,360 in aggregate principal amount of the Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of The City of South Charleston (the "Issuer"), dated September 5, 2003, issued in the form of one bond, fully registered to the Authority, and numbered AR-1 (the "Bonds").

2. At the time of such receipt of the Bonds, they had been executed by the Mayor of the Issuer and attested by the City Clerk of the Issuer, by their respective manual signatures, and the official seal of the Issuer had been impressed upon the Bonds.

WITNESS my signature on this 5th day of September, 2003.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

Authorized Representative

08/26/03
001793/00308

M0382977.1

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

RECEIPT FOR BOND PROCEEDS

The undersigned Mayor of The City of South Charleston (the "Issuer"), for and on behalf of the Issuer, hereby certifies as follows:

On the 5th day of September, 2003, the Issuer received and hereby acknowledges receipt from the West Virginia Water Development Authority (the "Authority"), as the original purchaser of the $4,567,360 The City of South Charleston Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated September 5, 2003 (the "Bonds"), of the sum of $228,369, being a portion of the principal amount of the Bonds. The Issuer understands that the remaining proceeds of the Bonds will be advanced to the Issuer from time to time as construction proceeds to completion.

WITNESS my signature on this 5th day of September, 2003.

THE CITY OF SOUTH CHARLESTON

Mayor

08/27/03
001793/00308

M0382983.1

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

REQUEST AND AUTHORIZATION TO
AUTHENTICATE AND DELIVER THE BONDS

September 5, 2003

Bank One, NA, as Registrar
Charleston, West Virginia

Ladies and Gentlemen:

We herewith hand to you, duly executed, the $4,567,360 Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the form of one bond, numbered AR-1, dated September 5, 2003 (the "Bonds"), of The City of South Charleston (the "Issuer"), authorized to be issued under and pursuant to a Bond Ordinance duly passed by the Issuer on July 3, 2003, effective July 17, 2003, and a Supplemental Resolution duly adopted by the Issuer on September 4, 2003.

You are hereby requested and authorized to register, authenticate and deliver the Bonds on behalf of the Issuer to the West Virginia Water Development Authority.

THE CITY OF SOUTH CHARLESTON

Richard A. Robb
Mayor

(SEAL)

Attest:

Margie Hamm
City Clerk

08/26/03
001793/00308

M0382988.1

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

3.9

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 5th day of September, 2003, by and between THE CITY OF SOUTH CHARLESTON, a municipal corporation (the "Issuer"), and BANK ONE, NA, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $4,567,360 Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program) (the "Bonds"), in the form of one bond, numbered AR-1, in fully registered form, pursuant to a Bond Ordinance duly passed by the Issuer on July 3, 2003, effective July 17, 2003, and a Supplemental Resolution duly adopted September 4, 2003 (collectively, the "Ordinance");

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 Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Ordinance and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Ordinance 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 Ordinance, 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 exclusion of interest, if any, on the Bonds from gross income for federal income tax purposes, 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 Ordinance with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Ordinance, the terms of the Ordinance 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 Ordinance 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 address:

ISSUER:

The City of South Charleston
P.O. Box 8597
South Charleston, WV 25303
Attention: Mayor

REGISTRAR:

Bank One, NA
P.O. Box 1113
Charleston, WV 25324
Attention: Corporate Trust Department

EXHIBIT A

See Bond Ordinance (Tab No. 13)
See Supplemental Resolution (Tab No. 14)

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

CERTIFICATE OF REGISTRATION OF BONDS

BANK ONE, NA, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), of The City of South Charleston (the "Issuer"), dated September 5, 2003, in the principal amount of $4,567,360, and numbered AR-1, was registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of the Registrar.

WITNESS my signature on this 5th day of September, 2003.

BANK ONE, NA, as Registrar

Authorized Officer

08/26/03
001793/00308

M0383003.1

THE CITY OF SOUTH CHARLESTON
SEWER REVENUE BONDS, SERIES 2003 A
(WEST VIRGINIA SRF PROGRAM)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

BANK ONE, NA, Charleston, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of South Charleston (the "Issuer"), passed by the Issuer on July 3, 2003, effective July 17, 2003, and a Supplemental Resolution adopted by the Issuer on September 4, 2003 (collectively, the "Ordinance"), authorizing the issuance of The City of South Charleston Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), in the aggregate principal amount of $4,567,360, dated September 5, 2003, and agrees to serve as Depository Bank, all as set forth in the Ordinance.

Witness my signature on this 5th day of September, 2003.

BANK ONE, NA

Authorized Officer

08/26/03
001793/00308

M0383005.1

WEST VIRGINIA MUNICIPAL BOND COMMISSION
Suite 500
8 Capitol Street, Charleston, WV 25301
(304) 558-3971

3.12

NEW ISSUE REPORT FORM
Date of Report: September 5, 2003

ISSUE: The City of South Charleston Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program)

ADDRESS: P.O. Box 8597, South Charleston, WV 25303 COUNTY: Kanawha

PURPOSE OF ISSUE: New Money X
Refunding ____ Refunds issue(s) dated: ____

ISSUE DATE: September 5, 2003 CLOSING DATE: September 5, 2003

ISSUE AMOUNT: $4,567,360 RATE: 2%; Administrative Fee: 1%

1st DEBT SERVICE DUE: March 1, 2005 1st PRINCIPAL DUE: March 1, 2005

1st DEBT SERVICE AMOUNT: $69,410.80 PAYING AGENT: Municipal Bond Commission

BOND COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

UNDERWRITERS COUNSEL: ____
Contact Person: ____
Phone: ____

CLOSING BANK: Bank One, NA
Contact Person: Matthew Cummings
Phone: (304) 348-6980

ESCROW TRUSTEE: ____
Contact Person: ____
Phone: ____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Carlton Lee
Position: General Manager
Phone: (304) 768-4140

OTHER: WVDEP
Contact Person: Rosalie Brodersen
Function: Program Manager
Phone: (304) 558-0637

DEPOSITS TO MBC AT CLOSE: ____
By ____ Wire
____ Check

Accrued Interest: $____
Capitalized Interest: $____
Reserve Account: $____
Other: ____ $____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ____ Wire
____ Check
____ IGT

To Escrow Trustee: $____
To Issuer: $____
To Cons.Invest.Fund $____
To Other: ____ $____

NOTES: ____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: ____
Transfers Required: ____

08/26/03
001793/00308

M0383006.1

JACKSONKELLY
ATTORNEYS AT LAW PLLC
1600 LAIDLEY TOWER • P.O. BOX 553 • CHARLESTON, WEST VIRGINIA 25322 • TELEPHONE: 304-340-1000 • TELECOPIER: 304-340-1130
www.jacksonkelly.com

DIRECT NO. (304) 340-1318 EMAIL: sgee@jacksonkelly.com FAX NO. (304) 340-1080 OR 1040

September 11, 2003

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Internal Revenue Service
Internal Revenue Service Center
Ogden, Utah 84201

Re: The City of South Charleston
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

Ladies and Gentlemen:

Enclosed herewith is a completed and executed Internal Revenue Service Form 8038-G and a file copy thereof with regard to the above-captioned issue. Please file the original form in the appropriate Internal Revenue Service records and return the copy marked in red as the "File Copy" to me (after acknowledging receipt of the same) in the enclosed self-addressed, stamped envelope.

Thank you for your attention to this matter.

Very truly yours,

Samme L. Gee

SLG/lp

Enclosure

cc: Carlton Lee *(w/ enc.)*

Washington, D.C. • Denver, CO • Lexington, KY • Fairmont, WV • Martinsburg, WV • Wheeling, WV • Morgantown, WV • New Martinsville, WV • Parkersburg, WV

Form **8038-G** (Rev. November 2000) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate Instructions.

Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: **The City of South Charleston**

2 Issuer's employer identification number: **55 6000255**

3 Number and street (or P.O. box if mail is not delivered to street address): **P.O. Box 8597** Room/suite

4 Report number: **3 01**

5 City, town, or post office, state, and ZIP code: **South Charleston, WV 25303**

6 Date of issue: **September 5, 2003**

7 Name of issue: **Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program)**

8 CUSIP number: **N/A**

9 Name and title of officer or legal representative whom the IRS may call for more information: **Samme L. Gee, Esquire**

10 Telephone number of officer or legal representative: **(304) 340-1318**

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☐ Education	11	
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☑ Environment (including sewage bonds)	15	4,567,360
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	

19 If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐

20 If obligations are in the form of a lease or installment sale, check box ▶ ☐

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/1/2024	$ 4,567,360	$ 4,567,360	12.027 years	2.0085294 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	0
23	Issue price of entire issue (enter amount from line 21, column (b))			23	4,567,360
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	10,000		
25	Proceeds used for credit enhancement	25	0		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to currently refund prior issues	27	0		
28	Proceeds used to advance refund prior issues	28	0		
29	Total (add lines 24 through 28)			29	10,000
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	4,557,360

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ _____ years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ _____ years

33 Enter the last date on which the refunded bonds will be called ▶ _____

34 Enter the date(s) the refunded bonds were issued ▶ _____

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
b	Enter the final maturity date of the guaranteed investment contract ▶ _____		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☐

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Richard A. Robb 9-5-03 ▶ **Richard A. Robb, Mayor**

Signature of issuer's authorized representative — Date — Type or print name and title

For Paperwork Reduction Act Notice, see page 2 of the Instructions.

Cat. No. 63773S Form **8038-G** (Rev. 11-2000)

STATE OF WEST VIRGINIA
DEPARTMENT OF ENVIRONMENTAL PROTECTION
DIVISION OF WATER RESOURCES
1201 GREENBRIER STREET
CHARLESTON, WV 25311

RECEIVED
JUL 0 1 2003
Quest Engineers Inc.

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WATER POLLUTION CONTROL PERMIT

NPDES PERMIT NO.: WV0023116
SUBJECT: Sewage

ISSUE DATE: November 08, 2002
EFFECTIVE DATE : December 08, 2002
EXPIRATION DATE: November 07, 2006
SUPERSEDES: Permit No. WV0023116 dated July 19, 1991; Permit No. WV0040771 dated June 02, 1989

LOCATION: SOUTH CHARLESTON (City) Kanawha (County) Lower Kanawha River (Drainage Basin)

See the next page for a list of Outlets.

TO WHOM IT MAY CONCERN:

This is to certify that: SOUTH CHARLESTON SANITARY BD
(OWNER)
PO BOX 8336
SOUTH CHARLESTON, WV 25303
And
SOUTH CHARLESTON SEWAGE TREATMENT (OPERATOR)
PO BOX 8515
SOUTH CHARLESTON, WV 25303

are hereby granted a West Virginia NPDES Water Pollution Control Permit to:
1) operate and maintain an existing wastewater collection system and an existing 3.9 MGD activated sludge wastewater treatment plant, which are further described as follows, and to implement a Publicly Owned Treatment Works Pretreatment Program.

A wastewater collection system comprised of approximately 75 miles of gravity sewer lines ranging from four (4) inches to 30 inches in diameter, necessary manholes, necessary cleanouts, 15 lift stations, 10 miles of force main ranging from two (2) inches to 12 inches in diameter, and all requisite appurtenances.

A wastewater treatment plant comprised of a mechanical bar screen and comminutor, two (2) grit removal chambers, two (2) primary clarifiers with a volume of 277,000 gallons and a surface area of 3,200 square feet each, two (2) aeration chambers with a volume of 1.25 million gallons, two (2) secondary clarifiers with a volume of 430,000 gallons and a surface area of 4,780 square feet each, two (2) chlorine contact chambers with a volume of 60,000 gallons each, and all requisite appurtenances.

These facilities are to serve a population equivalent of approximately 30,790 persons in the City of South Charleston, the Green Valley Public Service District, and environs, and discharge treated wastewater via Outlet 201 into Outlet 001 and thence to the Kanawha River at Mile Point 56.2; and

2) operate a disposal system for the direct discharge of treated industrial wastes (process wastewater and

sanitary wastes) from the Union Carbide Chemical Co., South Charleston Plant (a subsidary of Dow Chemical Co.) and sewage for some limited residents of the City of South Charleston by activated sludge biological treatment or the effluent therefrom via Outlet 101 into Outlet 001 and thence to the Kanawha River at Mile Point 56.2.

3) acquire, construct, install, operate and maintain improvements to the existing wastewater collection system and the existing wastewater treatment plants which are further described as follows.

A new Liberty Street Pump Station, emergency generator, odor control system, demolition of the existing pump station, approximately 70 linear feet of 30 inch diameter gravity sewer line, two (2) manholes, 2,100 linear feet of 20 inch diameter force main, 600 linear feet of 24 inch diameter force main, and all requisite appurtenances.

On the domestic wastewater treatment plant, replacement of the existing influent pumps, grit removal system, and primary clarifiers mechanisms, and all requisite appurtenances.

On the industrial wastewater treatment plant, replacement of existing grit removal system, and all requisite appurtenances.

4) to allow the discharge of untreated storm water runoff via Outlets 002, 003, 004, 005, 006 and 007.

This permit is subject to the following terms and conditions :
The information submitted on, and with, Permit Application No. WV0023116, dated the 7th day of March 2002, additional information, dated the 17th and 22nd of May, 25th and 28th day of June 2002, and additional information, received the 1st and 5th day of July 2002, are all hereby made terms and conditions of this permit with like effect as if all such permit application information was submitted herein, and with other conditions set forth in Sections A, B, C, D, and E and Appendix A.

THE WASTEWATER TREATMENT PLANTS AND WASTEWATER COLLECTION SYSTEM IMPROVEMENTS PROJECT SHALL BE CONSTRUCTED IN ACCORDANCE WITH:

Plans, Specifications, and Reports:

- Date Approvable: June 19, 2002
- Prepared by: Quest Engineers, Inc.
- 881 Corporate Drive
- Lexington, KY 40503
- Title: City of South Charleston
- Sanitary Board
- Kanawha County, West Virginia
- Contract 1 — Wastewater Treatment Plants Improvements
- Contract 2 — Wastewater Collection System Improvements
- SRF Project No. C-544290

The validity of this permit is contingent upon the payment of the applicable annual permit fee, as required by Chapter 22, Article 11, Section 10 of the Code of West Virginia.

Permit No. : WV0023116

Inspectable Unit	Latitude	Longitude	Receiving Stream	Milepost
001	38°22'00"	81°40'23"	KANAWHA RV	
002	38°22'00"	81°40'23"	KANAWHA RV	
003	38°22'00"	81°40'23"	Unnamed Tributary Of KANAWHA RV	
004	38°22'00"	81°40'23"	Unnamed Tributary Of KANAWHA RV	
005	38°22'00"	81°40'23"	Unnamed Tributary Of KANAWHA RV	
006	38°22'00"	81°40'23"	Unnamed Tributary Of KANAWHA RV	
007	38°22'00"	81°40'23"	Unnamed Tributary Of KANAWHA RV	
S01	38°22'00"	81°40'23"	N/A	

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary, Process)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Section C.16.	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	1/daily	Calculated
BOD, 5-Day 20 Deg.C (Summer May 1-Oct 31) (ML-B) See Section C.13.	2450 Avg. Monthly	6156 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	Calculated
Total Suspended Solids (Year Round) (ML-1) See Section C.13.	3513 Avg. Monthly	5568 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	Calculated
Coliform, Fecal (Year Round) (ML-1) Refer to Section C.13. and C.22.	N/A	N/A	N/A	N/A	200 Avg. Monthly	400 Max. Daily	Cnts/100ml	5days/week	Grab
pH (Year Round) (ML-1)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	5days/week	Grab
Chlorine, Total Residual (Year Round) (ML-1) Refer to Section C.13.	N/A	N/A	N/A	N/A	28 Avg. Monthly	57 Max. Daily	ug/l	5days/week	Grab
Chloride (as Cl) (Year Round) (ML-1) See Section C.13.	67000 Avg. Monthly	106000 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Calculated
Toxicity, Acute Daphnia (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	1 Max. Daily	TUa	1/6 months	24 hr Composite
Toxicity, Acute Pimephales (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	1 Max. Daily	TUa	1/6 months	24 hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary, Process)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Zinc, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	12.1 Avg. Monthly	24.2 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/month	Calculated
Lead, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	Calculated
Copper, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	1.6 Avg. Monthly	3.3 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/month	Calculated
Cyanide, Weak Acid Dissociable (Year Round) (ML-1) Refer to Section C.15.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Grab
Silver, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated
Cadmium, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	Calculated
Mercury, Total (As Hg) (Year Round) (ML-1) See Section C.13.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated
Nickel, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated
Chloroform (Year Round) (ML-1)	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary, Process)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Total Ammonia Nitrogen(NH3-N) (Summer May 1-Oct 31) (ML-1) See Section C.13.	910 Avg. Monthly	1121 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/week	Calculated
Chromium,Hexavalent Total Rec. (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary, Process)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Section C.16.	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	1/daily	Calculated
BOD, 5-Day 20 Deg.C (Winter Nov 1-Apr 30) (ML-B) See Section C.13.	2775 Avg. Monthly	6807 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	Calculated
Total Suspended Solids (Year Round) (ML-1) See Section C.13.	3513 Avg. Monthly	5568 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	Calculated
Coliform, Fecal (Year Round) (ML-1) Refer to Section C.13. and C.22.	N/A	N/A	N/A	N/A	200 Avg. Monthly	400 Max. Daily	Cnts/100ml	5days/week	Grab
pH (Year Round) (ML-1)	N/A	N/A	N/A	6 Inst. Min.	N/A	9 Inst. Max.	S.U.	5days/week	Grab
Chlorine, Total Residual (Year Round) (ML-1) Refer to Section C.13.	N/A	N/A	N/A	N/A	28 Avg. Monthly	57 Max. Daily	ug/l	5days/week	Grab
Chloride (as Cl) (Year Round) (ML-1) See Section C.13.	67000 Avg. Monthly	106000 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	Calculated
Toxicity, Acute Daphnia (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	1 Max. Daily	TUa	1/6 months	24 hr Composite
Toxicity, Acute Pimephales (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	1 Max. Daily	TUa	1/6 months	24 hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary, Process)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Zinc, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	12.1 Avg. Monthly	24.2 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/month	Calculated
Lead, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	Calculated
Copper, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	1.6 Avg. Monthly	3.3 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	ug/l	1/month	Calculated
Cyanide, Weak Acid Dissociable (Year Round) (ML-1) Refer to Section C.15.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Grab
Silver, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated
Cadmium, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	Calculated
Mercury, Total (As Hg) (Year Round) (ML-1) See Section C.13.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated
Nickel, Total Recoverable (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated
Chloroform (Year Round) (ML-1)	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At or as near as possible to the point of discharge.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.001 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 001 (Sanitary, Process)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Total Ammonia Nitrogen(NH3-N) (Winter Nov 1-Apr 30) (ML-1) See Section C.13.	1121 Avg. Monthly	1821 Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/week	Calculated
Chromium,Hexavalent Total Rec. (Year Round) (ML-1) Refer to Section C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	Calculated

amples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
t or as near as possible to the point of discharge.

his discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

ISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

mitations

ıund

During the period beginning DEcember 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 002 (Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

	Discharge Limitations							Monitoring Requirements	
ristic	**Quantity**		**Units**	**Other Units**			**Units**	**Measurement Frequency**	**Sample Type**
Conduit or thru plant ınd) (ML-1) Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mgd	1/6 months	Estimated
'spended Solids ınd) (ML-1) Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab
ınd) (ML-1) Condition C.7. and C.8.	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	1/6 months	Grab
ıxygen Demand ınd) (ML-1) Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab

aken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
ıear as possible to the point of discharge.

arge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.003 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning DEcember 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 003 (Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mgd	1/6 months	Estimated
Total Suspended Solids (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab
pH (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	1/6 months	Grab
Chem. Oxygen Demand (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab

amples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
rom the storm sewer at the point of connection to the Joplin Branch Culvert.

his discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.004 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 004 (Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mgd	1/6 months	Estimated
Total Suspended Solids (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab
pH (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	1/6 months	Grab
Chem. Oxygen Demand (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
From the storm sewer at the point of connection to the Joplin Branch Culvert.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.005 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 005 (Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mgd	1/6 months	Estimated
Total Suspended Solids (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab
pH (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	1/6 months	Grab
Chem. Oxygen Demand (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
From the storm sewer at the point of connection to the Joplin Branch Culvert.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.006 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 006 (Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mgd	1/6 months	Estimated
Total Suspended Solids (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab
pH (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	1/6 months	Grab
Chem. Oxygen Demand (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

From the storm sewer, approximately 150 feet upstream from the point of connection to Joplin Branch Culvert and prior to mixing with stormwater from outside the plant property.

This discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.007 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 007 (Storm Water Runoff)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mgd	1/6 months	Estimated
Total Suspended Solids (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab
pH (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	1/6 months	Grab
Chem. Oxygen Demand (Year Round) (ML-1) See Condition C.7. and C.8.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	mg/l	1/6 months	Grab

ımples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
'om the storm sewer.

ıis discharge shall not cause violation of Title 46, Series 1, Section 3, of the West Virginia Legislative Rules issued pursuant to Chapter 22B, Article 3.

A.101 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 101 (Process Water)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.16.	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Year Round) (ML-B) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	24 hr Composite
Total Suspended Solids (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	24 hr Composite
Ammonia Nitrogen (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/week	24 hr Composite
pH (Year Round) (ML-A)	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	5days/week	Grab
Chloride (as Cl) (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	24 hr Composite
Toxicity, Acute Daphnia (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	TUa	1/6 months	24 hr Composite
Toxicity, Acute Pimephales (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	TUa	1/6 months	24 hr Composite
Zinc, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At the discharge from the industrial component prior to combination with the discharge from the domestic component.

A.101 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 101 (Process Water)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Lead, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	24 hr Composite
Copper, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Silver, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Cadmium, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	24 hr Composite
Mercury, Total (As Hg) (Year Round) (ML-A) See Condition C.13.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Nickel, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Chromium,Hexavalent Total Rec. (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite

amples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

t the discharge from the industrial component prior to combination with the discharge from the domestic component.

A.201 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 201 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.16.	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
BOD, 5-Day 20 Deg.C (Summer May 1-Oct 31) (ML-B) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	24 hr Composite
Total Suspended Solids (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	24 hr Composite
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Cnts/100ml	5days/week	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	5/week	Grab
Chlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	5/week	Grab
Chloride (as Cl) (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	24 hr Composite
Toxicity, Acute Daphnia (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	TUa	1/6 months	24 hr Composite
Toxicity, Acute Pimephales (Year Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	TUa	1/6 months	24 hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

: the discharge from the domestic component prior to combining with the Industrial Component discharge. BOD-5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analyses.

A.201 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 201 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Zinc, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.v	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Lead, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	24 hr Composite
Copper, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Silver, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Cadmium, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	24 hr Composite
Mercury, Total (As Hg) (Year Round) (ML-A) See Condition C.13.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Nickel, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	N/A	85 Avg. Monthly	N/A	Percent	8/month	Calculated
Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	N/A	85 Avg. Monthly	N/A	Percent	8/month	Calculated

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At the discharge from the domestic component prior to combining with the Industrial Component discharge. BOD-5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analyses.

A.201 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Summer May 1-Oct 31

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 201 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Total Ammonia Nitrogen(NH3-N) (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/week	24 hr Composite
Chromium,Hexavalent Total Rec. (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

At the discharge from the domestic component prior to combining with the Industrial Component discharge. BOD-5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analyses.

A.201 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 201 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Flow,in Conduit or thru plant (Year Round) (ML-1) See Condition C.16.	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mgd	Continuous	measured
3OD, 5-Day 20 Deg.C (Winter Nov 1-Apr 30) (ML-B) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	24 hr Composite
Total Suspended Solids (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	4/Week	24 hr Composite
Coliform, Fecal (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Cnts/100ml	5days/week	Grab
pH (Year Round) (ML-A)	N/A	N/A	N/A	Rpt Only Inst. Min.	N/A	Rpt Only Inst. Max.	S.U.	5/week	Grab
hlorine, Total Residual (Year Round) (ML-A)	N/A	N/A	N/A	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	5/week	Grab
hloride (as Cl) (ear Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/month	24 hr Composite
oxicity, Acute Daphnia (ear Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	TUa	1/6 months	24 hr Composite
oxicity, Acute Pimephales (ear Round) (ML-1) Refer to Section C.6.	N/A	N/A	N/A	N/A	N/A	Rpt Only Max. Daily	TUa	1/6 months	24 hr Composite

mples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
the discharge from the domestic component prior to combining with the Industrial Component discharge. BOD-5 samples shall be properly reseeded, in cordance with the approved procedures, prior to analyses.

A.201 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 201 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations						Monitoring Requirements		
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Zinc, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.v	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Lead, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	24 hr Composite
Copper, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Silver, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Cadmium, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/quarter	24 hr Composite
Mercury, Total (As Hg) (Year Round) (ML-A) See Condition C.13.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
Nickel, Total Recoverable (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite
BOD, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	N/A	85 Avg. Monthly	N/A	Percent	8/month	Calculated
Solids, % Removal (Year Round) (ML-K)	N/A	N/A	N/A	N/A	85 Avg. Monthly	N/A	Percent	8/month	Calculated

Samples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):
At the discharge from the domestic component prior to combining with the Industrial Component discharge. BOD-5 samples shall be properly reseeded, in accordance with the approved procedures, prior to analyses.

A.201 DISCHARGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Winter Nov 1-Apr 30

During the period beginning December 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to discharge from Outlet Number(s) 201 (Sanitary)

Such discharges shall be limited and monitored by the permittee as specified below:

Effluent Characteristic	Discharge Limitations							Monitoring Requirements	
	Quantity		Units	Other Units			Units	Measurement Frequency	Sample Type
Total Ammonia Nitrogen(NH3-N) (Year Round) (ML-A) See Condition C.13.	Rpt Only Avg. Monthly	Rpt Only Max. Daily	Lbs/Day	N/A	Rpt Only Avg. Monthly	Rpt Only Max. Daily	mg/l	1/week	24 hr Composite
Chromium,Hexavalent Total Rec. (Year Round) (ML-A) See Condition C.13. and C.14.	N/A	Rpt Only Max. Daily	Lbs/Day	N/A	N/A	Rpt Only Max. Daily	ug/l	1/month	24 hr Composite

mples taken in compliance with the monitoring requirements specified above shall be taken at the following location(s):

the discharge from the domestic component prior to combining with the Industrial Component discharge. BOD-5 samples shall be properly reseeded, in cordance with the approved procedures, prior to analyses.

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning DEcember 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

Effluent Characteristic	Quantity		Units	Limitations	Other Units		Units	Monitoring Requirements Measurement Frequency	Sample Type
pH (Year Round) (ML-+)	N/A	N/A	N/A	Rpt Only Min.	N/A	Rpt Only Max.	S.U.	1/quarter	Grab
Arsenic, Sludge Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	73 Max.	mg/kg	1/quarter	1/wk Comp
Cadmium,Sludge,Tot Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Chromium, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	600 Max.	mg/kg	1/quarter	1/wk Comp
Copper,Sludge,Tot,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Lead, Dry. Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Mercury, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Molybdenum,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Nickel, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	420 Max.	mg/kg	1/quarter	1/wk Comp

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning DEcember 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

Effluent Characteristic	Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Selenium,Sludge,Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Zinc, Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Calcium, Total (as Ca) (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Solids, Total Sludge Percent (Year Round) (ML-+)	N/A	N/A	N/A	Rpt Only Min.	Rpt Only Avg.	Rpt Only Max.	Percent	1/quarter	1/wk Comp
Potassium, Sludge Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Phosphorus,Sludge,Tot,Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Nitrogen, Ammonia Tot. Dry Wt. (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Nitrogen, Sludge Tot. Dry Wt (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp
Organic Nitrogen (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp

A.S01 SEWAGE SLUDGE LIMITATIONS AND MONITORING REQUIREMENTS:

Final Limitations

Year Round

During the period beginning DEcember 8, 2002 and lasting through midnight November 7, 2006 the permittee is authorized to dispose sludge in accordance with the following from Outlet Number S01 (Sludge)

Effluent Characteristic	Limitations							Monitoring Requirements	
	Quantity		Units		Other Units		Units	Measurement Frequency	Sample Type
Magnesium,Tot (as Mg) (Year Round) (ML-+)	N/A	N/A	N/A	N/A	N/A	Rpt Only Max.	mg/kg	1/quarter	1/wk Comp

B. SCHEDULE OF COMPLIANCE

1. **The permitee shall achieve compliance with the provisions for waste treatment and the monitoring requirements specified in the permit in accordance with the following schedule :**
   Effective date of permit.

2. **Reports of compliance or non-compliance with, and progress reports on interim and final requirements contained in the above compliance schedule, if any, shall be postmarked no later than 14 days following each schedule date.**

Section C - Other Requirements

01. The herein-described treatment works, structures, electrical and mechanical equipment shall be adequately protected from physical damage by the maximum expected one hundred (100) year flood level and operability be maintained during the twenty-five (25) year flood level.

02. The entire sewage treatment facility shall be adequately protected by fencing.

03. The permittee shall submit each month according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration and/or quantities the values of the constituents listed in Section A analytically determined to be in the plant effluent(s). Additional information pertaining to effluent monitoring and reporting can be found in Section III of Appendix A.

04. The required DMRs should be received no later than 20 days following the end of the reporting period and be addressed to:

Director Division of Water Resources 1201 Greenbrier Street Charleston, West Virginia 25311-1088 Attention: Permitting Section	U. S. Environmental Protection Agency Region III, Water Protection Division NPDES Branch (3WP31) 1650 Arch Street Philadelphia, PA 19103

05. For any noncompliance reports required to be submitted in writing by Appendix A, Part IV, of this permit, a copy shall also be forwarded to the Environmental Protection Agency at the location specified in Section C.4, above.

06. The permittee shall once per six months conduct bioassay tests on the effluent of Outlet 001 according to the following:

    a) Prepare effluent water by collecting 24-hour flow weighted composite samples of Outlets 101 and 201 to generate a representative sample for Outlet 001.

    b) Perform 48-hour static bioassay test utilizing Pimephales promelas (fathead minnow) and Daphnia (magna or pulex) as test species. After at least four tests, if a more sensitive specie has been determined, only the more sensitive may be used.

    c) The dilution water should be a representative sample of the receiving water and should be obtained from a point as close as possible to but upstream or outside of the zone influenced by the effluent. If dilution water from the receiving stream is not suitable, some other uncontaminated, well-aerated surface or groundwater or commercially available media or reconstituted laboratory water can be used.

    d) Bioassay test procedure shall be in accordance with the Environmental Protection Agency s (EPA) Publication No. 600/4-90/027F, published in 1993.

    e) A report of the result in accordance with the EPA's Publication No. 600/4-90/027F must be submitted with the Discharge Monitoring Report (DMR) for the month following the completion of each test. LC50 shall be converted into Acute Toxic Units (TUa) using the following formula:

    TUa = 100/LC50
    For example, if LC50 is 100%, then TUa = 100/100 = 1.

07. Monitoring for storm water outlets 002, 003, 004, 005, 006 and 007 shall be in accordance with the following requirements:

    a) Sampling: The collection of the samples for the reported analyses should be supervised by a person experienced in performing sampling of industrial wastewater or storm water discharges. You may contact this agency for detailed guidance on sampling techniques and for answers to specific questions. Any specific requirements contained in the applicable analytical methods should be followed for sample containers, sample preservation, holding times, the collection of duplicate samples, etc. Samples should be collected from the center of the flow channel, where turbulence is at a maximum, at a site specified in this permit.

    b) For Total Organic Carbon, Total Suspended Solids and pH, a grab sample shall be collected during the first thirty (30) minutes (or as soon thereafter as practicable) of the discharge and be analyzed.

    c) Grab samples are defined as an individual sample of at least 100 milliliters collected during the first 30 minutes (or as soon thereafter as practicable) of the discharge.

Section C - Other Requirements

07. d) Samples shall be collected from the discharge resulting from a storm event that is greater than 0.1 inches in magnitude and that occurs at least 72 hours from the previously measurable (greater than 0.1 inch rainfall) storm event. If the collection of a grab sample during the first thirty minutes is impractical, a sample can be taken during the first hour of the discharge, and the discharger shall submit with the monitoring report a description of why a grab sample during the first thirty minutes was impractical.

08. Monitoring benchmark concentrations for Outlets 002, 003, 004, 005, 006 and 007 stormwater pollutants are as follows:

Pollutant	Monitoring Cut-Off Concentration	Sampling Frequency	Sample Type
Chemical Oxygen Demand	120 mg/l	1/6 months	Grab
Total Suspended Solids	100 mg/l	1/6 months	Grab
pH	6.0 - 9.0 s.u.	1/6 months	Grab

When the average concentration of a pollutant calculated from all monitoring data, minimum of four consecutive samples, is less than the corresponding bench mark value for the pollutant, additional monitoring for the pollutant is not required (all pH values of the samples must be within the range 6.0 to 9.0 S.U.). The permittee shall submit, twice per year, to the Division of Water Resources, in lieu of the monitoring data, a certification (form will be provided upon request) that there has not been a significant change in the activity or the pollution prevention measures in the area of the facility that drains to the outlet for which sampling is to be waived. If the average concentration of a pollutant exceeds the corresponding benchmark concentration or pH values of all samples are not within the range of 6.0 to 9.0 S.U., monitoring shall continue and storm water pollution prevention measures shall be revised and the revised plan implemented.

09. If there is evidence indicating potential or realized impacts on water quality due to any stormwater discharge associated with industrial activity covered by this permit, the permit may be promptly modified and or revised to include effluent limitations and or other requirements to control such stormwater discharges.

10. The issuance of this permit shall not relieve the permittee of the obligation to comply with any other federal, state or local laws. Compliance with this permit does not relieve the permittee from the obligation of Section 311 of the Clean Water Act. This permit does not authorize spills of hazardous substances/wastes from any permitted outlet into waters of the State. Such incidents are to be reported in accordance with Sections IV.1 and IV.2 of Appendix A of this permit.

11. The permittee shall develop and implement a storm water pollution prevention plan (SWPPP) for the site. The SWPPP shall be prepared in accordance with good engineering practices. The SWPPP shall identify potential sources of pollution which may reasonably be expected to affect the quality of storm water discharges associated with the activity. In addition, the plan shall describe and ensure the implementation of practices which are to be used to reduce the pollutants in storm water discharges associated with the activity at the facility and to assure compliance with the terms and conditions of this permit. The SWPPP shall be submitted within six (6) months after receipt of the final permit. A copy of the plan shall be retained at the site for review upon request.

12. The proper operation and maintenance of the listed sewage treatment facility shall be performed, or supervised, by a certified operator possessing at least a Class IV certificate for Waste Water Treatment Plant Operators as issued by the State of West Virginia. The on-site attendance of this facility's Class IV operator shall be determined and directed by the Bureau for Public Health, Office of Environmental Health Services.

13. In order to calculate the quantity of BOD-5, TSS, Chloride, Total Recoverable Zinc, Total Recoverable Lead, Total Recoverable Copper, Total Recoverable Silver, Total Recoverable Cadmium, Total Mercury, Total Recoverable Nickel, Total Ammonia Nitrogen and Total Recoverable Hexavalent Chromium discharged from Outlet 001, the permittee shall add the analytically measured quantity values for Outlets 101 and 201.

14. The analytical test procedures, set forth in 40 CFR Part 136, prescribe colorimetric methods for certain parameters. The digestion process for the performance of total recoverable is not sufficient for the utilization of a colorimetric procedure. Therefore, colorimetric procedures shall not be acceptable for the analysis of parameters prescribed as total recoverable.

15. For the measurement of Free Cyanide, the permittee shall use the standard method for weak acid dissociable cyanide, as specified in the latest edition of Standard Methods.

16. The flow values for Outlet 001 shall be determined by adding the measured flows for Outlets 101 and 201.

Section C - Other Requirements

17. The permittee shall be required to test the Outlet Number 201 wastewater treatment plant influent, in order to calculate the percent (%) removal parameters for five (5) day Biochemical Oxygen Demand and Total Suspended Solids, as prescribed in Section A.201 of this Permit. Influent sampling requirements shall include the following.
    a) Percent removal shall be defined as a percentage expression of the removal efficiency across the wastewater treatment plant for a given pollutant parameter, as determined from the thirty day average values of the influent concentrations to the facility and the thirty day average effluent pollutant concentrations. Only concurrent influent and effluent samples will be used for reporting.
    b) Influent five (5) day Biochemical Oxygen Demand and Total Suspended Solids samples shall be collected on at least eight (8) times per month for the wastewater treatment facility.
    c) Influent five (5) day Biochemical Oxygen Demand and Total Suspended Solids sampling shall be collected using the same sample type as required in Section A.201 of this Permit for effluent five (5) day Biochemical Oxygen Demand and Total Suspended Solids samples.
    d) Influent five (5) day Biochemical Oxygen Demand and Total Suspended Solids sampling shall be performed over the same time period as effluent five (5) day Biochemical Oxygen Demand Five and Total Suspended Solids sampling.
18. The average daily design flow of the Publicly Owned Treatment Works (Outlet 201) has been established at 3.9 million gallons per day. When the average monthly effluent flow reported on Discharge Monitoring Reports reaches, or exceeds, 90 percent of the average design flow, (3.51 million gallons per day) during three (3) consecutive monthly periods, the permittee shall submit a Plan of Action to the Director. The Plan of Action shall present, at a minimum, an analysis of current hydraulic and organic loadings on the plant, an analysis of the future projected loadings, and a Schedule of Tasks to accomplish procedures necessary to maintain required treatment levels.
19. Any future collection system extensions projected to cause an increase in the wastewater flow, equal to, or greater than, 195,000 gallons per day (five (5) percent of average design flow) shall require the permittee to contact the Director to secure approval of the extension. After consideration of the complexity of the project, and the available treatment capacity of the facility, the Director may require the permittee to seek approval through Modification of the Permit.
20. The City of South Charleston, Sanitary Board, shall continue to implement a program to identify and eliminate sources of inflow and infiltration. A written progress report shall be provided on a quarterly basis, as an attachment to the Discharge Monitoring Report, detailing what has been performed in relation to the implementation and accomplishments of the inflow and infiltration elimination program. Failure of the permittee to comply with this requirement shall result in subsequent administrative and/or legal action, as may be necessary in order to obtain the compliance sought herein.
21. Available sampling methods for total residual chlorine (TRC) are currently not sensitive enough to confirm compliance with the permit limitations imposed for the domestic treatment plant. Total residual chlorine (TRC) samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136. Because the permittee does not operate a certified wastewater laboratory at the plant site but still must comply with the instantaneous sample-type requirements, the permittee shall use an EPA Approved Method with at least a method detection level (MDL) of 100 ug/l. Any TRC sampling result reported as less than the MDL stated above shall be assumed to confirm compliance for purposes of permit compliance. Should a more sensitive EPA approved method become available for field analysis of TRC, the permittee shall perform TRC self-monitoring in accordance with the new method. If the new method is not sensitive enough to determine compliance with specified TRC limits, analytical results reported as "not detected" at the MDL of the new method will be deemed compliant for purposes of permit compliance.
22. Over the term of this permit, the permittee is allowed up to 13 excursion(s) of the maximum daily fecal coliform effluent limitation prescribed in Section A.001. The number of allowed excursions is based upon one (1) percent of the number of required self-monitoring events. Utilization of the excursion allowance is conditioned as follows.

Section C - Other Requirements

22. a) Excursion allowances are afforded only to self-monitoring results and only when self-monitoring activities assess compliance with the maximum daily effluent limitation by analysis of an individual grab sample. No excursion allowance can be applied to analytical results obtained by representatives of the Director in the performance of their compliance assessment activities. Additionally, representatives of the Director may assess compliance with the maximum daily effluent limitation by collection and analysis of an individual grab sample.

    b) No more than one (1) excursion may be utilized in any calendar month.

    c) The excursion allowance is contingent upon the permittee's prompt return to compliance as evidenced by the next required fecal coliform self-monitoring event.

    d) The result for which an excursion allowance is claimed shall be included in the calculation of the average monthly effluent value.

    e) Should an excursion allowance be utilized by the permittee, said allowance must be reported as an attachment to the Discharge Monitoring Report. This attachment should state that (1) an excursion allowance was taken in accordance with the conditions outlined above, (2) the total number of allowances taken to date during the term of this permit, and (3) the total number of allowances remaining during the term of this permit. The permittee shall maintain an on-site record of the excursion allowances utilized during the term of the permit.

23. Outlet Numbers 008, 010, 012 through 025, 028, and 029 through 032, listed in Permit Application No. WV0023116, dated the 7th day of March 2002, could bypass raw and/or partially treated sewage directly into the receiving stream.

    a) This documentation is for purpose of identification only. It is not to be interpreted as formal authorization to discharge from these outlets. Any discharge from these outlets shall be subject to the requirements of Appendix A., Part II, Section 3 of this Permit.

    b) The documentation provided herein shall not constitute an affirmative defense in any enforcement action brought against the permittee for violations resultant to the discharges from these outlets.

24. Compliance shall be attained in accordance with Administrtative Order No. 4082, issued December 18, 1998, and any amendments, thereto.

25. The permittee may accept domestic septage for subsequent treatment and disposal at the wastewater treatment plant. Approval is subject to, and contingent upon, compliance with the following terms and conditions.

    a) The septage hauler(s), from which the permittee accepts domestic septage, must have applied for registration to operate under the WV General Permit No. WVSG20000 for septage handling and disposal.

    b) Records shall be maintained which document the date(s), time(s), name(s) of the hauler(s), and volume(s) of septage accepted.

    c) The permittee shall report monthly the amount of domestic septage accepted during the reporting period on the enclosed Sewage Sludge Management Report.

    d) The permittee shall assure that the acceptance and processing of the domestic septage does not result in effluent discharge limitation violations, or receiving stream degradation, or adversely impact proper sludge disposal.

    e) The permittee shall coordinate the acceptance of septage during wet weather flow periods, with the implementation of the maximization of facilities.

    f) Approval of the permittee's acceptance of domestic septage in no way relieves the permittee of its obligation to comply with all terms and conditions of its WV/NPDES Water Pollution Control Permit and shall not constitute an affirmative defense in any enforcement action brought against the permittee.

Section D - Sewage Sludge Management Requirements

01. The permittee shall monitor and report monthly on the enclosed Sewage Sludge Management Report form the quality and quantity of sewage sludge produced. The required report shall be received no later than 20 days following the end of the reporting period and be addressed to:

    Director
    Division of Water Resources
    1201 Greenbrier Street
    Charleston, WV 25311-1088
    Attention: Permitting Section

02. The permittee shall provide copies of monthly reports to the county or regional solid waste authority in which the facility or land application site(s) is located.

03. The Sewage Sludge Monitoring Report form shall be submitted quarterly. The required report shall be received no later than 20 days following the end of the reporting period and shall be addressed to:

    Director
    Division of Water Resources
    1201 Greenbrier Street
    Charleston, WV 25311-1088
    Attention: Permitting Section

04. The following method of sludge disposal shall be used for sewage sludge generated and/or processed at the permitted facility:

    Surface Disposal: Sewage sludge may be disposed at Holz Impoundment, Union Carbide Corporation (WV0115355) by placing the sewage sludge in the impoundment in accordance with the requirements of 40 CFR, Part 503, Subpart C. Prior approval by the Division of Water Resources is required to change disposal site(s).

05. Areas used for processing, curing, and/or storage of sewage sludge shall be designed, constructed and operated to prevent release of contaminants to the groundwater and/or surface water.

06. All analyses performed on soils and sewage sludges shall be analyzed in accordance with analytical methods listed in 40 CFR Part 503.8 except that Nutrients may be analyzed in accordance with the most recently approved edition of Standard Methods and pH may be analyzed using EPA Method 9045A.

07. The permittee shall maintain all records and reports of all monitoring required by Section D of this permit for five (5) years after the date of monitoring or reporting. Records should include all sample results; copies of all required reports; and records of all data used to complete these reports.

08. The appropriate composite sampling procedures shall be based upon the particular sludge processing methods used by the permittee. The composite sampling procedures for the various methods are described as follows:

    Belt Press or Vacuum Filter - During the week that the composite sample is obtained, the permittee shall take a minimum of three (3) grab samples during each day of the week that the dewatering system is in operation. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected at a point immediately after the dewatering operation.

    Liquid Sludge - During the week that the composite sample is obtained, the permittee shall take a representative grab sample from each truck load of sewage sludge hauled during that week. These grab samples are to be mixed together and the final sample obtained from the composite. Samples should be collected from the sewage sludge being pumped into the truck or as the sewage sludge is being discharged from the truck. For liquid sludge pumped via a pipeline, the permittee shall take a representative, once per week composite sample for analysis of the combined municipal and industrial sewage sludge, after lime stabilization, prior to pumping to Holz Impoundment.

    Sewage Sludge Drying Beds - During the week that the composite sample is obtained, the permittee shall take a minimum of four (4) grab samples from each bed finished during that week. These grab samples are to be mixed together and the final sample obtained from the composite.

    Composting or Stock Piles - The permittee shall obtain a minimum of eight (8) grab samples from the pile of finished product. These grab samples are to be mixed together and the final sample obtained from the composite.

Section D - Sewage Sludge Management Requirements

09. Written notification shall be given to the Director within five (5) days of the determination of any excursion(s) of the maximum allowable limitations for sewage sludge listed in Section A.S01 of this Permit. A written plan to identify and correct the excursion(s) must be submitted to the Director within sixty (60) days.

10. No single instantaneous grab sample of the final sewage sludge product shall exceed the values found below as listed in Table 2 of the West Virginia Sewage Sludge Management Regulations (Title 33, Series 2).

Metal	Concentration (mg/kg)
Arsenic	75
Cadmium	85
Chromium	3000
Copper	4300
Lead	840
Mercury	57
Molybdenum	75
Nickel	420
Selenium	100
Zinc	7500

Section E - Pretreatment Requirements

01. The requirements of this Section shall only apply to the City of South Charleston, Sanitary Board.

02. The permittee shall implement the Industrial Pretreatment Program in accordance with the Clean Water Act and the regulations, 40 CFR Part 403, promulgated, thereunder. The program shall also be implemented in accordance with the program submission, dated February 1985, additional information contained in letters, dated August 3 and 5, 1985, and the program revisions, dated August 9, 1985.

03. The permittee shall implement the program upon all industrial users of the Publicly Owned Treatment Works (POTW), irrespective of the geographical location of the users. The permittee shall secure and maintain adequate legal authority to control users located in the Green Valley Public Service District, as well as any users located in unincorporated areas outside the corporate boundaries of the City of South Charleston.

04. The permittee shall submit proposed changes to the approved program in accordance with 40 CFR Part 403.18, and shall obtain prior approval of Substantial Modifications as defined by 40 CFR Part 403.18(c).

05. The permittee's implementation of the program shall, at a minimum, meet the requirements listed below.

    a) The permittee shall issue individual discharge permits to all significant industrial users (SIUs) as defined by 40 CFR Part 403.3(t). Permits shall contain the minimum requirements of 40 CFR Part 403.8(f)(1)(iii). The permittee shall reissue permits to SIUs prior to their expiration. Administrative extensions of expiring permits shall not be granted without written consent from the Director.

    b) The permittee shall inspect each SIU at least once per year. The annual inspection shall evaluate the manufacturing process, chemical storage areas, pretreatment facilities, spill prevention and control procedures, slug discharge control procedures, hazardous waste generation and disposal procedures, self-monitoring procedures and records.

    c) The permittee shall sample and analyze the nondomestic wastewater discharge(s) of each SIU at least once per year. Such monitoring shall include all parameters limited in the SIU's permit and shall be performed in accordance with 40 CFR Part 136, where applicable.

    d) The permittee shall perform quarterly assessments of SIU compliance, and document the names of SIUs that demonstrate significant noncompliance (SNC) and the SNC criteria violated. The permittee shall publish the name of any SIU that demonstrates significant noncompliance in the pretreatment year, as required by 40 CFR Part 403.8(f)(2)(vii). Publication shall occur, on or before the 31st day of January, of the following year.

    e) The permittee shall take timely and appropriate enforcement for all instances of industrial user noncompliance in accordance with an Enforcement Response Plan as required by 40 CFR Part 403.8(f)(5). The permittee shall take "formal" enforcement actions against SIUs demonstrating Significant Noncompliance as defined by 40 CFR 403.8(f)(2)(vii). A formal enforcement action is an Administrative Order or more stringent action.

    f) The permittee shall ensure that adequate resources (equipment and personnel) are available to fully implement the pretreatment program.

06. The permittee shall conduct monitoring, at its wastewater treatment plant, as follows.

    a) The POTW effluent shall be monitored quarterly for arsenic, mercury, cadmium, chromium (total), copper, lead, nickel, silver, zinc, and cyanide (total). For all parameters, except for cyanide, 24 hour composite samples shall be obtained. An individual grab sample shall be obtained for cyanide. Effluent monitoring shall be performed concurrent with influent monitoring required in Section E.6.b of the pretreatment requirements.

    b) The POTW influent shall be monitored on a quarterly basis for the total form of cadmium, chromium (total), arsenic, mercury, copper, lead, nickel, silver, zinc, and cyanide (total). For all parameters, except cyanide, 24 hour composite samples shall be obtained. An individual grab sample shall be obtained for cyanide. Influent monitoring shall be conducted concurrently with effluent monitoring required by Section E.6.a) of the pretreatment requirements.

    c) The permittee shall conduct annual (1/year) monitoring for the POTW influent for all priority pollutants not specified in Section A.1. For volatile organics, a minimum of four(4) individual samples shall be obtained. The samples may be analyzed separately, or may be combined in the laboratory, using flask or purge device compositing techniques, as specified in EPA's draft guidance, VOA Compositing Procedures, and the composite sample then analyzed. Twenty-four hour composite samples shall be obtained and analyzed for base neutrals, acid extractables, pesticides and metals.

Section E - Pretreatment Requirements

06. d) The POTW sludge shall be monitored, as specified, in Section A. and Section D.

07. On or before the 28th day of February of each year, the permittee shall submit an annual report that describes the permittee's pretreatment implementation activities of the previous pretreatment implementation year (January 1st through December 31st). The annual report shall include the following information:

    a) SIU Listing - Provide an updated lust of all current SIUs. The list shall indicate which SIUs are subject to Categorical Pretreatment Standards, and the applicable standard.

    b) SIU Permits - Provide a list of the issuance and expiration dates of each SIU permit, and the names of SIUs that are without a valid permit.

    c) Sampling and Inspection - Provide the number of inspections and sampling events performed by the permittee at SIUs and a listing of SIUs that were not sampled and those that were not inspected.

    d) Compliance and Enforcement - Provide a summary of the violations of pretreatment standards and requirements that occured during the year. Include the results of the quarterly SNC assessments required by Section 4.d) above, and for each SIU that demonstrated SNC, describe the specific enforcement action taken and the current compliance status of the SIU. Also provide the numbers of each type of enforcement action taken by the permittee, and a copy of the published list of SIUs in SNC, as required by Section 4.d) above.

    e) POTW Operations - Provide a description of any interference, upset or permit violations experienced by the POTW which are attributable to the discharges of industrial users. Include a summary of the results of the influent, effluent and sludge monitoring required by Item 5 above.

    f) Local Limitations -- For each pollutant that a Local Limitation exists provide a summary of the current total available load for the POTW and the allocation of that load to existing industrial users for the previous year. Include the loads allocated by the addition and/or deletion of industrial users and uncontrollable sources such as but not limited to domestic waste background loads, non-significant industrial users, etc.

08. The Director and the U.S. EPA retain the right to require the permittee to institute changes to the pretreatment program if:

    a) The requirements of 40 CFR Part 403 are not satisfied by program implementation;

    b) Problems such as interference, pass through or sludge contamination develop;

    c) Federal or State requirements change.

The herein-described activity is to be extended, modified, added to, made, enlarged, acquired, constructed or installed, and operated, used and maintained strictly in accordance with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0023116; with the plan of maintenance and method of operation thereof submitted with such application(s); and with any applicable rules and regulations promulgated by the Environmental Quality Board and the Secretary of the Department of Environmental Protection.

Failure to comply with the terms and conditions of this permit, with the plans and specifications submitted with Permit Application No. WV0023116; and with the plan of maintenance and method of operation thereof submitted with such application(s) shall constitute grounds for the revocation or suspension of this permit and the invocation of all the enforcement procedures set forth in Chapter 22, Article 11, or 15 of the Code of West Virginia.

This permit is issued in accordance with the provisions of Chapter 22, Article 11 and 12 and/or 15 of the Code of West Virginia and is transferable under the terms of Section 11 of Article 11.

Allyn S. Turner

Director

Appendix A

I. MANAGEMENT CONDITIONS:

1. Duty to Comply

a) The permittee must comply with all conditions of this permit. Permit noncompliance constitutes a violation of the CWA and State Act and is grounds for enforcement action; for permit modification, revocation and reissuance, suspension or revocation; or for denial of a permit renewal application.

b) The permittee shall comply with all effluent standards or prohibitions established under Section 307(a) of the CWA for toxic pollutants within the time provided in the regulations that establish these standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

2. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for a new permit at least 180 days prior to expiration of the permit.

3. Duty to Mitigate

The permittee shall take all reasonable steps to minimize or prevent any discharge in violation of this permit, which has a reasonable likelihood of adversely affecting human health or the environment.

4. Permit Actions

This permit may be modified, revoked and reissued, suspended, or revoked for cause. The filing of a request by the permittee for permit modification, revocation and reissuance, or revocation, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

5. Property Rights

This permit does not convey any property rights of any sort or any exclusive privilege.

6. Signatory Requirements

All applications, reports, or information submitted to the Director shall be signed and certified as required in Title 47, Series 10 , Section 4.6 of the West Virginia Legislative Rules.

7. Transfers

This permit is not transferrable to any person except after notice to the Director. The Director may require modification or revocation and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary.

8. Duty to Provide Information

The permittee shall furnish to the Director, within a reasonable specified time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, suspending, or revoking this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

9. Other Information

Where the permittee becomes aware that it failed to submit any relevant facts in a permit application, or submitted incorrect information in a permit application or in any report to the Director, it shall promptly submit such facts or information.

10. Inspection and Entry

The permittee shall allow the Director, or an authorized representative, upon the presentation of credentials and other documents as may be required by law, to:

a) Enter upon the permittee's premises in which an effluent source or activity is located, or where records must be kept under the conditions of this permit;

b) Have access to and copy at reasonable times, any records that must be kept under the conditions of this permit;

c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and

d) Sample or monitor at reasonable times, for the purposes of assuring permit compliance or as otherwise authorized by the State Act, any substances or parameters at any location.

11. Permit Modification

This permit may be modified, suspended, or revoked in whole or in part during its term in accordance with the provisions of Chapter 22-11-12 of the Code of West Virginia.

12. Water Quality

Subject to 47 WV CSR 10.3.4.a, the effluent or effluents covered by this permit are to be of such quality so as not to cause violation of applicable water qual standards adopted by the Environmental Quality Board.

13. Outlet Markers

A permanent marker at the establishment shall be posted in accordance with Title 47, Series 11, Section 9 of the West Virginia Legislative Rules.

14. Liabilities

a) Any person who violates a permit condition implementing sections 301, 302, 306, 307, 308, 318, or 405 of the Clean Water Act is subject to a civil penalty not to exceed $25,000 per day of such violation. Any person who willfully or negligently violates permit conditions implementing sections 301, 302, 306, 307, 308 or 405 of the Clean Water Act is subject to a fine of not less than $2,500 nor more than $25,000 p day of violation, or by imprisonment for not more than 1 year, or both.

b) Any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 2 years, or by both.

c) Any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance shall, upon conviction, be punished by a fine of not more than $10,000 per violation, or by imprisonment for not more than 2 years, or by both.

d) Nothing in I.14 a), b), and c) shall be construed to limit or prohibit any other authority the Director may have under the State Water Pollution Control Act, Chapter 22, Article 11.

II. OPERATION AND MAINTENANCE:

1. Proper Operation and Maintenance

The permittee shall at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls, and appropriate quality assurance procedures. Unless otherwise required by Federal or State law, this provision requires the operation of back-up auxiliary facilities or similar systems which are installed by the permittee only when the operation is necessary to achieve compliance with the conditions of the permit. For domestic waste treatment facilities, waste treatment operators as classified by the WV Bureau of Public Health Laws, W. Va. Code Chapter 16-1, will be required except that in circumstances where the domestic waste treatment facility is receiving any type of industrial waste, the Director may require a more highly skilled operator.

2. Need to Halt or Reduce Activity Not a Defense

It shall not be a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of the permit.

3. Bypass

a) Definitions

(1) "Bypass" means the intentional diversion of waste streams from any portion of a treatment facility; and

(2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b) Bypass not exceeding limitations. The permittee may allow any bypass to occur which does not cause effluent limitations to be exceeded, but only if it also is for essential maintenance to assure efficient operation. These bypasses are not subject to the provision of II.3.c) and II.3.d) of this permit.

c) (1) If the permittee knows in advance of the need for a bypass, it shall submit prior notice, if possible at least ten (10) days before the date of the bypass;

(2) If the permittee does not know in advance of the need for bypass, notice shall be submitted as required in IV.2.b) of this permit.

d) Prohibition of bypass

(1) Bypass is permitted only under the following conditions, and the Director may take enforcement action against a permittee for a bypass, unless;

(A) Bypass was unavoidable to prevent loss of life, personal injury, or severe property damage;

(B) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgement to prevent a bypass which occurred during normal periods of equipment downtime or preventative maintenance; and

(C) The permittee submitted notices as required under II.3.c) of this permit.

(2) The Director may approve an anticipated bypass, after considering its adverse effects, if the Director determines that it will meet the three conditions listed in II.3.d.(1) of this permit.

4. Upset

a) Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology-based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operational error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b) Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitation if the requirements of II.4.c) are met. No determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance, is final administrative action subject to judicial review.

c) Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset shall demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An upset occurred and that the permittee can identify the cause(s) of the upset;

(2) The permitted facility was at the time being properly operated;

(3) The permittee submitted notice of the upset as required in IV.2.b) of this permit.

(4) The permittee complied with any remedial measures required under I.3. of this permit.

d) Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Removed Substances

Where removed substances are not otherwise covered by the terms and conditions of this permit or other existing permit by the Director, any solids, sludges, filter backwash or other pollutants (removed in the course of treatment or control of wastewaters) and which are intended for disposal within the State, shall be disposed of only in a manner and at a site subject to the approval by the Director. If such substances are intended for disposal outside the State or for reuse, i.e., as a material used for making another product, which in turn has another use, the permittee shall notify the Director in writing of the proposed disposal or use of such substances, the identity of the prospective disposer or users, and the intended place of disposal or use, as appropriate.

III. MONITORING AND REPORTING

1. Representative Sampling

Samples and measurements taken for the purpose of monitoring shall be representative of the monitored activity.

2. Reporting

a) Permittee shall submit, according to the enclosed format, a Discharge Monitoring Report (DMR) indicating in terms of concentration, and/or quantities, the values of the constituents listed in Part A analytically determined to be in the plant effluent(s). DMR submissions shall be made in accordance with the terms contained in Section C of this permit.

b) Enter reported average and maximum values under "Quantity" and "Concentration" in the units specified for each parameter, as appropriate.

c) Specify the number of analyzed samples that exceed the allowable permit conditions in the columns labeled "N.E." (i.e., number exceeding).

d) Specify frequency of analysis for each parameter as number of analyses/specified period (e.g.,3/month is equivalent to 3 analyses performed every calendar month). If continuous, enter "Cont.". The frequency listed on format is the minimum required.

3. Test Procedures

Samples shall be taken, preserved and analyzed in accordance with the latest edition of 40 CFR Part 136, unless other test procedures have been specified elsewhere in this permit.

4. Recording of Results

For each measurement or sample taken pursuant to the permit, the permittee shall record the following information.

a) The date, exact place, and time of sampling or measurement;

b) The date(s) analyses were performed;

c) The individual(s) who performed the sampling or measurement;

d) The individual(s) who performed the analyses; if a commercial laboratory is used, the name and address of the laboratory;

e) The analytical techniques or methods used, and

f) The results of such analyses. Information not required by the DMR form is not to be submitted to this agency, but is to be retained as required in III.6.

5. Additional Monitoring by Permittee

If the permittee monitors any pollutant at any monitoring point specified in this permit more frequently than required by this permit, using approved test procedures or others as specified in this permit, the results of this monitoring shall be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report Form. Such increased frequency shall also be indicated. Calculations for all limitations which require averaging of measurements shall utilize an arithmetic mean unless otherwise specified in the permit.

6. Records Retention

The permittee shall retain records of all monitoring information, including all calibration and maintenance records and all original chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for the permit, for a period of at least three (3) years from the date of the sample, measurement, report or application. This period may be extended by request of the Director at any time.

7. Definitions

a) "Daily discharge" means the discharge of a pollutant measured during a calendar day or within any specified period that reasonably represents the calendar day for purposes of sampling. For pollutants with limitations expressed in units of mass, the daily discharge is calculated as the total mass of the pollutant discharged over the day. For pollutants with limitations expressed in other units of measurement, the daily discharge is calculated as the average measurement of the pollutant over the day.

b) "Average monthly discharge limitation" means the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month.

c) "Maximum daily discharge limitation" means the highest allowable daily discharge.

d) "Composite Sample" is a combination of individual samples obtained at regular intervals over a time period. Either the volume of each individual sample is proportional to discharge flow rates or the sampling interval (for constant volume samples) is proportional to the flow rates over the time period used to produce the composite. The maximum time period between individual samples shall be two hours.

e) "Grab Sample" is an individual sample collected in less than 15 minutes.

f) "is" = immersion stabilization - a calibrated device is immersed in the effluent stream until the reading is stabilized.

g) The "daily average temperature" means the arithmetic average of temperature measurements made on an hourly basis, or the mean value plot of the record of a continuous automated temperature recording instrument, either during a calendar month, or during the operating month if flows are of shorter duration.

h) The "daily maximum temperature" means the highest arithmetic average of the temperatures observed for any two (2) consecutive hours during a 24 hour day, or during the operating day if flows are of shorter duration.

i) The "monthly average fecal coliform" bacteria is the geometric average of all samples collected during the month.

j) "Measured Flow" means any method of liquid volume measurement, the accuracy of which has been previously demonstrated in engineering practice, or which a relationship to absolute volume has been obtained.

k) "Estimate" means to be based on a technical evaluation of the sources contributing to the discharge including, but not limited to pump capabilities, water meters and batch discharge volumes.

l) "Non-contact cooling water" means the water that is contained in a leak-free system, i.e., no contact with any gas, liquid, or solid other than the container for transport; the water shall have no net poundage addition of any pollutant over intake water levels, exclusive of approved anti-fouling agents.

IV. OTHER REPORTING

1. Reporting Spills and Accidental Discharges

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities or penalties established pursuant to Title 47, Series 11, Section 2 of the West Virginia Legislative Rules promulgated pursuant to Chapter 22, Article 11. Attached is a copy of the West Virginia Spill Alert System for use in complying with Title 47, Series 11, Section 2 of the Legislative rules as they pertain to the reporting of spills and accidental discharges.

2. Immediate Reporting

a) The permittee shall report any noncompliance which may endanger health or the environment immediately after becoming aware of the circumstances by using the Agency's designated spill alert telephone number. A written submission shall be provided within five (5) days of the time the permittee becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected, the anticipated time it is expected to continue; and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance.

b) The following shall also be reported immediately:

(1) Any unanticipated bypass which exceeds any effluent limitation in the permit;

(2) Any upset which exceeds any effluent limitation in the permit; and

(3) Violation of a maximum daily discharge limitation for any of the pollutants listed by the Director in the permit to be reported immediately. This list shall include any toxic pollutant or hazardous substance, or any pollutant specifically identified as the method to control a toxic pollutant or hazardous substance.

c) The Director may waive the written report on a case-by-case basis if the oral report has been received in accordance with the above.

d) Compliance with the requirements of IV.2 of this section, shall not relieve a person of compliance with Title 47, Series 11, Section 2.

3. Reporting Requirements

a) Planned changes. The permittee shall give notice to the Director of any planned physical alterations or additions to the permitted facility which may affect the nature or quantity of the discharge. Notice is required when:

(1) The alteration or addition to a permitted facility may meet one of the criteria for determining whether a facility is a new source in Section 13.7.b of Series 10, Title 47; or

(2) The alteration or addition could significantly change the nature or increase the quantity of pollutants discharged. This notification applies to pollutants which are subject neither to effluent limitations in the permit, nor to notification requirements under IV.2 of this section.

b) Anticipated noncompliance. The permittee shall give advance notice to the Director of any planned changes in the permitted facility or activity which may result in noncompliance with permit requirements.

c) In addition to the above reporting requirements, all existing manufacturing, commercial, and silvicultural discharges must notify the Director in writing as soon as they know or have reason to believe:

(1) That any activity has occurred or will occur which would result in the discharge, on a routine or frequent basis, or any toxic pollutant which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":

(A) One hundred micrograms per liter (100 ug/l);

(B) Two hundred micrograms per liter (200 ug/l) for acrolein and acrylonitrile; five hundred micrograms per liter (500 ug/l) for 2,4-dinitro phenol; and for 2-methyl 4,6-dinitrophenol: and one milligram per liter (1 mg/l) for antimony;

(C) Five (5) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.9 of Series10, Title 47.

(D) The level established by the Director in accordance with Section 6.3.g of Series 10, Title 47;

(2) That any activity has occurred or will occur which would result in any discharge (on a non-routine or infrequent basis) of a toxic which is not limited in the permit, if that discharge will exceed the highest of the following "notification levels":

(A) Five hundred micrograms per liter (500 ug/l);

(B) One milligram per liter (1 mg/l) for antimony;

(C) Ten (10) times the maximum concentration value reported for that pollutant in the permit application in accordance with Section 4.4.b.7 of Series 10, Title 47;

(D) The level established by the Director in accordance with Section 6.3.g of Series 10, Title 47.

(3) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a routine or frequent basis of that toxic pollutant at levels which exceed five times the detection limit for that pollutant under approved analytical procedure.

(4) That they have begun or expect to begin to use or manufacture as an intermediate or final product or by-product of any toxic pollutant which was not reported in the permit application under Section 4.4.b.9 of Series 10, Title 47 and which will result in the discharge on a non-routine or infrequent basis of that toxic pollutant at levels which exceed ten times the detection limit for that pollutant under approved analytical procedure.

4. Other Noncompliance

The permittee shall report all instances of noncompliance not reported under the above paragraphs at the time monitoring reports are submitted. The reports shall contain the information listed in IV.2.a). Should other applicable noncompliance reporting be required, these terms and conditions will be found in Section C of this permit.

ACORD CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YY) 08-06-03

PRODUCER

KALTENECKER INSURANCE
P O BOX 9599
SOUTH CHARLESTON, WV 25309

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.

COMPANIES AFFORDING COVERAGE

COMPANY A ST PAUL INSURANCE COMPANY

COMPANY B

COMPANY C

COMPANY D

INSURED

CITY OF SOUTH CHARLESTON
P O BOX 8597
SOUTH CHARLESTON, WV 25303

COVERAGES

THIS IS TO CERTIFY THAT 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. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

CO 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 [ ] OCCUR OWNER'S & CONTRACTOR'S PROT	GP09310912	07-01-03	07-01-04	GENERAL AGGREGATE	$ 3,000,000
					PRODUCTS - COMP/OP AGG	$ 3,000,000
					PERSONAL & ADV INJURY	$ 1,000,000
					EACH OCCURRENCE	$ 1,000,000
					FIRE DAMAGE (Any one fire)	$ 500,000
					MED EXP (Any one person)	$ none
A	AUTOMOBILE LIABILITY [X] ANY AUTO ALL OWNED AUTOS SCHEDULED AUTOS HIRED AUTOS NON-OWNED AUTOS	GP09310912	07-01-03	07 01-04	COMBINED SINGLE LIMIT	$ 1,000,000
					BODILY INJURY (Per person)	$
					BODILY INJURY (Per accident)	$
					PROPERTY DAMAGE	$
	GARAGE LIABILITY ANY AUTO				AUTO ONLY - EA ACCIDENT	$
					OTHER THAN AUTO ONLY: EACH ACCIDENT	$
					AGGREGATE	$
A	EXCESS LIABILITY [X] UMBRELLA FORM OTHER THAN UMBRELLA FORM	GP09310912	07-01-03	07-01-04	EACH OCCURRENCE	$ 5,000,000
					AGGREGATE	$ 5,000,000
						$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Stop Gap Emp Liab THE PROPRIETOR/ PARTNERS/EXECUTIVE OFFICERS ARE: [ ] INCL [ ] EXCL	GP09310912	07-01-03	07-01-04	WC STATUTORY LIMITS [ ] OTHER	
					EL EACH ACCIDENT	$ 1,000,000
					EL DISEASE - POLICY LIMIT	$ 1,000,000
					EL DISEASE - EA EMPLOYEE	$ 1,000,000
	OTHER					

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

MUNICIPALITY

CERTIFICATE HOLDER

CITY

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Randy Kaltenecker

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CLOSING MEMORANDUM

To: **Carlton Lee**
Rosalie Brodersen
Gale Burdette
Barbara Meadows
Witter Hallan
Samme Gee

From: **Francesca Tan**

Date: **September 5, 2003**

Re: **The City of South Charleston Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program)**

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1. DISBURSEMENTS TO CITY

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2003 A Bonds Proceeds
Amount:	$228,369
Date:	September 5, 2003
Form:	Check
Payee:	The City of South Charleston
Bank:	Bank One, NA
Account:	Series 2003 A Bonds Construction Trust Fund

08/27/03
001793/00308

M0383045.1

JACKSONKELLY
ATTORNEYS AT LAW PLLC
SUITE 500, 150 CLAY STREET • PO BOX 619 • MORGANTOWN, WV 26507 • TELEPHONE: 304-284-4100 • TELECOPIER: 304-284-4140
www.jacksonkelly.com

September 5, 2003

The City of South Charleston
P.O. Box 8597
South Charleston, WV 25303

West Virginia Department of Environmental Protection
1560 Kanawha Boulevard, East
Charleston, WV 25311

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

Re: The City of South Charleston
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

Ladies and Gentlemen:

We have served as bond counsel to The City of South Charleston ("the Issuer"), a municipal corporation, in connection with the issuance of its Sewer Revenue Bonds, Series 2003 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined certified copies of proceedings and other papers relating to the authorization of (i) a loan agreement for the Bonds dated August 26, 2003, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the Bonds to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Bonds are issued in the principal amount of $4,567,360, in the form of one bond, registered as to principal and interest to the Authority, with interest at the rate of 2% per annum, and with principal and interest payable quarterly on March 1, June 1, September 1, and December 1 of each year, commencing March 1, 2005, all as set forth in the Schedule Y attached to the Loan Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to the SRF Administrative Fee equal to 1% of the principal amount of the Bonds as set forth in the Schedule Y attached to the Loan Agreement.

M0383048.1

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (collectively, the "Act"), for the purposes of (i) paying the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) paying certain costs of issuance and related costs.

We have also examined the applicable provisions of the Act and a Bond Ordinance duly passed by the Issuer on July 3, 2003, effective July 17, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 4, 2003 (collectively, the "Ordinance"), pursuant to and under which Act and Ordinance 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 Ordinance and the Loan Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Ordinance and in the Loan Agreement when used herein.

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

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

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System, to enact the Ordinance 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 and is a valid and binding special obligation of the Issuer, enforceable in accordance with the terms thereof.

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

4. The Issuer has legally and effectively enacted the Ordinance and adopted all other necessary resolutions in connection with the issuance and sale of the Bonds. The Ordinance constitutes a valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms thereof and contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement.

5. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, and Subordinate Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program), all in accordance with the terms of the Bonds and the Ordinance.

6. Under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the interest on the Bonds (a) is excludable from gross income of the owners thereof for federal income tax purposes pursuant to the Code and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed upon individuals and corporations under the Code. It should be noted, however, that interest on the Bonds is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinions set forth above are subject to the condition that the Issuer comply, on a continuing basis, with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds for interest thereon to be and continue to be excludable from gross income for federal income tax purposes and all certifications, covenants and representations which may affect the excludability from gross income of the interest on the Bonds set forth

in the Bond Legislation and the Certificate as to Arbitrage, and other certificates delivered in connection with the issuance of the Bonds. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such Code requirements or such certifications, covenants and representations could cause the interest on the Bonds to be includable in gross income retroactive to the date of issuance of the Bonds. Except as set forth in paragraph 7 below, we express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

8. Under the Act, the Bonds and any interest thereon are exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the effect upon enforceability of the Bonds under any applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights or in the exercise of judicial discretion or principles of equity 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,

Jackson Kelly PLLC

08/26/03
001793/00308

M0383048.1

Richard A. Robb, Mayor

The City of South Charleston

P.O. Box 8597
South Charleston, West Virginia 25303
Phone: (304) 744-5301
Fax: (304) 744-6587

September 5, 2003

The City of South Charleston
P.O. Box 8597
South Charleston, WV 25303

West Virginia Department of Environmental Protection
1560 Kanawha Boulevard, East
Charleston, WV 25311

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

Jackson Kelly PLLC
P. O. Box 553
Charleston, WV 25322

Re: The City of South Charleston
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

Ladies and Gentlemen:

I am City Attorney for The City of South Charleston in Kanawha County, West Virginia (the "Issuer"). As such City Attorney, I have examined copies of the approving opinion of Jackson Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the Issuer (the "Bonds"), a loan agreement for the Bonds, dated August 26, 2003, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), a Bond Ordinance duly passed by the Issuer on July 3, 2003, effective July 17, 2003, as supplemented by a Supplemental Resolution duly adopted by the Issuer on September 4, 2003 (collectively, the "Ordinance"), a Petition of the Sanitary Board duly adopted on June 16, 2003, and other

documents relating to the Bonds. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Loan Agreement and the Ordinance when used herein.

I am of the opinion that:

1. The Issuer is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to acquire and construct the Project, to operate and maintain the System and to enact the Ordinance, all under the Act and other applicable provisions of law. The Sanitary Board has been duly created by the Issuer and is presently existing as a sanitary board under the Act.

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

3. The Mayor, City Clerk and members of the Council and the Sanitary Board of the Issuer have been duly, lawfully and properly elected or appointed, as applicable, have taken the requisite oaths, and are authorized to act in their respective capacities on behalf of the Issuer.

4. The Ordinance has been duly adopted and enacted by the Issuer and is in full force and effect.

5. 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 Ordinance, 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 or default under any ordinance, resolution, order, agreement, document or instrument to which the Issuer is a party or by which the Issuer or its properties are bound or any existing law, regulation, rule, order or decree to which the Issuer is subject.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the creation and existence of the Issuer, the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitation, all requisite orders, consents, certificates and approvals from the DEP, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia (the "PSC"), 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.

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

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

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

Very truly yours,

Melissa Newberry

Melissa Newberry, City Attorney

SPILMAN THOMAS & BATTLE, PLLC
ATTORNEYS AT LAW

4.3

September 5, 2003

The City of South Charleston
P.O. Box 8597
South Charleston, WV 25303

West Virginia Department of Environmental Protection
1560 Kanawha Boulevard, East
Charleston, WV 25311

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

Jackson Kelly PLLC
P. O. Box 553
Charleston, WV 25322

Re: The City of South Charleston
Sewer Revenue Bonds, Series 2003 A
(West Virginia SRF Program)

Ladies and Gentlemen:

We are special counsel to The City of South Charleston (the "Issuer") in connection with certain matters before the Public Service Commission of West Virginia (the "PSC"). As such special counsel, we are of the opinion that the Issuer has received the PSC Orders entered on December 18, 2002, and August 22, 2003, in Case No. 02-1217-S-CN, granting to the Issuer a certificate of public convenience and necessity for the Project and approving the financing for the Project. The time for appeal of the PSC Order entered December 18, 2002, has expired prior to the date hereof. The time for appeal of the PSC Order entered August 22, 2003, has not expired on the date hereof. However, the only parties to Case No. 02-1217-S-CN are the Issuer and the Commission Staff. The Issuer has certified that it will not appeal the August 22, 2003 Order. The Issuer has received written notification that the Commission Staff does not intend to appeal the August 22, 2003 Order. Such Orders remain in full force and effect.

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

Very truly yours,

Spilman Thomas & Battle, PLLC

Spilman Thomas & Battle, PLLC

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Richard A. Robb, Mayor

The City of South Charleston

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4.4

September 5, 2003

The City of South Charleston
P.O. Box 8597
South Charleston, WV 25303

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

Jackson Kelly PLLC
P.O. Box 553
Charleston, WV 25322

Re: Final Title Opinion for The City of South Charleston

Ladies and Gentlemen:

I am City Attorney for The City of South Charleston (the "Issuer") in connection with a proposed project to construct certain extensions, additions, betterments and improvements to the existing sewerage system of the Issuer (the "Project"). I provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Department of Environmental Protection (the "DEP") for the Project. Please be advised of the following:

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

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

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

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

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

Very truly yours,

Melissa Newberry
City Attorney

08/26/03
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