The City of South Charleston, West Virginia $761,015 Subordinate Sewer Revenue Bonds, Series 1986/$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986
$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

Closing: August 29, 1986

TRANSCRIPT OF PROCEEDINGS

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State of West Virginia

CERTIFICATE

I, Ken Hechler, Secretary of State of the State of West Virginia, hereby certify that

ATTACHED IS A TRUE COPY OF CHAPTER 16, ARTICLE 13, OF THE WEST VIRGINIA CODE, AS INDICATED IN THE RECORDS OF MY OFFICE.

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

Twenty-fifth *day of*

August *19* 86

Secretary of State.

§ 16-5D-10. Insurance.

Not later than the first day of July, one thousand nine hundred eighty-six, every insurance carrier who shall offer for sale in this state any policy of health or accident and sickness insurance, shall make available for purchase at a reasonable rate supplemental insurance coverage for continuum of care services: Provided, That any insurance carrier required to provide supplemental insurance coverage for continuum of care services hereunder shall not be required to expend funds for underwriting such supplemental coverage until the continuum of care board, in cooperation with the West Virginia state insurance commissioner, shall have completed a written master plan related to insurance coverage as set forth in section five [§ 16-5D-5], article 5-d, chapter sixteen of the code of West Virginia, one thousand nine hundred thirty-one, as amended, including, but not limited to, the specific standards and coverages to be provided in such supplemental coverage: Provided, however, That a public hearing shall be held pursuant to the provisions of chapter twenty-nine-a [§ 29A-1-1 et seq.] of this code applicable to such proceedings prior to the consideration of the aforesaid plan by said board. The rates for continuum of care coverage shall accurately reflect the cost of such coverage and shall not be subsidized by the rate structure for any other coverage. (1982, c. 72; 1985, c. 43.)

Effect of amendment of 1985. — The amendment rewrote this section as it appeared in the bound volume.

ARTICLE 6.

HOTELS AND RESTAURANTS.

Sec.
16-6-22a. Sulfite use warning.

§ 16-6-22a. Sulfite use warning.

Any establishment regulated pursuant to this article utilizing sulfites as a preservative on salad bars shall prominently display a public notice in the following words:

"NOTICE TO PERSONS USING SALAD BAR: This establishment applies sulfites as a preservative on items in the salad bar."

The state director of health is responsible for administering this section. He may delegate the duties to any county boards of health or combined local boards of health.

The state health department shall publish standards for such notices, assuring a uniform size and color of the notices to be purchased by the owner of any such establishment. (1986, c. 84.)

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Wrongful pregnancy. — An action based on wrongful pregnancy is recognized in West Virginia. James v. Caserta, 332 S.E.2d 872 (W. Va. 1985).

In applying general rules governing damages to a wrongful pregnancy action, the following damages are recoverable, if proven: (1) Any medical and hospital expenses incurred as a result of a physician's negligence, including costs of the initial unsuccessful sterilization operation, prenatal care, childbirth, postnatal care, and a second sterilization operation, if obtained; (2) the physical and mental pain suffered by the wife as a result of the pregnancy and subsequent childbirth and as a result of undergoing two sterilization operations; and (3) recovery for the loss of consortium and loss of wages. James v. Caserta, 332 S.E.2d 872 (W. Va. 1985).

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§ 16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.

Any municipal corporation and/or sanitary district in the state of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation, a sewage collection system and/or a sewage treatment 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 and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, including acquisition of the municipal sewerage system resulting from the severance of a combined waterworks and sewerage system pursuant to section one-b [§ 8-20-1b], article twenty, chapter eight of this code, and shall have authority 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; and any such municipality may serve and supply the facilities of such sewerage system within the corporate limits of such municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, That such municipality shall not serve or supply the facilities of such sewerage system within the corporate limits of any other municipality without the consent of the governing body thereof. No obligations shall be

incurred by any such municipality and/or sanitary district in such construction or acquisition except such as is payable solely from the funds provided under the authority of this article. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132; 1986, c. 118.)

Effect of amendment of 1986. — The amendment added "including acquisition of the municipal sewerage system resulting from the severance of a combined waterworks and sewerage system pursuant to section one-b, article twenty, chapter eight of this code," and made minor stylistic change.

§ 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 outstanding bonds payable therefrom at the market price thereof, but not exceeding the price, if any, at which the same shall in the same year be payable or redeemable, and all bonds redeemed or purchased shall forthwith be cancelled and shall not again be issued. After the payments into such fund as herein required, the board may at any time in its discretion transfer all or any part of the balance of the net revenues, after reserving an amount deemed by the board sufficient for operation, repair and maintenance for an ensuing period of not less than twelve months and for depreciation, into the sinking fund or into a fund for extensions, betterments and additions to the works. The amounts of the balance of the net revenue as and when so set apart shall be remitted to the West Virginia municipal bond commission to be retained and paid out by said commission consistent with the provisions of this article and with the ordinance pursuant to which such bonds have been

issued. The West Virginia municipal bond commission is hereby authorized to act as fiscal agent for the administration of such sinking fund, under any ordinance passed pursuant to the provisions of this article, and shall invest all such sinking funds as provided by general law. Notwithstanding the foregoing, payments of principal and interest on any bonds owned by the United States of America or any agency or department thereof may be made by the governing body directly thereto. (1933, Ex. Sess., c. 25, § 15; 1933, 2nd Ex. Sess., c. 48; 1986, c. 118.)

Effect of amendment of 1986. — The amendment substituted "West Virginia municipal bond commission" for "state sinking fund commission" in four places; added the last sentence; and made other minor changes.

§ 16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.

Textbooks. — Administrative Law in West Virginia (Neely), § 3.07.

§ 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.)

Effect of amendment of 1986. — The amendment added the last sentence in the first paragraph.

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

Textbooks. — Administrative Law in West Virginia (Neely), § 3.07.

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

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§ 16-13A-1. Legislative findings.

The Legislature of the state of West Virginia hereby determines and finds that the present system of public service districts within the state has provided a valuable service at a reasonable cost to persons who would otherwise have been unable to obtain public utility services. To further this effort, and to ensure that all areas of the state are benefiting from the availability of public service district utility services and to further correct areas with health hazards, the Legislature concludes that it is in the best interest of the public to implement better management of public service district resources by expanding the ability and the authority of the public service commission to

assist public service districts by offering advice and assistance in operational, financial and regulatory affairs.

In addition to the expanded powers which shall be given to the public service commission, the Legislature also concludes that it is in the best interest of the public for each county commission to review current technology available and consider consolidating existing public service districts where it is feasible and will not result in the interference with existing bond instruments. Further, if such consolidation is not feasible, the Legislature finds that it is in the best interest of the public for each county commission to review current technology available and consider consolidating or centralizing the management of public service districts within its county or multi-county area to achieve efficiency of operations. The Legislature also finds that additional guidelines should be imposed on the creation of new public service districts and that county commissions shall dissolve inactive public service districts as hereinafter provided. The Legislature also finds that the public service commission shall promulgate rules and regulations to effectuate the expanded powers given to the commission relating to public service districts. (1953, c. 147; 1980, c. 60; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the section as it appeared in the bound volume.

§ 16-13A-1a. Jurisdiction of the public service commission.

The jurisdiction of the public service commission relating to public service districts shall be expanded to include the following powers, and such powers shall be in addition to all other powers of the public service commission set forth in this code:

(a) To study, modify, approve, deny or amend the plans created under section one-b [§ 16-13A-1b] of this article for consolidation or merger of public service districts and their facilities, personnel or administration;

(b) To petition the appropriate circuit court for the removal of a public service district board member or members; and

(c) To create by general order a separate division within the public service commission to provide assistance to public service districts in technological, operational, financial and regulatory matters. (1986, c. 81.)

§ 16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.

Each county commission shall conduct a study of all public service districts which have their principal offices within its county and shall develop a plan relating to the creation, consolidation, merger, expansion or dissolution of such districts or the consolidation or merger of management and administra-

When the county commission of any county enters an order on its own motion proposing the creation of a public service district, as aforesaid, or when a petition for such creation is presented, as aforesaid, the county commission shall at the same session fix a date of hearing in such county on the creation of the proposed public service district, which date so fixed shall be not more than forty days nor less than twenty days from the date of such action. If the territory proposed to be included is situated in more than one county, the county commission, when fixing a date of hearing, shall provide for notifying the county commission and clerk thereof of each of the other counties into which the territory extends of the date so fixed. The clerk of the county commission of each county in which any territory in the proposed public service district is located shall cause notice of such hearing and the time and place thereof, and setting forth a description of all of the territory proposed to be included therein to be given by publication as a Class I 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 by publication in each city, incorporated town or municipal corporation if available in each county in which any territory in the proposed public service district is located. The publication shall be at least ten days prior to such hearing. In all cases where proceedings for the creation of such public service districts are initiated by petition as aforesaid, the person filing the petition shall advance or satisfactorily indemnify the payment of the cost and expenses of publishing the hearing notice, and otherwise the costs and expenses of such notice shall be paid in the first instance by the county commission out of contingent funds or any other funds available or made available for that purpose. In addition to the notice required herein to be published, there shall also be posted in at least five conspicuous places in the proposed public service district, a notice containing the same information as is contained in the published notice. The posted notices shall be posted not less than ten days before the hearing...

All persons residing in or owning or having any interest in property in such proposed public service district shall have an opportunity to be heard for and against its creation. At such hearing the county commission before which the hearing is conducted shall consider and determine the feasibility of the creation of the proposed district. If the county commission determines that the construction or acquisition by purchase or otherwise and maintenance, operation, improvement and extension of public service properties by such public service district will be conducive to the preservation of public health, comfort and convenience of such area, the county commission shall by order create such public service district. If the county commission, after due consideration, determines that the proposed district will not be conducive to the preservation of public health, comfort or convenience of such area or that the creation of the proposed district as set forth and described in the petition or order is not feasible, it may refuse to enter an order creating the district or it may enter an order amending the description of the proposed district and create the district as amended. If the county commission determines that any other public service district or districts can adequately serve the area of the proposed public service district, whether by expansion, merger or other means, it shall refuse to enter an order creating the proposed district and shall enter an order expanding, merging or consolidating the area with an existing public service district, in accordance with rules and regulations adopted by the public service commission for such purpose: Provided, That no expansion of a public service district may occur if the present or proposed physical facilities of the public service district are determined by the appropriate county commission or the public service commission to be inadequate to provide such expanded service. The clerk of the county commission of each county into which any part of such district extends shall retain in his office an authentic copy of the order creating, expanding, merging or consolidating the district: Provided, however, That within ten days after the entry of an order creating, expanding or merging or consolidating a district, such order must be filed for review and approval by the public service commission. The public service commission shall provide a hearing in the affected county on the matter and may approve, reject or modify the order of the county commission if it finds it is in the best interests of the public to do so. The public service commission shall adopt rules and regulations relating to such filings and the approval, disapproval or modification of county commission orders for creating, expanding, merging or consolidating districts.

The county commission may, if in its discretion it deems it necessary, feasible and proper, enlarge the district to include additional areas, reduce the area of the district, where facilities, equipment, service or materials have not been extended, or dissolve the district if inactive or establish or consolidate two or more such districts. If consolidation of districts is not feasible, the county commission may consolidate and centralize management and administration of districts within its county or multi-county area to achieve efficiency of operations: Provided, That where the county commission determines on its own motion by order entered of record, or there is a petition to enlarge the district, merge and consolidate districts, or the management and administration thereof, reduce the area of the district or dissolve the district if inactive, all of the applicable provisions of this article providing for hearing, notice of hearing and approval by the public service commission shall apply with like effect as if a district were being created. The commission shall at all times attempt to bring about the expansion or merger of existing public service districts in order to provide increased services and to eliminate the need for creation of new public service districts in those areas which are not currently serviced by a public service district: Provided, however, That where two or more public service districts are consolidated pursuant to this section, any rate differentials may continue for the period of bonded indebtedness incurred prior to consolidation. The districts may not enter into any agreement, contract or covenant that infringes upon, impairs, abridges or usurps the duties, rights or powers of the county commission, as set forth in this article, or conflicts with any provision of this article. A list of all districts and their current board members shall be filed by the county commission with the secretary of state and the public service commission by the first day of July of each year. (1953, c. 147; 1965, c. 134; 1967, c. 105; 1975, c. 140; 1980, c. 60; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the section as it appeared in the bound volume.

Merger or consolidation of districts. — This section authorizes either merger or consolidation of public service districts. Op. Att'y Gen., June 12, 1985, No. 9.

A merger or consolidation results in one corporation which, in the case of merger, will be the corporation designated by the commissioners as the surviving corporation, and with respect to a consolidation, will be a new corporate entity. Op. Att'y Gen., June 12, 1985, No. 9.

§ 16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.

From and after the date of the adoption of the order creating any public service district, it shall thereafter be a public corporation and political subdivision of the state, but without any power to levy or collect ad valorem taxes. Each district may acquire, own and hold property, both real and personal, in its corporate name, and may sue, may be sued, may adopt an official seal and may enter into contracts necessary or incidental to its purposes, including contracts with any city, incorporated town or other municipal corporation located within or without its boundaries for furnishing wholesale supply of water for the distribution system of the city, town or other municipal corporation, and contract for the operation, maintenance, servicing, repair and extension of any properties owned by it or for the operation and improvement or extension by the district of all or any part of the existing municipally owned public service properties of any city, incorporated town or other municipal corporation included within the district: Provided, That no contract shall extend beyond a maximum of forty years, but provisions may be included therein for a renewal or successive renewals thereof and shall conform to and comply with the rights of the holders of any outstanding bonds issued by the municipalities for the public service properties.

The powers of each public service district shall be vested in and exercised by a public service board consisting of not less than three members, who shall be persons residing within the district who possess certain educational, business or work experience which will be conducive to operating a public service district. Each board member shall, within six months of taking office, successfully complete the training program to be established and administered by the public service commission in conjunction with the department of natural resources and the department of health. Board members shall not be or become pecuniarily interested, directly or indirectly, in the proceeds of any contract or service, or in furnishing any supplies or materials to the district, nor shall a former board member be hired by the district in any capacity within a minimum of twelve months after such board member's term has expired or such board member has resigned from the district board. The members shall be appointed in the following manner:

Each city, incorporated town or other municipal corporation having a population of more than three thousand but not less than eighteen thousand shall be entitled to appoint one member of the board, and each such city, incorporated town or other municipal corporation having a population in excess of

eighteen thousand shall be entitled to appoint one additional member of the board for each additional eighteen thousand population. The members of the board representing such cities, incorporated towns or other municipal corporations shall be residents thereof and shall be appointed by a resolution of the governing bodies thereof and upon the filing of a certified copy or copies of the resolution or resolutions in the office of the clerk of the county commission which entered the order creating the district, the persons so appointed shall thereby become members of the board without any further act or proceedings. If the number of members of the board so appointed by the governing bodies of cities, incorporated towns or other municipal corporations included in the district shall equal or exceed three, then no further members shall be appointed to the board and the members shall be and constitute the board of the district.

If no city, incorporated town or other municipal corporation having a population of more than three thousand is included within the district, then the county commission which entered the order creating the district shall appoint three members of the board, who are persons residing within the district, which three members shall become members of and constitute the board of the district without any further act or proceedings.

If the number of members of the board appointed by the governing bodies of cities, incorporated towns or other municipal corporations included within the district is less than three, then the county commission which entered the order creating the district shall appoint such additional member or members of the board, who are persons residing within the district, as is necessary to make the number of members of the board equal three, and the additional member or members shall thereupon become members of the board; and the member or members appointed by the governing bodies of the cities, incorporated towns or other municipal corporations included within the district and the additional member or members appointed by the county commission as aforesaid, shall be and constitute the board of the district. A person may serve as a member of the board in one or more public service districts.

The population of any city, incorporated town or other municipal corporation, for the purpose of determining the number of members of the board, if any, to be appointed by the governing body or bodies thereof, shall be conclusively considered to be the population stated for such city, incorporated town or other municipal corporation in the last official federal census.

Notwithstanding any provision of this code to the contrary, whenever a district is consolidated or merged pursuant to section two [§ 16-13A-2] of this article, the terms of office of the existing board members shall end on the effective date of the merger or consolidation. The county commission shall appoint a new board according to rules and regulations promulgated by the public service commission.

The respective terms of office of the members of the first board shall be fixed by the county commission and shall be as equally divided as may be, that is approximately one third of the members for a term of two years, a like number for a term of four, and the term of the remaining member or members for six years, from the first day of the month during which the appointments

are made. The first members of the board appointed as aforesaid shall meet at the office of the clerk of the county commission which entered the order creating the district as soon as practicable after the appointments and shall qualify by taking an oath of office: Provided, That any member or members of the board may be removed from their respective office as provided in section three-a [§ 16-13A-3a] of this article.

Any vacancy shall be filled for the unexpired term within thirty days, otherwise successor members of the board shall be appointed for terms of six years and the terms of office shall continue until successors have been appointed and qualified. All successor members shall be appointed in the same manner as the member succeeded was appointed.

The board shall organize within thirty days following the first appointments and annually thereafter at its first meeting after the first day of January of each year by selecting one of its members to serve as chairman and by appointing a secretary and a treasurer who need not be members of the board. The secretary shall keep a record of all proceedings of the board which shall be available for inspection as other public records. Duplicate records shall be filed with the county commission and shall include the minutes of all board meetings. The treasurer is lawful custodian of all funds of the public service district and shall pay the same out on orders authorized or approved by the board. The secretary and treasurer shall perform other duties appertaining to the affairs of the district and shall receive salaries as shall be prescribed by the board. The treasurer shall furnish bond in an amount to be fixed by the board for the use and benefit of the district.

The members of the board, and the chairman, secretary and treasurer thereof, shall make available to the county commission, at all times, all of its books and records pertaining to the district's operation, finances and affairs, for inspection and audit. The board shall meet at least monthly. (1953, c. 147; 1965, c. 134; 1971, c. 72; 1981, c. 124; 1983, c. 166; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the second paragraph as it appeared in the bound volume and added the present seventh paragraph.

§ 16-13A-3a. Removal of members of public service board.

The county commission or the public service commission or any other appointive body creating or establishing a public service district under the provisions of this article, or any group of five percent or more of the customers of a public service district, may petition the circuit court of the county in which the district maintains its principal office for the removal of any member of the governing board thereof for consistent violations of any provisions of this article, for reasonable cause which includes, but is not limited to, a continued failure to attend meetings of the board, failure to diligently pursue the objectives for which the district was created, or failure to perform any other duty either prescribed by law or required by a final order of the public service commission or for any malfeasance in public office. Any board member

charged with a violation under this section who offers a successful defense against such charges shall be reimbursed for the reasonable costs of such defense from district revenues. Such costs shall be considered as costs associated with rate determination by the public service district and the public service commission. If the circuit court judge hearing the petition for removal finds that the charges are frivolous in nature, the judge may assess all or part of the court costs, plus the reasonable costs associated with the board member's defense, against the party or parties who petitioned the court for the board member's removal. (1963, c. 75; 1971, c. 72; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the section as it appeared in the bound volume.

§ 16-13A-4. Board chairman; members' compensation; procedure; district name.

The chairman shall preside at all meetings of the board and may vote as any other members of the board but if he should be absent from any meeting, the remaining members may select a temporary chairman and if the member selected as chairman resigns as such or ceases for any reason to be a member of the board, the board shall select one of its members as chairman to serve until the next annual organization meeting. Salaries of each of its board members shall be as follows: For districts with fewer than six hundred customers, each board member shall receive fifty dollars per attendance at regular monthly meetings and thirty dollars per attendance at additional special meetings, total salary not to exceed nine hundred dollars per annum; for districts with six hundred customers or more but fewer than two thousand customers, each board member shall receive one hundred dollars per attendance at regular monthly meetings and fifty dollars per attendance at additional special meetings, total salary not to exceed eighteen hundred dollars per annum; and for districts with two thousand customers or more, each board member shall receive one hundred dollars per attendance at regular monthly meetings and fifty dollars per attendance at additional special meetings, total salary not to exceed three thousand dollars per annum. The public service district shall certify the number of customers served to the public service commission beginning on the first day of July, one thousand nine hundred eighty-six, and continue each fiscal year thereafter. Board members may be reimbursed for all reasonable and necessary expenses actually incurred in the performance of their duties as provided for by the rules and regulations of the board. The board shall by resolution determine its own rules of procedure, fix the time and place of its meetings and the manner in which special meetings may be called. Public notice of meetings shall be given in accordance with section three [§ 6-9A-3], article nine-a, chapter six of this code. Emergency meetings may be called as provided by section three [§ 6-9A-3], article nine-a, chapter six of this code. A majority of the members constituting the board also constitute a quorum to do business. The members of the board are not person-

ally liable or responsible for any obligations of the district or the board but are answerable only for willful misconduct in the performance of their duties. At any time prior to the issuance of bonds as hereinafter provided, the board may by resolution change the official or corporate name of the public service district and such change shall be effective from and after filing an authenticated copy of such resolution with the clerk of the county commission of each county in which the territory embraced within such district or any part thereof is located. The official name of any district created under the provisions of this article may contain the name or names of any city, incorporated town or other municipal corporation included therein or the name of any county or counties in which it is located. (1953, c. 147; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the section as it appeared in the bound volume.

§ 16-13A-5. General manager of board.

The board may employ a general manager to serve a term of not more than five years and until his successor is employed, and his compensation shall be fixed by resolution of the board. Such general manager shall devote all or the required portion of his time to the affairs of the district and may employ, discharge and fix the compensation of all employees of the district, except as in this article otherwise provided, and he shall perform and exercise such other powers and duties as may be conferred upon him by the board.

Such general manager shall be chosen without regard to his political affiliations and upon the sole basis of his administrative and technical qualifications to manage public service properties and affairs of the district and he may be discharged only upon the affirmative vote of two thirds of the board. Such general manager need not be a resident of the district at the time he is chosen. Such general manager may not be a member of the board but shall be an employee of the board.

The board of any public service district which purchases water or sewer service from a municipal water of sewer system or another public service district may, as an alternative to hiring its own general manager, elect to permit the general manager of the municipal water or sewer system or public service district from which such water or sewer service is purchased provide professional management to the district, if the appropriate municipality or public service board agrees to provide such assistance. The general manager shall receive reasonable compensation for such service. (1953, c. 147; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment added "or sewer" in four places in the last paragraph.

§ 16-13A-7. Acquisition and operation of district properties.

The board of such districts shall have the supervision and control of all public service properties acquired or constructed by the district, and shall have the power, and it shall be its duty, to maintain, operate, extend and improve the same. All contracts involving the expenditure by the district of more than five thousand dollars for construction work or for the purchase of equipment and improvements, extensions or replacements, shall be entered into only after notice inviting bids shall have been published as a Class I 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 as specified in section two [§ 16-13A-2] of this article in the county or counties in which the district is located. The publication shall not be less than ten days prior to the making of any such contract. To the extent allowed by law, in-state contractors shall be given first priority in awarding public service district contracts. It shall be the duty of the board to ensure that local in-state labor shall be utilized to the greatest extent possible when hiring laborers for public service district construction or maintenance repair jobs. It shall further be the duty of the board to encourage contractors to use American-made products in their construction to the extent possible. Any obligations incurred of any kind or character shall not in any event constitute or be deemed an indebtedness within the meaning of any of the provisions or limitations of the constitution, but all such obligations shall be payable solely and only out of revenues derived from the operation of the public service properties of the district or from proceeds of bonds issued as hereinafter provided. No continuing contract for the purchase of materials or supplies or for furnishing the district with electrical energy or power shall be entered into for a longer period than fifteen years. (1953, c. 147; 1967, c. 105; 1981, c. 124; 1982, c. 24; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the second sentence as it appeared in the bound volume; added the fourth and fifth sentences; and made other minor changes.

§ 16-13A-9. Rules and regulations; service rates and charges; discontinuance of service; required water and sewer connections.

The board may make, enact and enforce all needful rules and regulations in connection with the acquisition, construction, improvement, extension, management, maintenance, operation, care, protection and the use of any public service properties owned or controlled by the district, and the board shall establish rates and charges for the services and facilities it furnishes, which shall be sufficient at all times, notwithstanding the provisions of any other law or laws, to pay the cost of maintenance, operation and depreciation of such

public service properties and principal of and interest on all bonds issued, other obligations incurred under the provisions of this article and all reserve or other payments provided for in the proceedings which authorized the issuance of any bonds hereunder. The schedule of such rates and charges may be based upon either (a) the consumption of water or gas on premises connected with such facilities, taking into consideration domestic, commercial, industrial and public use of water and gas; or (b) the number and kind of fixtures connected with such facilities located on the various premises; or (c) the number of persons served by such facilities; or (d) any combination thereof; or (e) may be determined on any other basis or classification which the board may determine to be fair and reasonable, taking into consideration the location of the premises served and the nature and extent of the services and facilities furnished. Where water, sewer and gas services are all furnished to any premises, the schedule of charges may be billed as a single amount for the aggregrate thereof. Whenever any rates, rentals or charges for services or facilities furnished remain unpaid for a period of thirty days after the same become due and payable, the property and the owner thereof, as well as the user of the services and facilities provided shall be delinquent and the owner, user and property shall be held liable at law until such time as all such rates and charges are fully paid: Provided, That the property owner shall be given notice of any said delinquency by certified mail, return receipt requested. The board may, under reasonable rules and regulations promulgated by the public service commission, shut off and discontinue water or gas services to all delinquent users of either water or gas facilities, or both.

In the event that any publicly or privately owned utility, city, incorporated town, other municipal corporation or other public service district included within the district owns and operates seperately either water facilities or sewer facilities, and the district owns and operates the other kind of facilities, either water or sewer, as the case may be, then the district and such publicly or privately owned utility, city, incorporated town or other municipal corporation or other public service district may covenant and contract with each other to shut off and discontinue the supplying of water service for the nonpayment of sewer service fees and charges: Provided, That any contracts entered into by a public service district pursuant to this section shall be submitted to the public service commission for approval. Any public service district providing water and sewer service to its customers shall have the right to terminate water service for delinquency in payment of either water or sewer bills. Where one public service district is providing sewer service and another public service district or a municipality included within the boundaries of the sewer district is providing water service, and the district providing sewer service experiences a delinquency in payment, the district or the municipality included within the boundaries of the sewer district that is providing water service, upon the request of the district providing sewer service to the delinquent account, shall terminate its water service to the customer having the delinquent sewer account: Provided, however, That any termination of water service must comply with all rules, regulations and orders of the public service commission.

Any district furnishing sewer facilities within the district may require, or may by petition to the circuit court of the county in which the property is located, compel or may require the department of health to compel all owners, tenants or occupants of any houses, dwellings and buildings located near any such sewer facilities, where sewage will flow by gravity or be transported by such other methods approved by the department of health including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine [§ 16-1-9], article one, chapter sixteen of this code, from such houses, dwellings or buildings into such sewer facilities, to connect with and use such sewer facilities, and to cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such houses, dwellings and buildings where there is such gravity flow or transportation by such other methods approved by the department of health including, but not limited to, vacuum and pressure systems, approved under the provisions of section nine [§ 16-1-9], article one, chapter sixteen of this code, and such houses, dwellings and buildings can be adequately served by the sewer facilities of the district, and it is hereby found, determined and declared that the mandatory use of such sewer facilities provided for in this paragraph is necessary and essential for the health and welfare of the inhabitants and residents of such districts and of the state: Provided, That if the public service district determines that the property owner must connect with the sewer facilities even when sewage from such dwellings may not flow to the main line by gravity and the property owner must incur costs for any changes in the existing dwellings' exterior plumbing in order to connect to the main sewer line, the public service district board shall authorize the district to pay all reasonable costs for such changes in the exterior plumbing, including, but not limited to, installation, operation, maintenance and purchase of a pump, or any other method approved by the department of health; maintenance and operation costs for such extra installation should be reflected in the user's charge for approval of the public service commission. The circuit court shall adjudicate the merits of such petition by summary hearing to be held not later than thirty days after service of petitition to the appropriate owners, tenants or occupants.

Whenever any district has made available sewer facilities to any owner, tenant or occupant of any house, dwelling or building located near such sewer facility, and the engineer for the district has certified that such sewer facilities are available to and are adequate to serve such owner, tenant or occupant, and sewage will flow by gravity or be transported by such other methods approved by the department of health from such house, dwelling or building into such sewer facilities, the district may charge, and such owner, tenant or occupant shall pay the rates and charges for services established under this article only after thirty-day notice of the availability of the facilities has been received by the owner.

All delinquent fees, rates and charges of the district for either water facilities, sewer facilities or gas facilities are liens on the premises served of equal dignity, rank and priority with the lien on such premises of state, county, school and municipal taxes. In addition to the other remedies provided in this

section, public service districts are hereby granted a deferral of filing fees or other fees and costs incidental to the bringing and maintenance of an action in magistrates court for the collection of delinquent water, sewer or gas bills. If the district collects the delinquent account, plus reasonable costs, from its customer or other responsible party, the district shall pay to the magistrate the normal filing fee and reasonable costs which were previously deferred. In addition, each public service district may exchange with other public service districts a list of delinquent accounts.

Anything in this section to the contrary notwithstanding, any establishment, as defined in section two [§ 20-5A-2], article five-a, chapter twenty, now or hereafter operating its own sewage disposal system pursuant to a permit issued by the department of natural resources, as prescribed by section seven [§ 20-5A-7], article five-a, chapter twenty of this code, is exempt from the provisions of this section. (1953, c. 147; 1965, c. 134; 1980, c. 60; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the section as it appeared in the bound volume.

§ 16-13A-11. Accounts; audit.

The general manager, under direction of the board, shall install and maintain a proper system of accounts, in accordance with all rules, regulations or orders pertaining thereto by the public service commission, showing receipts from operation and application of the same, and the board shall at least once a year cause such accounts to be properly audited: Provided, That such audit may be any audit by an independent public accountant completed within one year of the time required for the submission of the report: Provided, however, That if the district is required to have its books, records and accounts audited annually by an independent certified public accountant as a result of any covenant in any board resolution or bond instrument, a copy of such audit may be submitted in satisfaction of the requirements of this section, and is hereby found, declared and determined to be sufficient to satisfy the requirements of article nine [§ 6-9-1 et seq.], chapter six of this code pertaining to the annual audit report by the state tax commission. A copy of the audit shall be forwarded within thirty days of submission to the county commission and to the public service commission.

The treasurer of each public service district shall keep and preserve all financial records of the public service district for ten years, and shall at all times have such records readily available for public inspection. At the end of his term of office, the treasurer of each public service district shall promptly deliver all financial records of the public service district to his successor in office. Any treasurer of a public service district who knowingly or willfully violates any provision of this section is guilty of a misdemeanor, and shall be fined not less than one hundred dollars nor more than five hundred dollars or imprisoned in the county jail not more than ten days, or both. (1953, c. 147; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment rewrote the section as it appeared in the bound volume.

§ 16-13A-18a. Sale, lease or rental of water, sewer or gas system by district; distribution of proceeds.

In any case where a public service district owns a water, sewer or gas system, and all the members of the public service board thereof deem it for the best interests of the district to sell, lease or rent such water, sewer or gas system to any municipality or privately owned water, sewer or gas system, or to any water, sewer or gas system owned by an adjacent public service district, the board may so sell, lease or rent such water, sewer or gas system upon such terms and conditions as said board, in its discretion, considers in the best interests of the district: Provided, That such sale, leasing or rental may be made only upon approval by the public service commission of West Virginia.

In the event of any such sale, the proceeds thereof, if any, remaining after payment of all outstanding bonds and other obligations of the district, shall be ratably distributed to any persons who have made contributions in aid of construction of such water, sewer or gas system, such distribution not to exceed the actual amount of any such contribution, without interest, and any balance of funds thereafter remaining shall be paid to the county commission of the county in which the major portion of such water, sewer or gas system is located to be placed in the general funds of such county commission. (1963, c. 75; 1981, c. 124; 1986, c. 81.)

Effect of amendment of 1986. — The amendment added ", sewer or gas" in seven places and made a minor change in punctuation.

§ 16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.

This article shall constitute full and complete authority for the creation of public service districts and for carrying out the powers and duties of same as herein provided. The provisions of this article shall be liberally construed to accomplish its purpose and no procedure or proceedings, notices, consents or approvals, shall be required in connection therewith except as may be prescribed by this article: Provided, That all functions, powers and duties of the public service commission of West Virginia, the state department of health and the state water resources board shall remain unaffected by this article. Every district organized, consolidated, merged or expanded under this article is declared to be a public instrumentality created and functioning in the interest and for the benefit of the public, and its property and income and any bonds issued by it shall be exempt from taxation by the state of West Virginia, and the other taxing bodies of the state: Provided, however, That the board of any such district may use and apply any of its available revenues and income

for the payment of what such board determines to be tax or license fee equivalents to any local taxing body and in any proceedings for the issuance of bonds of such district may reserve the right to annually pay a fixed or computable sum to such taxing bodies as such tax or license fee equivalent. (1953, c. 147; 1986, c. 81.)

Effect of amendment of 1986. — The amendment added ", consolidated, merged or expanded" near the middle of the section.

§ 16-13A-24. Acceptance of loans, grants or temporary advances.

Any public service district created pursuant to the provisions of this article 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 construction or acquisition of water systems, sewage systems or gas facilities, or all of these, and the other purposes herein authorized, from any authorized agency 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 the bonds authorized to be issued under the provisions of this article, the revenues of the said water system, sewage system or gas facilities or grants to the public service district from any authorized agency or from the United States of America or any federal or public agency or department of the United States or from 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 authorized agency or 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. (1958, c. 14; 1980, c. 60; 1981, c. 124; 1986, c. 118.)

Effect of amendment of 1986. — The amendment added the last sentence.

§ 16-13A-25. Borrowing and bond issuance; procedure.

Notwithstanding any other provisions of this article to the contrary, a public service district shall not borrow money, enter into contracts for the provision of engineering, design or feasibility studies, issue or contract to issue revenue bonds or exercise any of the powers conferred by the provisions of sections thirteen, twenty or twenty-four [§§ 16-13A-13, 16-13A-20 or 16-13A-24] of this article, without the prior consent and approval of the public service commission. Unless the properties to be constructed or acquired represent ordinary extensions or repairs of existing systems in the usual course of business, a public service district must first obtain a certificate of public convenience and necessity from the public service commission in accordance with the provisions of chapter twenty-four [§ 24-1-1 et seq.] of this code, when a public service district is seeking to acquire or construct public service property.

Sixty days prior to making formal application for said certificate, the public service district shall prefile with the public service commission its plans and supporting information for said project and shall publish a Class II legal advertisement in a newspaper or newspapers of general circulation in each city, incorporated town or municipal corporation if available in the district, which legal advertisement shall state:

(a) The amount of money to be borrowed, or the amount of revenue bonds to be issued: Provided, That if the amount is an estimate, the notice may be stated in terms of an amount "not to exceed" a specific amount;

(b) The interest rate and terms of the loan or bonds: Provided, That if the interest rate is an estimate, the notice may be stated in terms of a rate "not to exceed" a specific rate;

(c) The public service properties to be acquired or constructed, and the cost of same;

(d) The anticipated rates which will be charged by the district: Provided, That if the rates are an estimate, the notice may be stated in terms of rates "not to exceed" a specific rate; and

(e) The date that the formal application for a certificate of public convenience and necessity is to be filed with the public service commission. The public service commission may grant its consent and approval for the certificate, or any other request for approval under this section, subject to such terms and conditions as may be necessary for the protection of the public interest, pursuant to the provisions of chapter twenty-four [§ 24-1-1 et seq.] of this code, or may withhold such consent and approval for the protection of the public interest.

In the event of disapproval, the reasons therefor shall be assigned in writing by the commission. (1969, 1st Ex. Sess., c. 6; 1981, c. 124; 1986, c. 81.)

§ 16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.

Any municipal corporation and/or sanitary district in the State of West Virginia is hereby authorized and empowered to own, acquire, construct, equip, operate and maintain within and/or without the corporate limits of such municipal corporation, a sewage collection system and/or a sewage treatment 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 and/or treatment, purification and disposal, in a sanitary manner, of the liquid and solid waste, sewage, night soil and industrial waste of such municipal corporation and/or sanitary district, and shall have authority 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; and any such municipality may serve and supply the facilities of such sewerage system within the corporate limits of such municipality and within the area extending twenty miles beyond the corporate limits of such municipality: Provided, however, that such municipality shall not serve or supply the facilities of such sewerage system within the corporate limits of any other municipality without the consent of the governing body thereof. No obligations shall be incurred by any such municipality and/or sanitary district in such construction or acquisition except such as is payable solely from the funds provided under the authority of this article. (1933, Ex. Sess., c. 25, § 1; 1955, c. 132.)

Sections read together. — This section should be read and construed with former § 8-4-20 and §§ 16-13-2, 16-13-16, 24-1-1, 24-2-1, and 24-2-3. Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

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).

§ 16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.

The construction, acquisition, improvement, equipment, custody, operation and maintenance of any such works for the collection, treatment or disposal of sewage and the collection of revenues therefrom for the service rendered thereby, shall be under the supervision and control of a sanitary board appointed by the governing body as set forth in section eighteen [§ 16-13-18] of this article. The term "works" as used in this article shall be construed to

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mean and include a works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof. The term "municipality" as used in this article shall be construed to mean any municipal corporation, incorporated city, town, village or sanitary district in the State of West Virginia. The term "governing body" as used in this article shall be construed to mean the mayor and council or other legally constituted governing body of any municipality. The term "board" when hereinafter used in this article shall be construed to mean the sanitary board as set up in section eighteen of this article. (1933, Ex. Sess., c. 25, § 2.)

Sections read together. — This section should be read and construed with former § 8-4-20 and §§ 16-13-1, 16-13-16, 24-1-1, 24-2-1 and 24-2-3. Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

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

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 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 such works, or any trust indenture as hereinafter provided for, shall be approved by the governing body of such municipality before the same shall be effective. The board may employ engineers, architects, inspectors, superintendents, managers, collectors, attorneys, and such 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 such work as the board shall direct. All such 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 one thousand dollars, shall be made without advertising for bids, which bids shall be pubicly 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 deem 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 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. All public ways or public works damaged or destroyed by the board in carrying out its authority under this article shall be restored or repaired by the board and placed in their original condition, as nearly as practicable, if requested so to do by proper authority, out of the funds provided by this article. (1933, Ex. Sess., c. 25, § 3.)

Contractor is not entitled to governmental immunities of municipality. — A contractor under contract with the sanitary board of a municipality for construction of a sewage treatment and disposal system is not entitled to the governmental immunities of the municipality incident to the construction project. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

And is liable on contract with third party. — Where a contract between a municipal sanitary board and a contractor, providing for the construction of a sanitary sewage system, provides inter alia that "existing surface, overhead or subsurface structures damaged or destroyed by reason of the contractor's operations shall be promptly repaired or replaced in a satisfactory manner at the cost and expense of the contractor," and the contractor by job order requests enters into a contract with an existing water company to remove certain of the latter's water pipes which interfere with the construction of the sewage system, the contractor, in a notice of motion for judgment proceeding instituted by the water company, is liable for the expense so incurred. West Virginia 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.)

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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 bonds, and not in any way from tax levies. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

And may obtain advances by any procedure it may see fit to adopt. — 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. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

United States entitled to recover advances made by federal works agency. — 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. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-5. Ordinance necessary before acquisition or construction of works.

Before any municipality shall construct or acquire any works under this article, the governing body shall upon petition of the board, enact an ordinance or ordinances which shall: (a) Set forth a brief and general description of the works and, if the same are to be constructed, a reference to the preliminary report which shall heretofore have been prepared and filed by an engineer chosen by the board as aforesaid; (b) set forth the cost thereof estimated by the engineer chosen as aforesaid; (c) order the construction or acquisition of such works; (d) direct that revenue bonds of the municipality shall be issued pursuant to this article in such an amount as may be found necessary to pay the cost of the works; and (e) contain such other provisions as may be necessary in the premises. (1933, Ex. Sess., c. 25, § 5.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

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

§ 16-13-6. Publication and hearing upon ordinance.

After such ordinance shall have been adopted, an abstract of the ordinance, determined by the governing body to contain sufficient information as to give notice of the contents of such ~~ordinance, together~~ with the following described notice, shall be published as a Class II 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 notice shall state that said ordinance has been adopted, and that the municipality contemplates the issuance of the bonds described in the ordinance, and

that any person interested may appear before the governing body upon a certain date, which shall not be less than ten days subsequent to the first date of publication of such abstract and notice which shall not be prior to the last date of publication of such abstract and notice, and present protests. 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: Provided, however, that if at such a hearing written protest is filed by thirty percent or more of the owners of real estate situate in said municipality, then the governing body of said municipality shall not take further action unless four fifths of the qualified members of the said governing body assent thereto. (1933, Ex. Sess., c. 25, § 6; 1967, c. 105; 1981, 1st Ex. Sess., c. 2.)

§ 16-13-7. Acquisition by condemnation or purchase.

Every such municipality shall have power to condemn any such works to be acquired and any land, rights, easements, franchises and other property, real or personal, deemed necessary or convenient for the construction of any such works, or for extensions, improvements, or additions thereto, and in connection 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.)

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§ 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.)

Expenses incurred in "determining the feasibility or practicability of the enterprise". — It is foreseen, as shown in this section, that a city may probably incur expenses in "determining the feasibility or practicability of the enterprise." Such determination would of course be made prior to the issuance of any revenue bonds, and probably before the creation of a sanitary board. It might often result in a rejection of the project altogether, in which event no revenue bonds would be issued, and any obligation incurred by the city might prove to be uncollectible. On the other hand, if the project be undertaken by the city, whatever loans may have been made on the faith of the revenue bonds would or should be included in the cost of the works and repaid out of the proceeds of the bonds. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Advances from the United States to a city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system represent a part of the cost of the works which should have been repaid out of the first proceeds received from the sale of the first issue of revenue bonds. Such repayment would not in any way increase the cost of the works; it was the very first item of expense incurred in connection with the works. Under the agreement between the city and the United States, it was a liability from the moment construction of the sewage treatment and disposal plant was begun. No disadvantage would result to bondholders as a result of the payment of this just debt out of the proceeds of a future revenue bond issue. United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

§ 16-13-9. Contracts and obligations incurred to be paid for solely by revenue bonds.

Nothing in this article contained shall be so construed as to authorize or permit any municipality to make any contract or to incur any obligation of any kind or nature except such as shall be payable solely from the funds provided under this article. Funds for the payment of the entire cost of the works, exclusive of any portions of the cost that may be defrayed out of any grant or contribution, shall be provided by the issuance of revenue bonds of the municipality, the principal and interest of which shall be payable solely from the fund herein provided for such payment, and said bonds shall not, in any respect, be a corporate indebtedness of such municipality, within the meaning of any statutory or constitutional limitations thereon. All the details of such bonds shall be determined by ordinance or ordinances of the municipality. (1933, Ex. Sess., c. 25, § 9; 1949, c. 93.)

Cross reference. — See notes to § 16-13-8.

The provisions of this article become a part of the contract between the municipality and the bondholders as effectually as if written verbatim in the bonds. The bondholders are bound by their contract in this instance just as firmly as in any other legal contract. Consequently, the bonds do not create a corporate indebtedness of the municipality. Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957), commented on in 60 W. Va. L. Rev. 105 (1957).

Contractual obligation between municipalities not relieved by inability of town to sell revenue bonds. — Under the provisions of §§ 16-13-19 and 16-13-23a, a city and a town may enter into a contract whereby the city agreed to construct a sewage disposal facility and the town agreed to contribute to the cost of the construction of the facility in return for the right to use the facility, and the fact that the town was unable to sell revenue bonds because it was not allowed to have part ownership in the treatment plant or interceptor sewers did not relieve the town of its contractual obligation when the city offered to buy the revenue bonds issued by the town. Since the contracts were authorized by statute and were thus not ultra vires, even if the contracts were not formally approved by ordinance, the municipalities were estopped from asserting any invalidity of the contracts on such ground. City of Morgantown v. Town of Star City, 156 W. Va. 529, 195 S.E.2d 166 (1973).

§ 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

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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.)

§ 16-13-11. Additional bonds to extend or improve works.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other definite bonds upon the issuance of the latter. (1933, Ex. Sess., c. 25, § 11.)

§ 16-13-12. Additional bonds for extension, etc., of works to have equal priority with original bonds.

The governing body may provide by said ordinance authorizing the issuance of the bonds or in the trust indenture hereinafter referred to, that additional bonds may thereafter be authorized and issued, at one time or from time to time, under such limitations and restrictions as may be set forth in said ordinance and/or trust indenture, for the purpose of extending, improving or bettering the works when deemed necessary in the public interest, such additional bonds to be secured and be payable from the revenues of the works equally with all other bonds issued pursuant to said ordinance without preference or distinction between any one bond and any other bond by reason of priority of issuance or otherwise. (1933, Ex. Sess., c. 25, § 12.)

§ 16-13-13. Application of revenue from bonds; lien.

All moneys received from any bonds issued pursuant to this article, after reimbursements and repayment to said municipality of all amounts advanced for preliminary expenses as provided in section four [§ 16-13-4] of this article, shall be applied solely to the payment of the cost of the work, extensions,

improvements or betterments, 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 holders of the bonds or the trustees hereinafter provided for. (1933, Ex. Sess., c. 25, § 13.)

Quoted in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-14. Securing bonds by trust indenture.

In the discretion of the governing body such bonds may be secured by a trust indenture by and between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the State of West Virginia but no such trust indenture shall convey or mortgage the works or any part thereof. The ordinance authorizing the revenue bonds and fixing the details thereof may provide that such trust indenture may 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 determine. (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 state sinking fund 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 oper-

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§ 16-13-16. Rates for service; change or readjustment; hearing; lien and recovery; discontinuance of services.

The governing body shall have power, and it shall be its duty, by ordinance, to establish and maintain just and equitable rates or charges for the use of and the service rendered by such works, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses such works by or through any part of the sewerage system of the municipality, or that in any way uses or is served by such works, and may change and readjust such rates or charges from time to time. Such rates or charges shall be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacements and maintenance of the works and for the payment of the sums herein required to be paid into the sinking fund. Revenues collected

pursuant to this section shall be deemed the revenues of the works. No such rates or charges shall be established until after a public hearing, at which all the users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication as a Class II-0 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 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 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 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 or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, 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 or charges shall always be sufficient for such expense of operation, repair and maintenance and for such sinking fund payments. All such rates or charges, if not paid when due, shall constitute a lien upon the premises served by such works. If any service rate or charge so established shall not be 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, however, 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 or charges for services or facilities furnished shall remain unpaid for a period of thirty days after 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 board collecting such 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 charges for both water facilities and sewer facilities, including reasonable interest and penalty charges, have been paid in full. (1933, Ex. Sess., c. 25, § 16; 1933, 2nd Ex. Sess., c. 48; 1959, c. 125; 1967, c. 105.)

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Sections read together. — This section should be read and construed with former § 8-4-20 and §§ 16-13-1, 16-13-2, 24-1-1, 24-2-1, and 24-2-3. Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

Municipal sewer system is subject to jurisdiction of public service commission. 45 Op. Att'y Gen. 642 (1954).

Hence, municipality is required to file its rates with the commission for approval in accordance with § 24-2-1 et seq. 45 Op. Att'y Gen. 642 (1954).

Jurisdiction to enforce lien. — The fact that this section speaks of the enforcement of the lien in a "civil action" should not be construed as placing that jurisdiction in our courts of law simply because the word "action," strictly applied, does not usually refer to chancery practice. City of Beckley v. Craighead, 125 W. Va. 484, 24 S.E.2d 908 (1943). As to abolition of procedural distinctions between law and equity, see Rules of Civil Procedure, Rule 2, appearing in Vol. 1A.

Discrimination not shown. — Charges made against the users of a city sewage system were based upon the amount of water used upon the premises as indicating the extent to which the sewers were used. The charges were subject to a deduction of the amount of water retained on the premises, such amount to be determined by a meter installed by the consumer and used to record gallonage of water that had come on the property but had not been disposed of through the sewers. It was held that the method under which the charges were assessed was neither capricious nor unfair although certain users had been unable to install meters used to measure their deductions. Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Applied in Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934).

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

§ 16-13-17. Municipality subject to established rates.

The municipality shall be subject to the same charges and rates established as hereinbefore provided, or to charges and rates established in harmony therewith, for service rendered the municipality, and shall pay such rates or charges when due from corporate funds and the same shall be deemed to be a part of the revenues of the works as herein defined, and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 17.)

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

§ 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 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, one of whom, during the construction period, 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 public office. Said appointees shall originally be appointed for terms of two and three years respectively, and upon the expiration of each such 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. Such 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 such 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.)

Effect of article generally. — The effect of the provisions of this article is to authorize and empower a municipal corporation in this State to own, construct, equip, operate and maintain sewer systems, to place the construction, operation and management of such systems under the supervision and control of a sanitary board appointed by the governing body, to authorize such board to operate, manage and control them and to order and complete any extensions or betterments that the board may deem expedient. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

There is no repugnancy between the provisions of this article and §§ 24-1-1, 24-2-1 or 24-3-1, and for these reasons, the provisions of this article do not operate to repeal any of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

The provisions of this article do not revise the subject matter of §§ 24-1-1, 24-2-1 or 24-3-1, and they were not intended as a substitute for any of the provisions of those sections. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

In conferring such power and authority upon a municipality by this article, the legislature did not create, or intend to create, any repugnancy or inconsistency between the provisions of this article and the pertinent provisions of chapter 24, or to repeal any of those provisions of that chapter. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Public service commission may order extension of service. — A public utility is under a duty to make reasonable extensions of its services in accordance with its franchise and charter obligations and the needs of the inhabitants within the territory covered by its franchise; and a public service commission may, where its action is not unlawful, arbitrary, or capricious, order an extension of service for the inhabitants of such territory. State ex rel. City of Wheeling v. Renick, 145 W. Va. 640, 116 S.E.2d 763 (1960).

Sanitary board may be incorporated and domesticated in adjoining state. — Since the incorporation of its sanitary board and its domestication in the state of Virginia was the only plan by which the power intended to be granted by the legislature to a city to construct a sewage disposal plant outside the State of West Virginia could be legally effectuated, the power to so incorporate its sanitary board was a necessary and incidental right to the main power granted. Bernard v. City of Bluefield, 117 W. Va. 556, 186 S.E. 298 (1936).

Member of city council may not serve as consulting engineer to the sanitary board on city sewer project. 49 Op. Att'y Gen. 60 (1961).

Mayor and city manager may not both be appointed to municipal sanitary board. — When a municipal corporation has a city man-

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ager form of government, the municipality's governing board has the option of appointing either its mayor or its city manager (but not both) to the municipal sanitary board. 52 Op. Att'y Gen. 217 (1967).

As to scope of duties and responsibilities of city treasurer as they relate to possession of funds of a sanitary board, see 52 Op. Att'y Gen. 497 (1967).

Applied in Houchins v. City of Beckley, 127 W. Va. 306, 32 S.E.2d 286 (1944).

Cited in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-18a. Publication of financial statement.

Every sanitary board shall prepare a financial statement and cause the same to be published as a Class I 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 sanitary district. Such statement shall contain an itemized account of the receipts and expenditures of the board during the previous fiscal year, showing the source from which all money was derived, and the name of the person to whom an order was issued, together with the amount of such order, and why such order was issued, arranging the same under distinct heads, and including all money received and expended from the sale of bonds, and also a specific statement of the debts of such board, showing the purpose for which any debt was contracted, the amount of money in all funds at the end of the preceding year, and the amount of uncollected service charges. Such statement shall be prepared and published by the board as soon as practicable after the close of the fiscal year: Provided, that such statement for the fiscal year ending June 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 [magistrates], of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

Editor's note. — The bracketed word was inserted by the editor. See § 50-1-17.

§ 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 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 such contracts with such 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, however, that no such 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 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 and charges for the service rendered in the municipality where the works are owned and operated, and such rates or charges shall be collectible and shall be a lien as herein provided for rates 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 such contract shall, if so provided in said ordinance or trust indenture, be deemed to be a part of the revenues of the works as in this article defined and be applied as herein provided for the application of such revenues. (1933, Ex. Sess., c. 25, § 19; 1981, 1st Ex. Sess., c. 2.)

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

§ 16-13-20. Discharge of lien on property acquired.

No property shall be acquired under this article upon which any lien or other encumbrance exists, unless at the time such property is acquired a sufficient sum of money be deposited in trust to pay and redeem such lien or encumbrance in full. (1933, Ex. Sess., c. 25, § 20.)

§ 16-13-21. Action on certificates or attached coupons; receivers.

Any holder of any such certificates or any of the coupons attached thereto, and the trustee, if any, except to the extent the rights herein given may be restricted by said ordinance authorizing issuance of the bonds or by the trust indenture, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted hereunder or under such ordinance or trust indenture, and may enforce and compel performance of all duties required by this article or by such ordinance or trust indenture to be performed by the municipality issuing the bonds or by the board or any officer, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the

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Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see Rule 2, appearing in Vol. 1A. As to receivers, see Rule 66. As to application of rules to extraordinary remedies, see Rule 81(a)(5).

§ 16-13-22. Powers conferred in addition to existing powers; jurisdiction outside corporate limits.

The authority herein given shall be in addition to and not in derogation of any power existing in any municipality under any statutory or charter provisions which it may now have or hereafter adopt. For all purposes of this article, all municipal corporations shall have jurisdiction for ten miles outside the corporate limits thereof. (1933, Ex. Sess., c. 25, § 22.)

§ 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.

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.)

Stated in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 1957).

§ 16-13-22b. Contracts for abatement of pollution.

When determined by its legislative body to be in the public interest and necessary for the protection of the public health, any municipality is authorized to enter into and perform contracts, whether long-term or short-term, with any industrial establishment for the provision and operation by the municipality of sewerage facilities to abate or reduce the pollution of waters caused by discharges of industrial wastes by the industrial establishment and the payment periodically by the industrial establishment to the municipality of amounts at least sufficient, in the determination of such legislative body, to compensate the municipality for the cost of providing (including payment of principal and interest charges, if any), and of operating and maintaining the sewerage facilities serving such industrial establishment. (1949, c. 93.)

§ 16-13-22c. Refunding bonds.

Any municipality is authorized to issue refunding revenue bonds to refund, pay or discharge all or any part of its outstanding revenue bonds, including interest thereon, if any, in arrears or about to become due. The relevant provisions in this article pertaining to revenue bonds shall be equally applicable in the authorization and issuance of refunding revenue bonds, including their terms and security, the ordinance, the trust indenture, rates, or other aspects of the bonds. (1949, c. 93.)

§ 16-13-22d. Subordination of bonds.

Notwithstanding any other provisions to the contrary in this article, any municipality authorizing the issuance of bonds under this article in an effort to aid in the abatement or reduction of the pollution of any waters or streams may provide in the ordinance authorizing the issuance of the bonds and in any trust indenture pertaining thereto that such bonds, or any additional bonds that may thereafter be issued to extend or improve the works, shall, to the extent and in the manner prescribed, be subordinated and be junior in standing, with respect to the payment of principal and interest and the security thereof, to such other bonds as are designated in the ordinance. (1949, c. 93.)

§ 16-13-22e. Operating contract.

Any such municipality may enter into contracts or agreements with any persons, firms or corporations for the operation and management of the facilities and properties of said sewerage system, or any part thereof, for such period of time and under such terms and conditions as shall be agreed upon between such municipality and such persons, firms or corporations. Such municipality shall have power to provide in the resolution authorizing the issuance of bonds hereunder, or in any trust indenture, securing such bonds, that such contracts or agreements shall be valid and binding upon the munic-

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§ 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 sewerage system, and all the moneys, revenues and other income of such municipality derived from such sewerage system shall be exempt from all taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. (1955, c. 132.)

§ 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 said 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 said sewerage system, may be applied and the securing, use and disposition thereof, including, if deemed 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, 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 deemed 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, 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, the payment of the principal of and interest on all bonds or other obligations payable from the revenues of such sewerage 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 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;

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

(f) The manner and terms upon which all bonds and other obligations issued hereunder may be declared immediately due and payable upon the happening of a default in the payment of the principal of or interest thereon, or in the

performance of any covenant or agreement with bondholders, and the manner and terms upon which such defaults may be declared cured and the acceleration of the maturity of such bonds rescinded and repealed;

(g) Budgets for the annual operation, maintenance and repair of such sewerage system and restrictions and limitations upon expenditures for such purposes, and the manner of adoption, modification, repeal or amendment thereof, including the approval of such budgets by consulting engineers designated by holders of bonds issued hereunder;

(h) The amounts of insurance to be maintained upon such sewerage system, or any part thereof, and the use and disposition of the proceeds of any insurance;

(i) The keeping of books of account, relating to such undertakings and the audit and inspection thereof, and the furnishing to the holders of bonds issued hereunder or their representatives, reports prepared, certified, or approved by accountants designated or approved by the holders of bonds issued hereunder;

(j) Such other additional covenants as shall be deemed necessary or desirable for the security of the holders of bonds issued hereunder, notwithstanding that such other covenants are not expressly enumerated hereunder, it being the intention hereof to grant to such municipalities the power to make any and all covenants or agreements necessary in order to secure greater marketability for bonds issued hereunder as fully and to the same extent as such covenants or agreements could be made by a private corporation rendering similar services and facilities and to grant such municipalities full and complete power to enter into any contracts, covenants or agreements with holder of bonds issued hereunder not inconsistent with the Constitution of the State of West Virginia. (1955, c. 132.)

§ 16-13-23. Article deemed full authority for construction, etc., of works and issue of bonds; alternative method; powers of state department of health unaffected.

This article, shall, without reference to any other statute, be deemed full authority for the construction, acquisition, improvement, equipment, maintenance, operation and repair of the works herein provided for and for the issuance and sale of the bonds by this article authorized, and shall be construed as an additional and alternative method therefor and for the financing thereof, and no petition or election or other or further proceeding in respect to the construction or acquisition of the works or to the issuance or sale 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.)

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§ 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 chief of the division of water resources or the state water resources 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 or charges for the use of the services and facilities of the existing sewer 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 that in any way uses or is served thereby, and may change and readjust such rates or charges from time to time. Such rates 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, and the repair, alteration and extension of existing sewer facilities, as may be necessary to comply with such order of the chief of the division of water resources or the state water resources board, and for the operation, maintenance and repair of the entire works and system; and 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 said construction, to be remitted to and administered by the state sinking fund commission by expending and paying said costs and expenses of construction and operation in the manner as provided by said ordinance; and after the completion of the construction such rates 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. No such rates or charges shall be established until after a public hearing, at which all the potential users of the works and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. After introduction of the ordinance fixing such rates or charges, and before the same is finally enacted, notice of such hearing, setting forth the proposed schedule of such rates or charges, shall be given by publication of such notice as a Class II-0 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 therein for the hearing. After such hearing, which may be adjourned from time to time, the ordinance establishing the rates or charges, either as originally introduced or as modified and

amended, may be passed and put into effect. A copy of the schedule of such rates and charges so established shall be kept on file in the office of the sanitary board having charge of the construction and 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 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 or charges may be made in the same manner as such rates or charges were originally established as hereinbefore provided: Provided, however, that if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice shall be required. If any rate or charge so established shall not be 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 sanitary board of such municipal corporation in a civil action in the name of the municipality. Any municipal corporation exercising the powers given herein shall have authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with such order of the state water resources board, and the authority provided herein to establish, maintain and collect rates or charges shall be construed as a further additional and alternative method of financing such works and matters, and shall be independent of any other provision of this article insofar as such article provides for or requires the issuance of revenue bonds or the imposition of rates and charges in connection with such bonds: Provided, however, that except for the method of financing such works and matters, the construction, acquisition, improvement, equipment, custody, operation, repair and maintenance of any plants, machinery or works in compliance with an order of the state water resources board, and the rights, powers, and duties of such municipal corporation and the respective officers and departments thereof, including the sanitary board, shall be governed by the provisions of this article. (1955, c. 135; 1967, c. 105.)

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).

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Sec.

16-13A-1. General pu
16-13A-2. Creation of mission dissolvi tion; infringi county member secretar
16-13A-3. District to and powers boards.
16-13A-3a. Removal of vice boa
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16-13A-6. Employees
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16-13A-8. Acquisition service p nent do powers.
16-13A-9. Rules and rates a tinuance water a lien for d
16-13A-9a. Limitations foreclosure.
16-13A-10. Budget.
16-13A-11. Accounts; a

Constitutionality of a which this article was de creation of public service courts of this State, def duties of the governing b in the acquisition, const operation, improvement erty supplying water a and authorizing the issu districts payable solely derived from the operati does not violate any prov tion of this State or the Fo to the Constitution of the

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.

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§ 3.2. Qualifications of elective officers; limitation on elective officers holding other public office, etc.
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§ 5.6. Creation, etc., of boards, commissions, offices, etc.
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Article VI. City Clerk.

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Article VII. Municipal Court.

§ 7.1. Establishment and jurisdiction of municipal court.
§ 7.2. Age requirement for, and compensation of, municipal judge.
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Article VIII. City Treasurer.

§ 8.1. Qualifications of city treasurer.
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§ 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.
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Article IX. City Attorney.

§ 9.1. Qualifications.
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Article X. Department of Public Works.

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

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§ 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.
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§ 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;

(6) Except as otherwise provided by general law, collect all taxes, special assessments, license fees and other revenues of the city for whose collection the city is responsible and receive all money receivable by the city from county, state or federal government, or from any court, or from any office, department or agency of the city;

(7) Have custody of all public funds belonging to or under the control of the city, or any office, department or agency of the city;

(8) Deposit all funds coming into his hands in such depositories as may be designated by resolution of council, or, if no such resolution be adopted, in such depositories as may be designated by the mayor and all such deposits shall be subject to the requirements of general law as to surety and the payment of interest on deposits, but all such interest shall be the property of the city and shall be accounted for and credited to the proper account; and said depository shall not pay out any funds so deposited by said treasurer except upon an order signed by the mayor and treasurer;

(9) Except as otherwise provided by general law, have custody of all investments and invested funds of the city, or in possession of the city in a fiduciary capacity, and of all bonds and notes of the city and receive and deliver city bonds and notes for transfer, registration or exchange; and

(10) Approve all proposed expenditures after determining that there is an unencumbered balance of appropriated and available funds.

Sec. 8.3. Supervision and control of accounting.

The city treasurer shall have power and shall be required to:

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

(2) Examine and approve, with the advice of the city attorney, all contracts and other documents by which the city incurs financial obligations, having previously ascertained that moneys have been appropriated and allotted and will be available when the obligations shall become due and payable;

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

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

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 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.

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. 12.10. Effective date of budget; budget to establish appropriations.

The budget shall become effective as of the date of its adoption and the several items stated therein as proposed expenditures shall be and become appropriated to the several purposes therein stated subject to the provisions of general law.

Sec. 12.11. Budget as financial plan; limitation on total of proposed expenditures; contents of budget generally.

The budget shall provide a complete financial plan for the budget year. The total of proposed expenditures for the budget year shall not exceed the sum of the beginning balance and anticipated revenues for such budget year. The budget shall contain the following separate sections:

(1) A general financial statement for the budget year, which shall include the beginning balance, anticipated revenues, proposed operating expenditures, proposed expenditures for capital projects, reserve for contingencies, and a capital reserve fund if council has established such fund;

(2) Detailed estimates of all anticipated revenues for the budget year;

(3) Proposed expenditures for current operations during the budget year, detailed by offices, departments and agencies, with the enumeration of the several work programs thereof;

(4) Proposed expenditures to be made for capital projects during the budget year, with the enumeration of each capital project and the cost thereof; and

(5) Anticipated revenues and proposed expenditures of any utility owned or operated by the city.

Sec. 12.12. Beginning balance.

The beginning balance shall include revenue receipts made available by the lapsing of unencumbered appropriation balances at the beginning of the budget year and receipts from unanticipated and unexpended revenues of the preceding fiscal year. The beginning balance shall be estimated at the time the budget is prepared as accurately as may be.

Sec. 12.13. Anticipated revenues and miscellaneous revenues generally.

Anticipated revenues shall be classified as "miscellaneous revenues" and "amount to be raised by property tax." Miscellaneous revenues shall be classified by sources and shall be estimated as prescribed in sections 12.14 to 12.16, inclusive, of this Charter.

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.

CERTIFICATE

Certified to a true and correct copy of the Charter 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

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.)

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

OATH OF OFFICE

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 MAYOR TO THE BEST OF MY SKILL AND JUDGMENT.

Richard A. Robb

RICHARD A. ROBB

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 27 DAY OF June, 1983.

MY COMMISSION EXPIRES: March 2, 1992

Pamela J. Morris

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 City Clerk TO THE BEST OF MY SKILL AND JUDGMENT.

Carles J. Winnie Atkinson

Carles J. "Winnie" Atkinson

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1 DAY OF July, 1983.

MY COMMISSION EXPIRES: March 2, 1992

Pamela J. Morris

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 Councilman, Ward I TO THE BEST OF MY SKILL AND JUDGMENT.

Charles W. Hagerman II

Charles W. Hagerman, II

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1 DAY OF July, 1983.

MY COMMISSION EXPIRES: March 2, 1992

Pamela J. Morris

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 City Council-member TO THE BEST OF MY SKILL AND JUDGMENT.

Phyllis L. Shawver

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 7TH DAY OF August, 1986.

MY COMMISSION EXPIRES: March 2, 1992

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 Councilman, Ward IV TO THE BEST OF MY SKILL AND JUDGMENT.

W. K. McComis

Woodrow "Mac" McComis

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1 DAY OF JULY, 1983.

MY COMMISSION EXPIRES: 3-2-92

Harley Triplett

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 Councilman, Ward II TO THE BEST OF MY SKILL AND JUDGMENT.

Dennis C. Griffith

Dennis C. Griffith

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1 DAY OF July, 1983.

MY COMMISSION EXPIRES: March 2, 1992

Pamela J. Morris

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 Councilman, Ward VI TO THE BEST OF MY SKILL AND JUDGMENT.

Warren M. Shirkey, Sr.

Warren M. Shirkey, Sr.

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1 DAY OF July, 1983.

MY COMMISSION EXPIRES: March 2, 1992

Pamela J. Morris

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 Council Representative, Ward V TO THE BEST OF MY SKILL AND JUDGMENT.

Frances Sheets

Frances Sheets

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1 DAY OF July, 1983.

MY COMMISSION EXPIRES: March 2, 1992

Pamela J. Morris

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

OATH OF OFFICE

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 Council Representative, Ward II TO THE BEST OF MY SKILL AND JUDGMENT.

Nancy Fox

Nancy Fox

TAKEN, SUBSCRIBED AND SWORN TO BEFORE THE UNDERSIGNED AUTHORITY THIS 1st DAY OF July, 1983.

MY COMMISSION EXPIRES: August 12, 1988

NOTARY PUBLIC
KANAWHA COUNTY, WEST VIRGINIA

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

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 Councilman

to the best of my skill and judgment.

Robert R. Snyder

Taken, subscribed and sworn to before the undersigned authority this 1st day of July, 1983.

My commission expires Dec. 21, 1992.

Peggy C. Zoper
Notary Public in and for
Kanawha County, West Virginia

OATH OF OFFICE

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 Councilman W E Winkler to the best of my skill and judgment.

W E Winkler

Taken, subscribed and sworn to before the undersigned authority this 24 day of June, 1983.

My commission expires Mar. 30, 1991.

Patricia A. Kidd
Notary Public in and for
Kanawha County, West Virginia

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

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 Councilman

to the best of my skill and judgment.

Carlos W. Wilson

Taken, subscribed and sworn to before the undersigned authority this 1st day of July, 1983.

My commission expires Nov. 21, 1992.

Peggy C. Zeger
Notary Public in and for
Kanawha County, West Virginia

CERTIFICATE

Certified to a true and accurate copy of the Oaths of Office for the Mayor, City Clerk and Councilmembers 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, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds,
Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds,
Series 1986

GENERAL CERTIFICATE OF INCUMBENCY AND PROPER NAME

I, Carles J. Atkinson, City Clerk of The City of South Charleston, West Virginia (the "City"), hereby certify as follows:

1. The names of the Mayor and City Clerk of the City and of the members of the Council of the City (the "Council") holding office when Ordinance No. 1545, authorizing issuance of the above-referenced bonds (the "Bonds") was introduced on August 7, 1986 (except Council member Shawver, as shown below), and was passed on August 14, 1986 (the "Bond Ordinance"), when the resolution authorizing publication of an abstract and notice of the Bond Ordinance was adopted on August 14, 1986, when the resolution regarding the public hearing on the Bond Ordinance was adopted on August 25, 1986, and when the supplemental resolution authorizing the sale of the Bonds to the West Virginia Water Development Authority was adopted on August 25, 1986, the dates of their respective elections or appointments and the dates of commencement and expiration of their respective terms of office are as follows:

Office	Name	Date of Election or Appointment	Date of Commencement of Term	Date of Expiration of Term
Mayor	Richard A. Robb	06/07/83	07/01/83	06/30/87
City Clerk	Carles J. Atkinson	06/07/83	07/01/83	06/30/87
Council Members				
Nancy Fox		06/07/83	07/01/83	06/30/87
Dennis C. Griffith		06/07/83	07/01/83	06/30/87

Charles W. Hagerman, II	06/07/83	07/01/83	06/30/87
Woodrow K. McComis	06/07/83	07/01/83	06/30/87
Phyllis L. Shawver	08/07/86	08/07/86	06/30/87
Frances Sheets	06/07/83	07/01/83	06/30/87
Warren M. Shirkey, Sr.	06/07/83	07/01/83	06/30/87
Robert R. Snyder	06/07/83	07/01/83	06/30/87
Carless W. Williams	06/07/83	07/01/83	06/30/87
W. E. Winkler	06/07/83	07/01/83	06/30/87

All of the foregoing officers took, subscribed to and filed their oaths of office in accordance with law prior to entering upon their official duties; all of those required to give bonds or undertakings filed such bonds or undertakings at the place and in the manner required by law; all of them have otherwise duly qualified for office and were or are the acting officers for the respective periods above-stated; and no proceedings for the removal from office of any such officer have been taken or are pending or threatened.

2. Harley E. Tingler is and has at all times since June 29, 1980, been the duly appointed and acting City Attorney. Jerry Forster is and has at all times since October 1, 1985, been the duly appointed and acting City Treasurer.

3. The corporate name of the City is "The City of South Charleston." Said corporate name has not been changed by any election or any ordinance or resolution.

4. The Council meeting held on August 7, 1986, was a regularly scheduled meeting of Council. The Council meetings held on August 14, 1986, and August 25, 1986, were duly called and held special meetings of Council. A quorum of members of the Council was present and acting throughout each of said meetings.

IN WITNESS WHEREOF, I have hereunto set my hand and impressed the corporate seal of the The City of South Charleston, West Virginia, this 29th day of August, 1986.

Carles J. Atkinson

Carles J. Atkinson, City Clerk

[SEAL]

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 Holsclaw, 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

BOND ORDINANCE

At a regular meeting of the Council of the City of South Charleston, West Virginia, on Thursday, the 15th day of March, 1956, the following ordinance was adopted:

AN ORDINANCE RELATING TO THE CUSTODY, OPERATION, MAINTENANCE, SUPERVISION AND CONTROL OF THE SEWER SYSTEM OF THE CITY OF SOUTH CHARLESTON, AND ALL BETTERMENTS THEREOF AND EXTENSIONS THERETO, AS HERETOFORE VESTED IN THE SANITARY BOARD OF THE CITY OF SOUTH CHARLESTON; AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO SAID SYSTEM; PROVIDING FOR THE FINANCING OF SUCH ADDITIONS, EXTENSIONS AND IMPROVEMENTS BY THE ISSUANCE OF REVENUE BONDS; PROVIDING FOR THE COLLECTION OF RATES OR CHARGES FOR THE USE OF SAID SYSTEM AND WORKS, AND FOR THE SERVICE RENDERED THEREBY; AND FOR THE APPLICATION OF THE PROCEEDS OF SUCH RATES OR CHARGES TO THE OPERATION, REPAIR, REPLACEMENT AND MAINTENANCE OF SUCH SYSTEM AND WORKS, AND TO A SINKING FUND FOR THE PAYMENT OF SAID REVENUE BONDS AND THE INTEREST THEREON; ALL AS PROVIDED BY CHAPTER 25 OF THE ACTS OF THE LEGISLATURE OF WEST VIRGINIA, EXTRAORDINARY SESSION OF 1933, AS AMENDED.

WHEREAS, for a number of years it has been realized by the Council of the City of South Charleston, the State Department of Health, the State Water Commission, and by citizens generally, that the system of sewage collection and disposal in and about the City of South Charleston has been and is inadequate, and a menace to public health; and,

WHEREAS, various investigations and recommendations have been made from time to time by representatives of the State Department of Health and of the State Water Commission relating to said problem, and the correction thereof; and,

WHEREAS, by direction and authority of the Council of The City of South Charleston the necessary preliminary work has been done looking toward the correction of the present inadequate and dangerous sewage disposal system; and,

WHEREAS, there has been submitted to the State Water Commission for its consideration and approval a plan and statement describing the system and means proposed to be acquired, constructed, used and operated to comply with recommendations of said commission, and to collect, treat and dispose of the sewage and wastes of the City of South Charleston and certain nearby areas, all within ten (10) miles of the corporate limits of said City, as hereinafter more fully shown, which plan and statement was approved by the State Water Commission; and,

WHEREAS, there have been filed with the State Department of Health plans and specifications for said proposed plan for the collection, treatment and disposal of sewage and wastes of the City of South Charleston and of said certain nearby areas, which plans and specifications were approved by the Director of Health by writing bearing date the 8th day of April, 1954, on file with the State Department of Health; and,

WHEREAS, The Sanitary Board of The City of South Charleston (hereinafter sometimes referred to as "the Board") has filed its petition with the Council of The City of South Charleston petitioning the Council to enact an ordinance: (a) placing

the custody, administration and control of the present sewer system of the City and all additions thereto in said Board; (b) authorizing the Board to proceed at this time with the "A" or First Phase of construction or acquisition of additions, extensions and improvements to said existing sewer system, which "A" or First Phase, it is estimated by Howard K. Bell, Consulting Engineers, the engineers chosen by the Board, will cost approximately Two Million Dollars ($2,000,000.00); (c) providing for the issuance of revenue bonds, the proceeds thereof to be applied to the cost of said works; and (d) providing for the operation, repair, maintenance, supervision, administration and control of all such systems and works by the Board; all as provided by Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended; and,

WHEREAS, said Board has filed with said petition a preliminary report prepared by Howard K. Bell, Consulting Engineers, chosen by said Board, which preliminary report contains a general description of the works proposed to be acquired and constructed, the estimated cost thereof, and recommendations as to the amounts of revenue bonds to be issued; and,

WHEREAS, The City of South Charleston, by ordinance duly and regularly adopted on the 21st day of January, 1955, created a sanitary board for said City, in accordance with the provisions of the law as made and provided; and by which said ordinance the said The Sanitary Board of the City of South Charleston was vested with the construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all the works for the collection, treatment or disposal of sewage within the City of South Charleston and in the jurisdiction of said Board; and which said Board has since said date exercised the authority and powers enumerated in said ordinance, and the authority and powers as vested in it under and by virtue of the provisions of Chapter 25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended; and,

WHEREAS, the State Water Commission of West Virginia, pursuant to the provisions of the laws as made and provided, did on the 24th day of May, 1955, issue its cease and desist order against the said City of South Charleston requiring it to appear before the said State Water Commission and show cause, if any it could, why it should not cease and desist polluting the Kanawha River; and,

WHEREAS, the said City of South Charleston and The Sanitary Board of the said City of South Charleston did make answer to said cease and desist order, and submitted the following time schedule for the construction of a major portion of said work:

PHASE	PROJECT	PROJECT COST	CONSTRUCTION PERIOD
"A," or First	Interceptor Sewers	$1,271,500.00	1956-57
"B," or Second	Sewage Pumping Stations & Sewage Treatment Works	796,400.00	1957-58
"C," or Third	Collection Sewers, Force Mains & Interceptor Structures	932,100.00	1958-59,

and the State Water Commission of West Virginia extended the time to complete said sewer system and sewer works in accordance with said schedule; and which said project costs were thereafter amended by the said Howard K. Bell, Consulting Engineers; and,

WHEREAS, the said City of South Charleston did on the 17th day of June, 1955, adopt an ordinance providing:

"AN ORDINANCE DECLARING THE USE OF THE SEWER SYSTEM OF THE CITY OF SOUTH CHARLESTON TO BE ESSENTIAL FOR THE PROTECTION AND PRESERVATION OF THE HEALTH, COMFORT, SAFETY AND ECONOMY OF THE INHABITANTS OF SAID CITY, REQUIRING CONNECTIONS WITH SAID SEWER SYSTEM; ESTABLISHING JUST AND EQUITABLE RATES OR CHARGES FOR THE USE OF AND SERVICE RENDERED BY SAID SYSTEM AND PROVIDING FOR THE COLLECTION AND ENFORCEMENT OF SUCH RATES OR CHARGES; AND PRESCRIBING RULES AND REGULATIONS GOVERNING THE FURNISHING AND THE USE OF THE SERVICES AND FACILITIES OF SAID SYSTEM; ALL AS PROVIDED BY CHAPTER 25 OF THE ACTS OF THE LEGISLATURE OF WEST VIRGINIA, EXTRAORDINARY SESSION OF 1933, AS AMENDED."

And the rates therein established were as follows:

"For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions, and maintenance of the sewer system, and for the payment of the sums required to pay the principal and interest of all sewer revenue bonds as the same become due, there is hereby established a schedule of just and equitable rates or charges for the use of a service rendered by the municipal sewer system and works of the City of South Charleston, West Virginia, which schedule of rates or charges, based upon the metered amount of water supplied the premises, shall be as follows:

RESIDENTIAL AND COMMERCIAL SEWER RATES
(Inside Corporate Limits South Charleston)

Water Usage, 1,000 Gallons Per Month		Sewer Service Charge 1,000 Gallons Per Month
First	2,000	$0.625
Next	18,000	0.50
Over	20,000	0.40

Minimum Bill $1.25 per month

RESIDENTIAL AND COMMERCIAL SEWER RATES
(Outside Corporate Limits South Charleston)

Water Usage, 1,000 Gallons Per Month		Sewer Service Charge 1,000 Gallons Per Month
First	2,000	$0.75
Next	18,000	0.60
Over	20,000	0.48

Minimum Bill $1.50 per month

On all premises having a private water supply and connected with the sewer system and works there shall be installed a meter for measuring the amount of water supplied said premises.

The charge of $1.25 inside the corporate limits and the charge of $1.50 outside the corporate limits shall be the minimum for each month or fraction thereof. If for any reason there be no record of the amount of water supplied in any month, then the charge shall be based upon the last available monthly meter reading.

Industrial, business and commercial users, using more than 25,000 gallons of water per month, the nature and character of whose use is such that the amount of water discharged into the said system is substantially less than the amount of metered water supplied the premises, shall be charged for sewer service substantially on the basis of the amount of such sewage discharged per month into the said system. Until such time as sewers are installed to serve such industrial, business and commercial users not now served by the South Charleston sewer system, monthly charges shall be based on the estimated monthly amount of sewage to be discharged into said system by such users. New industrial, business and commercial users shall be charged on the above basis from the time they start operation or connect with the sewer system, whichever is the sooner."

WHEREAS, the rates as set forth in said ordinance were duly and regularly approved by the Public Service Commission of the State of West Virginia in accordance with the provisions of the law as made and provided; and,

WHEREAS, The Sanitary Board of The City of South Charleston has set forth in its petition that, to proceed with the construction of said sewage disposal system, in accordance with the directive of the State Water Commission, the cease and desist order of said Commission, and the extension of time granted by it; and to provide funds for construction, operation and maintenance of said sewage system as contained in the report of the said Consulting Engineers; and to provide for the expenditure of the funds as collected by the said Sanitary Board from the rates heretofore established;

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

Section 1. DEFINITIONS. The following terms shall have the following meaning in this ordinance unless the text otherwise expressly requires a different meaning:

(a) "Board" shall mean The Sanitary Board of The City of South Charleston, West Virginia, as created and appointed by ordinance adopted the 21st day of January, 1955, by the Council of The City of South Charleston pursuant to the provisions of Chapter 25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and shall include the membership of the Board as may hereafter be duly constituted as the legal successors to the present membership, or any other agency or department or instrumentality of said City which shall at any time have jurisdiction, possession or control of the sewer system, or the management and operation thereof.

(b) "City" shall mean the municipal corporation of The City of South Charleston, West Virginia, which City for the purposes of this ordinance shall have jurisdiction for ten miles outside its corporate limits as presently defined or as may hereafter be defined.

(c) "Council" shall mean the Mayor and members of Council, respectively, of The City of South Charleston, West Virginia, as constituting the governing body of said City.

(d) "Act" shall mean Chapter 25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, or Article 13, Chapter 16, of the Code of West Virginia, as amended.

(e) "Sewer System" shall mean the complete existing sewer system and works now owned by The City of South Charleston for the collection and/or treatment, purification and disposal of sewage in its entirety or any integral part thereof, and shall include any extensions, betterments and improvements thereto as authorized by this ordinance, or hereafter constructed or acquired for said sewer system from any sources whatever, both within and without said City.

(f) "Cost of Works" shall include the cost of acquisition or construction of the "A" or First Phase of the sewer system as contemplated by this ordinance and by the description of the works to be constructed as prepared by Howard K. Bell, Consulting Engineers, the cost of all property rights, easements and franchises deemed necessary or convenient therefor and for the improvements determined upon or hereafter determined upon as provided in this ordinance; interest upon bonds prior to and during construction or acquisition and for six months after completion of construction of or acquisition of the improvements last mentioned; engineering and legal expenses; ex-

pense for estimates of cost and of revenue; expenses for plans, specifications and surveys, including the repayment of any amounts theretofore advanced for such purposes; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, including the cost of creation and organization of the Board, and such other expenses as may be necessary or incident to the financing herein authorized and the construction or acquisition of the sewer system and the placing of the sewer system in operation and the performance of the things required or permitted by the act or other pertinent statutory requirements in connection with the sewer system.

(g) "Bonds" shall mean the sewer revenue bonds of The City of South Charleston authorized to be issued pursuant to this ordinance and the interest coupons attached thereto; and shall also include any and all additional pari passu sewer revenue bonds authorized to be issued by this ordinance under the limitations and restrictions set forth in this ordinance and set forth in the Act and the interest coupons attached to said additional bonds.

(h) "Holder of the Bonds" or "Holder of the Certificates" or "Bondholder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding bond or bonds registered to bearer or not registered, or the registered owner of any outstanding bond or bonds which shall at the time be registered other than to the bearer or to any coupons representing interest accrued or to accrue on said bonds.

(i) "Revenues" or "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 sewer system, and all parts thereof, all as calculated in accordance with sound accounting practice.

(j) "Operating Expenses" shall mean such reasonable current expenses, paid or accrued, of operation, repair and maintenance of said sewer 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 said 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 sewer system, or any part thereof, pursuant to contracts or agreements entered into under the provisions of section 22, of article 13, of Chapter 16 of the Code of West Virginia, as amended.

(k) "Net Revenues" shall mean the balance of the gross revenues, as defined in subsection (i) above, remaining after deduction only of operating expenses, as defined in subsection (j) above.

(l) "Consulting Engineer" shall mean Howard K. Bell, Consulting Engineers, of Lexington, Kentucky, or some other independent and qualified engineer employed by The Sanitary Board of The City of South Charleston.

(m) Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 2. CONTROL OF SEWER SYSTEM IN SANITARY BOARD. By ordinance duly adopted on the 21st day of March, 1955, the custody, administration, operation and maintenance of all sewers constituting the sewer system of The City of South Charleston, both within and without the corporate limits thereof, the acquisition and

construction of all new or additional works, the improvement, equipment, custody, operation and maintenance of all such works, and the collection and expenditure of all revenues for the use of such system and the service rendered thereby shall be under the supervision and control of The Sanitary Board of The City of South Charleston. Until such time, not later than December 31, 1955, unless extended by the Council, as the revenues from the rates and charges for the use of said sewer system hereinafter authorized and provided shall be sufficient for the purpose, the reasonable expense of operation, maintenance and repair of said system shall be paid from other funds of The City of South Charleston, to the extent that such funds are legally available for such purposes.

Section 3. CONSTRUCTION OF WORKS ORDERED. In order to provide a sewer system for The City of South Charleston, and certain nearby areas, adequate to collect and dispose of the sewage and other wastes of said areas in a sanitary manner, and by such provisions to prevent the pollution of Kanawha River in the City and in said nearby areas, the Board shall proceed at once with the construction and acquisition of intercepting and sanitary sewers, reconstruction of existing sewers, for the first units of the sewer system shown under "Time Schedule" in the said Preliminary Report of Howard K. Bell, Consulting Engineers, and the facilities and appurtenances incident thereto.

Section 4. SEWER REVENUE BONDS AUTHORIZED. For the purpose of providing funds to be applied solely to the cost of said system hereby directed to be constructed and acquired, the appurtenant sinking fund and the repayment to The City of South Charleston of all amounts advanced by it for preliminary expenses, all as provided in said statute, revenue bonds in the principal amount of Two Million Dollars ($2,000,000.00) are hereby authorized to be issued, to bear date March 1, 1956, and to be substantially in the form hereinafter set forth.

The principal and interest of all bonds hereby authorized shall be payable solely from the special fund herein provided for such payment. The said bonds shall be in the denomination of One Thousand Dollars ($1,000.00) each, and shall be numbered consecutively 1 to 2,000 inclusive.

The bonds maturing in the years 1957 to 1966, both inclusive, shall bear interest from their date at the rate of three and one-fourth per centum (3-1/4%) per annum, and the bonds maturing in the years 1967 to 1996, both inclusive, shall bear interest from their date at the rate of three and one-half per centum (3-1/2%) per annum, payable semi-annually, and each bond shall carry interest coupons payable at consecutive intervals of six months from date of issue. Principal and interest shall be payable in any coin or currency which on the date of payment is legal tender for the payment of public and private debts under the laws of the United States of America.

The bonds so issued hereunder shall mature serially in numerical order, lowest numbers first, on the first day of March of each year, as follows:

1957	20M	1966	30M
1958	25M	1967	35M
1959	25M	1968	35M
1960	25M	1969	35M
1961	25M	1970	35M
1962	30M	1971	40M
1963	30M	1972	40M
1964	30M	1973	40M
1965	30M	1974	45M

1975	45M	1986	65M
1976	45M	1987	65M
1977	50M	1988	70M
1978	50M	1989	70M
1979	50M	1990	75M
1980	55M	1991	75M
1981	55M	1992	80M
1982	55M	1993	80M
1983	60M	1994	85M
1984	60M	1995	85M
1985	60M	1996	90M

Bonds maturing in the year 1967 and thereafter shall be callable prior to maturity at the option of The City of South Charleston, to be exercised by said Board in whole or in part, but in inverse numerical order if less than all, on March 1, 1966, or on any interest date thereafter, at the price of

102 per centum of the par value thereof if redeemed during the years 1966 to 1970, inclusive;

101-1/2 per centum of the par value thereof if redeemed during the years 1971 to 1975, inclusive;

101 per centum of the par value thereof if redeemed during the years 1976 to 1980, inclusive;

100-1/2 per centum of the par value thereof if redeemed during the years 1981 to 1985, inclusive;

and thereafter at the par value thereof and accrued interest to the date of redemption, provided, however, that a notice of such intended redemption shall have been published at least once not less than thirty days prior to the date of redemption in a financial paper published in the City of New York, New York.

Each and every of said bonds hereby authorized shall rank equally with all other bonds herein authorized with respect to their lien on the revenues of said sewer system and shall be secured and be payable both as to principal and interest from said revenues without preference or distinction of any kind between them by reason of priority of issuance or otherwise.

All bonds duly called for redemption, and for the payment of which funds are provided on the redemption date, will cease to bear interest therefrom.

All bonds shall be payable to bearer, unless registered as herein provided, and all bonds shall be payable at the offices of the State Sinking Fund Commission of the State of West Virginia through The First National Bank of South Charleston, in the City of South Charleston in said State, or, at the option of the holder, at The Hanover Bank, New York, New York.

Bonds shall be signed by the Mayor and attested by the Recorder of The City of South Charleston, and shall be sealed with its corporate seal, and the interest coupons shall be executed with the facsimile signatures of the Mayor and Recorder, and said officials by the execution of said bonds shall adopt as and for their own proper signatures their respective facsimile signatures on said coupons. All of said bonds shall

contain a statement on their face that The City of South Charleston shall not be obligated to pay the same or the interest thereon except from the special fund provided from the net revenues of the system set aside and pledged to said fund, as hereinafter provided.

Section 5. REGISTRATION OF BONDS. Upon presentation at the office of the Treasurer of the State of West Virginia of any of the bonds issued under the authority of this ordinance, the same may be registered as to principal in the name of the owner on the books in his office, such registration to be noted on the reverse side of the bonds by said Treasurer, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representative or assigns. Such registered bonds shall be transferable to another registered holder, or back to bearer, only upon presentation to said Treasurer with a legal assignment duly acknowledged or proved. Registration of any such bonds shall not affect the negotiability of the coupons thereto attached, but such coupons shall be transferable merely by delivery.

Section 6. FORM OF BONDS. The bonds, coupons and provisions for registration issued under authority of this ordinance shall be substantially in the following form:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
CITY OF SOUTH CHARLESTON

THE CITY OF SOUTH CHARLESTON SEWER REVENUE BOND

No.---------- $1,000.00

KNOW ALL MEN BY THESE PRESENTS: That The City of South Charleston, a municipal corporation, organized and existing under the laws of the State of West Virginia, for value received, hereby promise to pay, solely from the special fund provided therefor, as hereinafter set forth, to the bearer, or, if this bond be registered as to principal, to the registered holder thereof, on the first day of----------, 19----, the sum of One Thousand Dollars ($1,000.00) and solely from such special fund also to pay interest on said sum from the date hereof at the rate of -------- per cent per annum semi-annually on the first day of March and the first day of September in each year, except as the provisions hereinafter set forth as to redemption may become applicable hereto, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of and interest on, this bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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 State Sinking Fund Commission, Charleston, West Virginia, through The First National Bank of South Charleston, in South Charleston, West Virginia, or at the option of the holder at The Hanover Bank, New York, New York.

This bond is issued pursuant to an ordinance duly enacted by the Council of said City for the purpose of defraying the cost of construction and acquisition of additions and betterments to the sewer system of The City of South Charleston, under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and this bond is subject to all the terms and conditions of said ordinance, Constitution and statutes.

Bonds maturing in the year 1966 and prior thereto shall not be callable prior to their stated dates of maturity. Bonds maturing in the year 1967 and thereafter shall be callable prior to maturity at the option of The City of South Charleston, to be exercised by said Board in whole or in part, but in inverse numerical order if less than all, on March 1, 1966, or on any interest date thereafter, at the price of

102 per centum of the par value thereof if redeemed during the years 1966 to 1970, inclusive;

101-1/2 per centum of the par value thereof if redeemed during the years 1971 to 1975, inclusive;

101 per centum of the par value thereof if redeemed during the years 1976 to 1980, inclusive;

100-1/2 per centum of the par value thereof if redeemed during the years 1981 to 1985, inclusive;

and thereafter at the par value thereof, and accrued interest to the date of redemption, provided, however, that a notice of such intended redemption shall have been published at least once not less than thirty days prior to the date of redemption in a financial paper published in the City of New York, New York. Interest shall cease upon this bond after the redemption date if it shall be duly called for redemption and payment thereof duly provided for.

This bond and all other bonds authorized by said ordinance are payable only from and secured by the net revenues to be derived from the operation of the sewer system of the City in the custody and under the control of The Sanitary Board of the City of South Charleston, which net revenues shall be sufficient to pay the principal of, and interest on, all bonds which may be issued for the construction, acquisition, extension or betterment of such system as and when the same become due and payable, 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 of South Charleston within the meaning of any constitutional or statutory provisions or limitations, nor shall said City be obligated to pay the same or the interest thereon except from said special fund provided from the net revenues from the operation of said sewer system. By ordinance authorizing the issuance of this bond The City of South Charleston has covenanted and agreed to establish and maintain just and equitable rates or charges for the use of such system and the service rendered thereby, sufficient at all times to produce adequate revenues to pay the reasonable expense of operation, repair and maintenance of said system, to set aside and pledge, and to pay into a sinking fund therefor, amounts sufficient at all times to pay, (a) the interest upon all such revenue bonds as such interest shall fall due; (b) the necessary fiscal agency charges for paying bonds and interest; (c) the principal amount of the bonds at or before their respective maturities; (d) a margin of safety or reserve for said bonds as provided in said ordinance; and that such rates and charges shall not at any time be reduced so as to provide revenues insufficient for such purposes. Such required payments shall constitute a first charge upon all the net revenues of said system.

This bond is one of an issue of Two Million Dollars ($2,000,000.00) par value, but additional pari passu bonds may be issued upon compliance with certain terms and conditions more fully set forth in the ordinance under which this bond is issued, for the terms of which reference is hereby made to said ordinance.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back thereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from said registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again as before. The registration of this bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This bond shall be exempt from all taxation by the State of West Virginia and any county or municipality therein.

All moneys received from the sale of this bond and other bonds issued pursuant to the ordinance authorizing the same, after reimbursement and repayment of all amounts advanced by the City for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of the works, extensions, improvements or betterments, 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 holder or holders of said bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this bond, have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this bond, together with all other obligations of said 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 net revenues of the sewer system of said City has been pledged to and will be set aside unto said special fund by said City for the prompt payment of the principal of and interest on this bond and the issue of which it is one.

All provisions of the ordinance 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 said The City of South Charleston has caused this bond to be signed by its Mayor, attested by its Recorder, and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Mayor and Recorder, which officials by the execution of this bond do adopt as their own proper signatures their facsimile signatures appearing on said coupons, and this bond to be dated as of the first day of March, 1956.

Mayor

ATTEST:

Recorder

(Form of Coupon)

No.---------- $----------

On the -------- day of ----------, 19----, unless the bond hereinafter mentioned shall have been duly called for prior redemption and payment of the re-

demption price has been duly made as provided for, The City of South Charleston, West Virginia, will pay to bearer upon presentation and surrender of this coupon the sum of ----------Dollars ($----------), out of the special fund provided therefor, at the office of the State Sinking Fund Commission through The First National Bank of South Charleston, in South Charleston, West Virginia, or at The Hanover Bank in the City of New York, New York, at the option of the holder hereof, as provided in, and for interest then due on, the Sewer Revenue Bond to which this coupon is attached, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United States of America.

Mayor

ATTEST:

Recorder

(No writing on this bond except by the Treasurer of the State of West Virginia as Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar
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Section 7. BONDS MUTILATED, DESTROYED 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 with all unmatured coupons attached, or like tenor as the bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated bond, upon surrender and cancellation of such mutilated bond and attached coupons, if any, or in lieu of and substitution for the bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder 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 expense as the City may incur. All bonds and coupons so surrendered shall be cancelled by the Recorder and held for the account of the City. If any such bond or coupon shall have matured or be about to mature, instead of issuing a substituted bond or coupon, the City may pay the same upon being indemnified as aforesaid, and, if such bond or coupon be lost, stolen or destroyed, without surrender thereof.

Any such duplicate bonds and coupons issued pursuant to this section shall constitute an original, additional revenue bond, whether or not the lost, stolen or destroyed bonds or coupons be at any time found by anyone, and such duplicate bonds and coupons shall be entitled to equal proportionate benefits with all other bonds and coupons issued hereunder.

Section 8. SEWER REVENUE FUND. The gross revenues derived from the operation of said sewer system, as defined herein, shall be deposited by the Board in a

special fund in The First National Bank of South Charleston, in South Charleston, West Virginia, qualified under the Federal Reserve System, which fund is hereby designated as the "Sewer Revenue Fund," and shall constitute a trust fund for, and be used only for, the purposes provided in this ordinance.

Section 9. DISPOSITION OF REVENUES. That all revenues at any time remaining on deposit in the Sewer Revenue Fund shall be disposed of only in the following order and priority:

(1) Moneys in the Sewer Revenue Fund shall first be used for the payment of all current operating expenses of the sewer system, as defined in Section 1(j) hereof.

(2) Thereafter from the moneys remaining in the Sewer Revenue Fund the Board shall next, not later than the first day of February and the first day of August in each year, beginning with August 1, 1956, apportion and set apart out of the Sewer Revenue Fund (or from transfers from the Construction Fund to the extent necessary until six months after the completion of the construction of said additions, extensions and improvements to the sewer system) and remit to the State Sinking Fund Commission, for deposit in a fund to be known as the "Sinking Fund," which is hereby established, such sums as will be sufficient to pay the interest which will mature and become due on the next semi-annual interest payment date; and beginning on August 1, 1956, the Board shall, not later than the first day of February and the first day of August in each year, apportion and set apart out of the Sewer Revenue Fund and remit to the State Sinking Fund Commission for deposit into said Sinking Fund, one-half of all principal on the bonds which will mature and become due on the next succeeding March first.

The Board shall next, from the Sewer Revenue Fund, remit to the State Sinking Fund Commission for deposit in a Reserve Account in said Sinking Fund on the first day of February and the first day of August in each year, an amount equal to twenty per centum of all amounts required to be paid for maturing principal and interest into said Sinking Fund, as provided in the above paragraph, on said dates, excepting however interest paid from the Construction Fund; provided, however, that no further payments need be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain therein, an amount equal to the largest amount of principal and interest which will become due on the bonds in any succeeding year.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the bonds when the other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Any moneys withdrawn from said Reserve Account for payment of principal of and interest on the bonds shall be restored thereto from the first revenues available after the payment of all sums required for principal of and interest on the bonds.

The State Sinking Fund Commission is hereby designated as the Fiscal Agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund created hereunder shall be remitted to the State Sinking Fund Commission from said Sewer Revenue Fund by the Board at the times provided herein or from transfers from the Construction Fund to the extent necessary until six months after the completion of the construction of said additions, extensions and improvements to the sewer system.

Moneys in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the bonds as the same shall fall due. The Board may, in its discretion, direct the State Sinking Fund Commission to use any moneys in the Reserve Account

for the purchase, or redemption if such bonds are then callable, of any bonds outstanding maturing in the current year or the next succeeding year, at prices not greater than the then redemption price for callable bonds. Such purchase or redemption of bonds shall not reduce the payments required to be made into the Sinking Fund and any moneys used from the Reserve Account for such purpose shall be subsequently restored to said Reserve Account from the Sinking Fund. The Board may also, in its discretion, direct the State Sinking Fund Commission to invest any moneys in the Reserve Account in direct obligations of the United States of America.

(3) Thereafter, from the revenues remaining in said Sewer Revenue Fund, the Board shall next, on the first day of March of each year, beginning with March 1, 1957, pay into a fund known as the "Renewal and Replacement Fund," a sum not less than five per centum of the gross revenues derived during the preceding calendar year from the operation of said sewer system. Moneys paid into said fund shall be deposited by the Board in The First National Bank of South Charleston, West Virginia, a banking institution qualified under the Federal Reserve System, and which fund shall be designated as the "Renewal and Replacement Fund." The moneys in said Renewal and Replacement Fund shall be used only for the construction or acquisition of enlargements, improvements and extensions of said sewer system; provided, however, upon the certificate of Howard K. Bell, Consulting Engineers, or other qualified and independent engineers, that moneys in said fund are not needed for enlargements, improvements or extensions of said sewer system, then such moneys may be used for the redemption of the last maturing bonds then outstanding or the purchase of such last maturing bonds then outstanding at prices not greater than the then redemption prices of such bonds. The Board may, in its discretion, direct said Bank to invest any moneys in said Renewal and Replacement Fund in short-term direct obligations of the United States of America.

(4) All of the funds provided for above shall constitute trust funds and shall be used only for the purposes provided herein. The moneys in excess of the sum of Ten Thousand Dollars ($10,000.00) in said Sewer Revenue Fund and in said Renewal and Replacement Fund shall at all times be secured to the full extent thereof in excess of said sum of Ten Thousand Dollars ($10,000.00), by direct obligations of the United States of America, or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia.

(5) If on any semi-annual payment date the revenues are insufficient to place the required amount in any of the funds 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 on the subsequent payment dates.

Section 10. RATES AND CHARGES FOR SEWER SERVICE. There have been heretofore, by ordinance dated June 17, 1955, established and are now maintained, just and equitable rates or charges for the use of, the service rendered by the sewer system of The City of South Charleston, to be paid by the owner of each and every lot, parcel of real estate or building that is connected with and uses the same by or through any part of said system, or that in any way uses or is served by such system. Such rates or charges shall be so fixed at all times so as to be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacement and maintenance of the system, and for the payment of the sums herein required to be paid into the Sinking Fund, provided that no such rates or charges shall be established until after a public hearing, at which all the users of the system and owners of property served or to be served thereby, and others interested, shall have an opportunity to be heard concerning the proposed rates or charges, and such rates and charges shall not be reduced at any time so as to be insufficient to provide adequate revenues for such purposes. The

proceeds or income from all charges and contracts for sewers and sewage service furnished within or without the corporate limits of The City of South Charleston shall be included and accounted for as other income and revenue of said system.

Bills for rates or charges, if not paid when due, shall be a lien upon the premises served by such system, and if such rates or charges be not paid within thirty (30) days after due, the amount thereof, together with a penalty of ten per cent (10%) and a reasonable attorney's fee, may be recovered by the Board in a civil action in the name of The City of South Charleston, 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.

Section 11. COVENANTS OF CITY. The City of South Charleston by this ordinance covenants and agrees with the holder or holders of the bonds herein authorized to be issued, or any of them, that it will faithfully and punctually perform all duties with reference to said sewer system and to said bonds required by the Constitution and laws of the State of West Virginia, including the making and collection of just and equitable rates for the services rendered by said system, and will segregate the revenues therefrom and make application thereof consistent with and as provided by this ordinance; and the City hereby irrevocably covenants that in no event will the said sewer system be sold, leased, mortgaged or in any manner disposed of as a whole, except as provided in Chapter 132, Acts of the West Virginia Legislature, Regular Session, 1955, before all of the bonds herein authorized to be issued and all additional pari passu bonds, including all interest due thereon, shall have been paid in full, or the proceeds to be derived from such sale, lease, mortgage or other disposition of said sewer system as a whole shall be sufficient to pay or redeem all outstanding bonds and interest thereon, and such moneys shall be forwarded to the State Sinking Fund Commission for such purposes. This Covenant, however, shall not be construed to prevent the City from disposing of any of the properties or facilities comprising a part of said sewer system which the City shall determine are no longer necessary or profitable in the operation of said sewer system; provided, however, that any and all proceeds from the sale, lease, mortgage or disposition of any of the properties or facilities of said sewer system, in the event any of such proceeds are not needed for replacement, shall be remitted to the State Sinking Fund Commission for deposit in the Sinking Fund and applied only to the redemption of bonds of the last maturity then outstanding, or to the purchase of bonds as provided herein.

The City further covenants and agrees with the holders of said bonds to maintain in good condition and continuously operate said system and appurtenances as a revenue producing enterprise, and to charge and collect such rates or charges for services rendered thereby so that the gross revenues will be sufficient at all times to provide for the payment of the operation, repair and maintenance of said system and leave net revenues remaining sufficient for the Sinking Fund requirements and all other payments as provided herein; provided, however, that the covenant to operate said sewer system herein set forth shall not prevent the making of contracts or agreements with persons, firms or corporations for the operation and management of the facilities and properties of said sewer system, or any part thereof, pursuant to section 1409 of article 13 of Chapter 16 of the Code of West Virginia, so long as the rates and charges are fixed and collected as herein covenanted.

The City further covenants that it will require the owner of all premises within the City abutting on or reasonably accessible to said system to connect therewith and to use the facilities provided thereby, and that it will not permit the operation within the City of any sewer system or systems which will be in competition with the system

described in this ordinance; provided, however, that treatment or disposal facilities constructed by industrial users when the facilities of the City's sewer system are inadequate to supply the needs of such industrial users shall not be deemed to be competitive with the City's sewer system under the provisions of this paragraph.

Section 12. RIGHTS OF BONDHOLDERS. Any holder of any bond issued pursuant hereto, or any of the coupons attached thereto, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted under this ordinance, and may enforce and compel performance of all duties required by law or by this ordinance to be performed by The City of South Charleston or by The Sanitary Board or by any officer thereof, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the bonds on the date named herein for such payment, or in the event of a failure by the Board to comply with the covenants contained in this ordinance in such manner as to materially affect the rights of any bondholder, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance, and also to pay any bonds and interest outstanding, and to apply the revenues in conformity with this ordinance and the laws of West Virginia. The holders of not less than twenty per centum in aggregate principal amount of the bonds then outstanding may by instrument duly executed and filed in the office of the Recorder of The City of South Charleston appoint a trustee to represent such bondholders in the enforcement of any of the rights of such bondholders and the right to the appointment of such trustee for such purposes shall be limited to such percentage of bondholders.

Section 13. PROCEEDS OF BONDS. All moneys received from the sale of any or all of the bonds issued pursuant to this ordinance shall be deposited in The First National Bank of South Charleston, in South Charleston, West Virginia, and/or The Hanover Bank, New York, New York, in a trust fund which shall be known as the "Construction Trust Fund." The moneys in said fund shall be expended solely for the purposes provided in this ordinance under a Construction Trust Fund Agreement to be entered into hereinafter between the Sanitary Board and said Banks, which shall provide, among other things, that no expenditures shall be made from said fund, except for engineering and legal expenses, repayment of advances heretofore made for preliminary expenses, and expenses in connection with the authorization, issuance and sale of the bonds authorized herein, and expenses in connection with the creation and establishment of said Sanitary Board, without the approval of the Sanitary Board and the Consulting Engineer, as defined herein. Until six months after the completion of the construction or acquisition of the additions, extensions and improvements to said sewer system authorized by this ordinance, sufficient moneys shall be transferred from the Construction Trust Fund to the Sinking Fund to pay maturing interest on the bonds to the extent that payments to said fund from revenues of the system are insufficient therefor. Any moneys in said Construction Fund not immediately needed for said purposes may, with the approval of the Consulting Engineer and the Board, be invested in direct obligations of the United States of America maturing not more than one year after the date of purchase thereof. Any balance in the Construction Trust Fund, after the completion of the improvements provided for in this ordinance, shall be deposited in the Sinking Fund and used only for the purchase or redemption of bonds as provided in this ordinance.

Section 14. ADDITIONAL BONDS. So long as any of the bonds shall remain outstanding the City shall not issue any additional bonds or incur any other obligations

payable from the revenues derived from the operation of said sewer system or any part thereof, unless the lien and security of such bonds or other obligations shall be made junior and subordinate to the lien and security of the bonds issued hereunder; provided, however, said City hereby reserves the right and privilege of issuing additional bonds from time to time payable from the net revenues of said system and ranking on a parity with the bonds herein authorized in order to pay the cost of future extensions, betterments or improvements to said system, but before any such bonds ranking on a parity may be issued it must be shown by the audit of a certified public accountant, not in the regular employ of the City and not otherwise interested in said sewer system, that the average of the annual net revenues of said system as defined herein for the twelve months next preceding the date of the issuance of any such additional bonds, together with the estimated annual net revenues of said system, including the improvements then being financed, during the twelve months next succeeding the date of completion of the improvements then being financed, are equal to at least 130% of the total maximum amount of principal and interest falling due in any one subsequent year on the bonds then outstanding payable from said fund and on the bonds then proposed to be issued, and provided also that the interest payment dates for any such additional bonds shall be semi-annually on March 1 and September 1 of each year, and the principal maturities of such additional bonds shall be on March 1 of any year in which any of such principal is scheduled to become due.

Section 15. ADMINISTRATIVE DUTIES OF SANITARY BOARD.

(1) The Board shall carry such insurance as is ordinarily carried by private corporations on the buildings, furniture, fixtures and equipment included in the sewer system and such other type of insurance as in its judgment it may deem proper. In time of war, the Board shall also carry such amount of insurance as may be available against loss or damages by the risks or hazards of war.

(2) The Board will keep books and records which will be separate and apart from all other records of the City, in which complete and correct entries shall be made of all transactions relating to said sewer system, and any holder of a bond or bonds issued hereunder shall have the right at all reasonable times to inspect the records and audits of the Board, as well as the sewer system.

Should the State Tax Commissioner of West Virginia in any year fail to make an audit of the accounts of the Board, the Board shall for such year cause an audit to be made by a qualified certified public accountant. A summary of such audit shall be furnished to any bondholder making a written request therefor.

(3) The Board, at least forty-five (45) days preceding each fiscal year, will prepare a detailed budget of its estimated expenditures for the operation and maintenance of the sewer system for the ensuing fiscal year, and shall file a copy thereof with the Council of The City of South Charleston and the State Sinking Fund Commission. No such expenditures in excess of one hundred ten per cent of the aggregate amount provided in the budget shall be made, unless the Board and Consulting Engineer shall certify that such expenditures are due to causes not forseeable at the time of the adoption of the budget, or that they are necessary in order to keep the sewer system in operation.

(4) That the City or Board may hereafter enter into contracts or agreements with any person, firm or corporation for the operation and management of the facilities and properties of said sewer system, or any part thereof, pursuant to section 1409 of article 13 of Chapter 16 of the Code of West Virginia, and any such contracts or agreements

shall be valid and binding upon the City and Board so long as any of the bonds issued hereunder, or additional bonds issued pursuant to Section 1409 (Michie 22(e)), Code of West Virginia, or interest thereon, are outstanding and unpaid; that, subject to the provisions of any such contracts or agreements, which shall require such persons, firms or corporations to comply fully with all the covenants, agreements and provisions of this ordinance, the Board will construct, operate and maintain the sewer system of The City of South Charleston as a revenue producing enterprise in an efficient and economical manner.

(5) The Board will retain a competent consulting engineer, who shall supervise the construction of the sewer system and all additions thereto, and who, during the life of any of the bonds hereby authorized, shall be available for consultation with respect to the operation, maintenance, improvement, and extension, of the system.

Section 16. MISCELLANEOUS.

(1) That the bonds herein authorized be prepared and executed as herein provided as soon after the adoption of this ordinance as may be, and be thereupon sold and delivered to Young Moore & Co., Inc., of Charleston, West Virginia, and Associates, pursuant to the agreement approved and accepted by the Mayor and Council of The City of South Charleston on April 17, 1953.

(2) No material modification or amendment of this ordinance or any ordinance or resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the bonds then outstanding, provided, however, that no modification or amendment shall permit a change in the maturity of such bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation or affecting the unconditional promise of the City to pay the principal of and interest on the bonds out of the net revenues of the sewer system as the same shall come due, without the consent of the holder of such bonds. Notwithstanding the above, 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.

(3) If any one or more of the covenants, agreements or provisions of this ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions, and in no way affect the validity of all the other provisions of this ordinance or of the bonds or coupons issued hereunder.

(4) All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this ordinance are, to the extent of such conflicts, hereby repealed.

(5) This ordinance shall take effect at the time and in the manner provided in Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended.

A true copy from the record.

(CORPORATE SEAL) H. S. Shumate /s/

Recorder of the City of South Charleston.

CERTIFICATE

Certified to be a true and correct copy of Ordinance No. 603 adopted by the City Council of The City of South Charleston, West Virginia, on March 15, 1956, 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)

Carlene J. Atkinson
City Clerk

Minute Book No. 32
Pages 152-185
1st Reading 1-5-61
Adopted 1-26-61

No. 856

AN ORDINANCE AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE EXISTING SEWER SYSTEM OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA; AUTHORIZING THE ISSUANCE OF $8,000,000 SEWER REVENUE BONDS, SERIES 1961, TO FINANCE THE COST THEREOF; PROVIDING FOR THE SECURITY THEREOF; AND PROVIDING FOR THE RIGHTS AND REMEDIES OF THE HOLDERS THEREOF.

WHEREAS, The City of South Charleston, West Virginia, now owns a municipal Sewer System for the collection, treatment and disposal of sewage and wastes of The City of South Charleston and certain nearby areas, all within ten (10) miles of the corporate limits of said City; and

WHEREAS, The City of South Charleston, by ordinance duly and regularly enacted on the 21st day of January, 1955, created a Sanitary Board for said City, in accordance with the provisions of law as made and provided, by which ordinance The Sanitary Board of The City of South Charleston was vested with the construction, acquisition, improvement, equipment, custody, operation, maintenance and administration of all the works for the collection, treatment or disposal of sewage within The City of South Charleston and in the jurisdiction of said Board, and which Board has since said date exercised the authority and powers enumerated in said ordinance and the authority and powers vested in it under and by virtue of the provisions of the Act, as hereinafter defined; and

WHEREAS, The City of South Charleston, pursuant to an ordinance enacted by the Council of The City of South Charleston on March 15, 1956, entitled: "AN ORDINANCE RELATING TO THE CUSTODY, OPERATION, MAINTENANCE, SUPERVISION AND CONTROL OF THE SEWER SYSTEM OF THE CITY OF SOUTH CHARLESTON, AND ALL BETTERMENTS THEREOF AND EXTENSIONS THERETO, AS HERETOFORE VESTED IN THE SANITARY BOARD OF THE CITY OF SOUTH CHARLESTON; AUTHORIZING THE CONSTRUCTION AND ACQUISITION OF CERTAIN ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO SAID

Recorder's File Copy

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ADOPTION RATIFIED 1-26-61

SYSTEM; PROVIDING FOR THE FINANCING OF SUCH ADDITIONS, EXTENSIONS AND IMPROVEMENTS BY THE ISSUANCE OF REVENUE BONDS; PROVIDING FOR THE COLLECTION OF RATES OR CHARGES FOR THE USE OF SAID SYSTEM AND WORKS, AND FOR THE SERVICE RENDERED THEREBY; AND FOR THE APPLICATION OF THE PROCEEDS OF SUCH RATES OR CHARGES TO THE OPERATION, REPAIR, REPLACEMENT AND MAINTENANCE OF SUCH SYSTEM AND WORKS, AND TO A SINKING FUND FOR THE PAYMENT OF SAID REVENUE BONDS AND THE INTEREST THEREON; ALL AS PROVIDED BY CHAPTER 25 OF THE ACTS OF THE LEGISLATURE OF WEST VIRGINIA, EXTRAORDINARY SESSION OF 1933, AS AMENDED."(hereinafter referred to as "Original Ordinance"), has, heretofore, issued $2,000,000 Sewer Revenue Bonds of said City to finance the cost of construction and acquisition of the sewer improvements thereby authorized; and

WHEREAS, The Sanitary Board of The City of South Charleston has filed its petition with the Council of The City of South Charleston petitioning the Council to enact an ordinance: (a) authorizing the Board to proceed at this time with the construction and acquisition of the additions, extensions and improvements to the City's Sewer System herein authorized, which additions, extensions and improvements, it is estimated by Howard K. Bell, Consulting Engineers, the engineers chosen by the Board, will cost approximately $8,000,000; (b) providing for the issuance of revenue bonds, the proceeds thereof to be applied to the cost of said works; and (c) providing for the operation, repair, maintenance, supervision, and control of such works by the Board; all as provided by Chapter 25, Acts of the Legislature of West Virginia, Extrordinary Session of 1933, as amended; and

WHEREAS, said Board has filed with said petition a preliminary report prepared by Howard K. Bell, Consulting Engineers, the engineers chosen by the Board, which preliminary report contains a general description of the works proposed to be constructed and acquired, the estimated cost thereof, and recommendations as to the amount of revenue bonds to be issued; and

25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and shall include the membership of the Board as may hereafter be duly constituted as the legal successors to the present membership, or any other agency or department or instrumentality of said City which shall at any time have jurisdiction, possession or control of the Sewer System, or the management and operation thereof.

(b) "City" shall mean the municipal corporation of The City of South Charleston, West Virginia, which city for the purposes of this ordinance shall have jurisdiction for ten miles outside its corporate limits as presently defined or as may hereafter be defined.

(c) "Council" shall mean the Mayor and members of Council, respectively, of The City of South Charleston, West Virginia, as constituting the governing body of said City.

(d) "Act" shall mean Chapter 25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, or Article 13, Chapter 16, of the Code of West Virginia, as amended.

(e) "Sewer System" shall mean the complete existing Sewer System and works now owned by The City of South Charleston for the collection and/or treatment, purification and disposal of sewage in its entirety or any integral part thereof, and shall include any additions, extensions, improvements and betterments thereto as authorized by this ordinance, or hereafter constructed or acquired for said Sewer System from any sources whatever, both within and without said City.

(f) "Cost of Works" shall include the cost of construction and acquisition of additions, extensions and improvements to the City's Sewer System as authorized and contemplated by this ordinance and by the description of the works to be constructed as prepared by Howard K. Bell, Consulting Engineers, the cost of all property rights, easements and franchises deemed necessary or convenient

therefor and for the improvements determined upon or hereafter determined upon as provided in this ordinance; interest upon Bonds prior to and during construction and acquisition and for six months after completion of construction and acquisition of the improvements last mentioned; engineering and legal expenses; expenses for estimates of cost and of revenue; expenses for plans, specifications and surveys, including the repayment of any amounts theretofore advanced for such purposes; other expenses necessary or incident to determining the feasibility or practicability of the enterprise, and such other expenses as may be necessary or incident to the financing herein authorized and the construction and acquisition of additions, extensions and improvements to the City's Sewer System and the placing of such additions, extensions and improvements in operation and the performance of the things required or permitted by the Act or other pertinent statutory requirements in connection with the Sewer System.

(g) "Original Ordinance" shall mean the ordinance enacted by the Council of The City of South Charleston on March 15, 1956, and referred to by title in the preambles hereof.

(h) "Bonds" shall mean the Sewer Revenue Bonds, Series 1961, of The City of South Charleston authorized to be issued pursuant to this ordinance and the interest coupons attached thereto; and shall also include any and all additional pari passu additional obligations authorized to be issued by the Original Ordinance and this ordinance under the limitations and restrictions set forth in the Original Ordinance and this ordinance and the interest coupons attached to said pari passu additional obligations.

(i) "Outstanding Bonds" shall mean the bonds of an original issue of $2,000,000 Sewer Revenue Bonds of The City of South Charleston, dated March 1, 1956, heretofore issued by the City pursuant to the Original Ordinance, and the interest coupons attached thereto, remaining outstanding and unpaid from time to time.

(j) "Holder of Bonds" or "Bondholder" or any similar term shall mean any person who shall be the bearer or owner of any outstanding Bond or Bonds registered to bearer or not registered, or the registered owner of any outstanding Bond or Bonds which shall at the time be registered other than to bearer or to any coupons representing interest accrued or to accrue on said Bonds.

(k) "Revenues" or "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 Sewer System, and all parts thereof, all as calculated in accordance with sound accounting practice.

(l) "Operating Expenses" shall mean such reasonable current expenses, paid or accrued, of operation, repair and maintenance of said Sewer 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 said system and the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred.

(m) "Net Revenues" shall mean the balance of the gross revenues, as defined in subsection (k) above, remaining after deduction only of operating expenses, as defined in subsection (l) above.

(n) "Consulting Engineers" shall mean Howard K. Bell, Consulting Engineers, of Lexington, Kentucky, or some other independent and qualified engineer employed by The Sanitary Board of The City of South Charleston.

(o) Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations.

Section 2. CONTROL OF SEWER SYSTEM IN SANITARY BOARD. By ordinance duly adopted on the 21st day of March, 1955, the custody,

administration, operation and maintenance of all sewers constituting the Sewer System of The City of South Charleston, both within and without the corporate limits thereof, the acquisition and construction of all new or additional works, the improvement, equipment, custody, operation and maintenance of all such works, and the collection and expenditure of all revenues for the use of such system and the service rendered thereby, shall be under the supervision and control of The Sanitary Board of The City of South Charleston.

Section 3. CONSTRUCTION OF WORKS ORDERED. In order to provide a more complete Sewer System for The City of South Charleston, and certain nearby areas, adequate to collect and dispose of the sewage and other wastes of said areas in a sanitary manner, and by such provisions to prevent the pollution of Kanawha River in the City and in said nearby areas, the Board shall proceed at once with the construction and acquisition of additions, extensions and improvements to the City's Sewer System, including but not limited to the following: Waste treatment works, gravity and force sewers, collecting sewers, relief storm sewers, sanitary sewers and sewage pumping stations,
substantially in accordance with the plans and specifications therefor as prepared by, and as generally shown in the Report dated January 4, 1961, of Howard K. Bell, Consulting Engineers, and the facilities and appurtenances incident thereto.

Section 4. SEWER REVENUE BONDS AUTHORIZED. For the purpose of providing funds to be applied solely to the cost of said additions, extensions and improvements to the City's Sewer System hereby directed to be constructed and acquired, the appurtenant sinking fund and the repayment to The City of South Charleston of all amounts advanced by it for preliminary expenses, all as provided in the Act, revenue bonds in the principal amount of not exceeding Eight Million Dollars ($8,000,000) are hereby authorized to be issued, to be dated March 1, 1961, and to be substantially in the form hereinafter set forth.

The principal and interest of all Bonds hereby authorized shall be payable solely from the special funds herein provided for

such payment. The Bonds shall be in the denomination of One Thousand Dollars ($1,000.00) each, shall be numbered consecutively 1 to 8,000, both inclusive, and shall each be designated "Sewer Revenue Bond, Series 1961".

The Bonds shall bear interest from their date at such rate or rates as shall be hereafter determined by resolution of the Council of The City of South Charleston. Principal and semi-annual interest (March 1 and September 1) shall be payable in any coin or currency which on the date of payment thereof is legal tender for the payment of public and private debts under the laws of the United States of America.

The Bonds issued hereunder shall mature serially, in numerical order, lowest numbers first, on the first day of March of each year, as follows:

Year	Amount	Year	Amount
1962	$ 70,000	1982	$170,000
1963	75,000	1983	175,000
1964	80,000	1984	185,000
1965	85,000	1985	195,000
1966	90,000	1986	200,000
1967	95,000	1987	210,000
1968	90,000	1988	220,000
1969	100,000	1989	230,000
1970	105,000	1990	240,000
1971	105,000	1991	250,000
1972	110,000	1992	260,000
1973	115,000	1993	275,000
1974	120,000	1994	285,000
1975	125,000	1995	300,000
1976	130,000	1996	310,000
1977	135,000	1997	415,000
1978	140,000	1998	435,000
1979	150,000	1999	455,000
1980	150,000	2000	475,000
1981	160,000	2001	495,000

The Bonds maturing in the years 1977 to 2001, both inclusive, shall be redeemable prior to their respective dates of maturity, from any moneys made available therefor, at the option of the City to be exercised by the Board, as a whole, on March 1, 1976, or on any date thereafter, at the price of par and accrued interest to the date fixed

for redemption plus the following premiums if redeemed in the following years:

Two per centum (2%) of the par value thereof if redeemed in the years 1976 to 1980, both inclusive;

One and one-half per centum (1-1/2%) of the par value thereof if redeemed in the years 1981 to 1985, both inclusive;

One per centum (1%) of the par value thereof if redeemed in the years 1986 to 1990, both inclusive;

One-half of one per centum (1/2 of 1%) of the par value thereof if redeemed in the years 1991 to 1996, both inclusive;

And without premium if redeemed thereafter.

The Bonds maturing in the years 1977 to 2001, both inclusive, shall be redeemable prior to their respective dates of maturity, from moneys on deposit with the State Sinking Fund Commission derived from revenues of said sewer system, at the option of the City to be exercised by the Board, in part, in inverse order of maturities and by lot within maturities if less than a full maturity, on March 1, 1967, or on any interest payment date thereafter, at the price of par and accrued interest to the date fixed for redemption plus the following premiums if redeemed in the following years:

Two per centum (2%) of the par value thereof if redeemed in the years 1967 to 1976, both inclusive;

One and one-half per centum (1-1/2%) of the par value thereof if redeemed in the years 1977 to 1985, both inclusive;

One per centum (1%) of the par value thereof if redeemed in the years 1986 to 1990, both inclusive;

One-half of one per centum (1/2 of 1%) of the par value thereof if redeemed in the years 1991 to 1995, both inclusive;

And without premium if redeemed thereafter.

Notice of any such intended redemption shall be published at least once not less than thirty (30) days prior to the date fixed for redemption in a financial paper published in the City of New York, New York.

Each and every of the Bonds hereby authorized shall rank equally with the Outstanding Bonds and all other Bonds herein authorized with respect to their lien on the revenues of said Sewer System and shall be secured and be payable, both as to principal and interest, from said revenues without preference or distinction of any kind between them by reason of priority of issuance or otherwise.

All Bonds duly called for redemption, and for the payment of which funds are provided on the redemption date, will cease to bear interest therefrom.

All Bonds shall be payable to bearer, unless registered as herein provided, and all bonds shall be payable at the office of the State Sinking Fund Commission of the State of West Virginia, through The First National Bank of South Charleston, in the City of South Charleston in said State, or, at the option of the holder, at The Hanover Bank, New York, New York.

The Bonds shall be signed by the Mayor and attested by the Recorder of The City of South Charleston and shall be sealed with its corporate seal, and the interest coupons shall be executed with the facsimile signatures of the Mayor and Recorder, and said officials by the execution of said Bonds shall adopt as and for their own proper signatures their respective facsimile signatures on said coupons. All of said Bonds shall contain a statement on their face that The City of South Charleston shall not be obligated to pay the same, or the interest thereon, except from the special funds provided from the net revenues of the Sewer System set aside and pledged to said fund, as hereinafter provided.

Section 5. REGISTRATION OF BONDS. Upon presentation at the office of the Treasurer of the State of West Virginia of any of

the Bonds issued under the authority of the Original Ordinance and this ordinance, the same may be registered as to principal in the name of the owner on the books in his office, such registration to be noted on the reverse side of the Bonds by said Treasurer, and thereafter the principal of such registered Bonds shall be payable only to the registered holder, his legal representative or assigns. Such registered Bonds shall be transferable to another registered holder, or back to bearer, only upon presentation to said Treasurer with a legal assignment duly acknowledged or proved. Registration of any such Bonds shall not affect the negotiability of the coupons thereto attached, but such coupons shall be transferable merely by delivery.

Section 6. FORM OF BONDS. The Bonds, coupons and provisions for registration issued under authority of the Original Ordinance and this ordinance shall be substantially in the following form:

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON

SEWER REVENUE BOND, SERIES 1961

NO. $1,000.00

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation, organized and existing under the laws of the State of West Virginia, for value received, hereby promises to pay, solely from the special fund provided therefor, as hereinafter set forth, to the bearer or, if this bond be registered as to principal, to the registered holder thereof, on the first day of March, 19 , the sum of One Thousand Dollars ($1,000.00) and solely from such special fund also to pay interest on said sum from the date hereof at the rate of per cent per annum semi-annually, on the first day of March and the first day of September in each year, except as the provisions hereinafter set forth as to redemption may become applicable hereto, all such interest as may accrue on and prior to the maturity date hereof to be payable only upon presentation and surrender of the annexed coupons as they severally become due, both principal of, and interest on, this bond being payable in any coin or currency which, on the respective dates of payment of principal and interest, 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 State Sinking Fund Commission of the State of West Virginia, through The First National Bank of South Charleston, South Charleston, West Virginia, or, at the option of the holder, at The Hanover Bank, New York, New York.

This bond is issued pursuant to the provisions of an ordinance duly enacted by the Council of The City of South Charleston on March 15, 1956 (hereinafter referred to as "Original Ordinance"), and an

ordinance duly enacted by the Council of The City of South Charleston on Jan. 26, 1961 (hereinafter referred to as "Ordinance"), for the purpose of financing the cost of construction and acquisition of additions, extensions and improvements to the Sewer System of The City of South Charleston, under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 25 of the Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended, and this Bond is subject to all the terms and conditions of said Original Ordinance, Ordinance, Constitution and statutes.

The Bonds of the issue of which this Bond is one, maturing in the years 1977 to 2001, both inclusive, are redeemable prior to their respective dates of maturity, from any moneys made available therefor, at the option of The City of South Charleston to be exercised by The Sanitary Board of said City, as a whole, on March 1, 1976, or on any date thereafter, at the price of par and accrued interest to the date fixed for redemption plus the following premiums if redeemed in the following years:

Two per centum (2%) of the par value thereof if redeemed in the years 1976 to 1980, both inclusive;

One and one-half per centum (1 1/2%) of the par value thereof if redeemed in the years 1981 to 1985, both inclusive;

One per centum (1%) of the par value thereof if redeemed in the years 1986 to 1990, both inclusive;

One-half of one per centum (1/2 of 1%) of the par value thereof if redeemed in the years 1991 to 1996, both inclusive;

And without premium if redeemed thereafter.

The Bonds of the issue of which this Bond is one, maturing in the years 1977 to 2001, both inclusive, are redeemable prior to

their respective dates of maturity, from moneys on deposit with the State Sinking Fund Commission derived from revenues of said sewer system, at the option of The City of South Charleston to be exercised by The Sanitary Board of said City, in part, in inverse order of maturities and by lot within maturities if less than a full maturity, on March 1, 1967, or on any interest payment date thereafter, at the price of par and accrued interest to the date fixed for redemption plus the following premiums if redeemed in the following years:

> Two per centum (2%) of the par value thereof if redeemed in the years 1967 to 1976, both inclusive;
>
> One and one-half per centum (1-1/2%) of the par value thereof if redeemed in the years 1977 to 1985, both inclusive;
>
> One per centum (1%) of the par value thereof if redeemed in the years 1986 to 1990, both inclusive;
>
> One-half of one per centum (1/2 of 1%) of the par value thereof if redeemed in the years 1991 to 1995, both inclusive;
>
> And without [illegible] if redeemed thereafter.

Notice of any such intended redemption shall be published at least once not less than thirty (30) days prior to the date fixed for redemption in a financial paper published in the City of New York, New York. Interest shall cease upon this Bond after the redemption date if it shall be duly called for redemption and payment thereof duly made or provided for.

This Bond and the Bonds of the issue of which this Bond is one are payable only from and secured by the net revenues to be derived from the operation of the Sewer System of the City in the custody and under the control of The Sanitary Board of The City of South Charleston, which net revenues shall be sufficient to pay the principal of, and interest on, the Outstanding Bonds hereinafter referred to, the Bonds

of the issue of which this Bond is one and all bonds which may be issued for the construction, acquisition, extension or betterment of such system as and when the same become due and payable, 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 of South Charleston within the meaning of any constitutional or statutory provisions or limitations, nor shall said City be obligated to pay the same or the interest thereon except from said special fund provided from the net revenues from the operation of said Sewer System. By the Original Ordinance and the Ordinance authorizing the issuance of this Bond The City of South Charleston has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of such system and the service rendered thereby, sufficient at all times to produce adequate revenues to pay the reasonable expense of operation, repair and maintenance of said system, to set aside and pledge, and to pay unto a sinking fund therefor, amounts sufficient at all times to pay (a) the interest upon all the Bonds of the issue of which this Bond is one as such interest shall fall due; (b) the necessary fiscal agency charges for paying said Bonds and interest, the principal amount of said Bonds at or before their respective maturities; (d) a margin of safety or reserve for said Bonds as provided in said Ordinance; and (e) the principal of and interest on the Outstanding Bonds hereinafter referred to; and that such rates and charges shall not at any time be reduced so as to provide revenues insufficient for such purposes.

The Bonds of the issue of which this Bond is one, rank equally as to lien on and source and security for payment from the net revenues to be derived from the operation of the Sewer System

of the City in the custody and under the control of The Sanitary Board of The City of South Charleston with the lien thereon of the outstanding bonds of an original issue of $2,000,000 Sewer Revenue Bonds, dated March 1, 1956, heretofore issued by the City pursuant to the Original Ordinance.

This Bond is one of an issue of Eight Million Dollars ($8,000,000.00) par value, but additional pari passu bonds may be issued upon compliance with certain terms and conditions more fully set forth in the Ordinance under which this Bond is issued, for the terms of which reference is hereby made to the Ordinance.

This Bond is fully negotiable but may be registered as to principal only in the name of the holder on the books in the office of the Treasurer of the State of West Virginia, at Charleston, West Virginia, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from said registration by being transferred to bearer, after which it shall be transferable by delivery, but it may be registered again [illegible] before. The registration of this Bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

This Bond shall be exempt from all taxation by the State of West Virginia and any county or municipality therein.

All moneys received from the sale of this Bond and other Bonds issued pursuant to the Ordinance authorizing the same, after reimbursement and repayment of all amounts advanced by the City for preliminary expenses as provided by law, shall be applied solely to the payment of the cost of construction and acquisition of additions, extensions and improvements to the City's Sewer System, 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 holder or holders of said Bonds.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of said 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 net revenues of the Sewer System of said City has been pledged to and will be set aside into said special fund by said City for the prompt payment of the principal of and interest on this Bond and the Bonds of the issue of which this Bond is one.

All provisions of the Original Ordinance, Ordinance 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, attested by its Recorder, and its corporate seal to be hereunto affixed, and the coupons hereto attached to be executed with the facsimile signatures of said Mayor and Recorder, which officials by the execution of this Bond do adopt as their own proper signatures their facsimile signatures appearing on said coupons, and this Bond to be dated as of the first day of March, 1961.

ATTEST:

/S/ Cecil A. Washburn
Recorder

/S/ J. W. Londeree
Mayor

(Form of Coupon)

No. $

On the day of , 19 , unless the Bond hereinafter mentioned shall have been duly called for prior redemption

and payment of the redemption price has been duly made or provided for, The City of South Charleston, West Virginia will pay to bearer upon presentation and surrender of this coupon the sum of

Dollars ($),

out of the special fund provided therefor, at the office of the State Sinking Fund Commission of the State of West Virginia, through The First National Bank of South Charleston, South Charleston, West Virginia, or, at the option of the holder, at The Hanover Bank, New York, New York, as provided in and for interest then due on, the Sewer Revenue Bond, Series 1961, to which this coupon is attached, said payment to be made in any coin or currency which on said date of payment is legal tender for the payment of public and private debts under the laws of the United States of America.

/S/ J. W. Londeree
Mayor

ATTEST:

/S/ Cecil A. Washburn

(No writing on this bond except by the Treasurer of the State of West Virginia as Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar

Section 7. BONDS MUTILATED, DESTROYED 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 with all unmatured coupons attached, of like tenor as the Bond and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond and attached coupons, if any, or in lieu of and substitution for the Bond and attached coupons, if any, destroyed, stolen or lost, and upon the holder 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 expense as the City may incur. All Bonds and coupons so surrendered shall be cancelled by the Recorder and held for the account of the City. If any such Bond or coupon shall have matured or be about to mature, instead of issuing a substitute Bond or coupon, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond or coupon be lost, stolen or destroyed, without surrender thereof.

Any such duplicate Bonds and coupons issued pursuant to this section shall constitute original, additional contractual obligations, whether or not the lost, stolen or destroyed Bonds or coupons be at any time found by anyone, and such duplicate Bonds and coupons shall be entitled to equal and proportionate benefits and rights as to lien on and source and security for payment from the revenues of the City's Sewer System with all other Bonds and coupons issued hereunder and the Outstanding Bonds.

Section 8. BONDS ON PARITY WITH OUTSTANDING SEWER REVENUE BONDS, DATED MARCH 1, 1956. The Bonds issued pursuant to this ordinance shall be on a parity and rank equally as to lien on and source and security for payment from the net revenues derived from the operation of the City's Sewer System, and in all respects, with the outstanding Sewer Revenue Bonds, dated March 1, 1956, issued

pursuant to the Original Ordinance and any pari passu additional obligations hereafter issued pursuant to and within the terms, limitations and conditions contained in Section 14 of the Original Ordinance and Section 16 of this ordinance.

Section 9. BONDS SECURED BY ORIGINAL ORDINANCE AND THIS ORDINANCE. The Bonds authorized by this ordinance shall be deemed to have been issued pursuant to the Original Ordinance as fully and to the same extent as the $2,000,000 Sewer Revenue Bonds, dated March 1, 1956, originally issued pursuant to the Original Ordinance, and all of the covenants and agreements contained in said Original Ordinance shall be deemed to have been made for the benefit of the holders of the Bonds issued pursuant to this ordinance and of any pari passu additional obligations hereafter issued within the terms, limitations and conditions contained in Section 14 of said Original Ordinance and Section 16 of this ordinance, as fully and to the same extent as for the holders of the Outstanding Bonds.

All of the covenants, agreements and provisions of the Original Ordinance (except as to details inconsistent with this ordinance) shall be deemed to be part of this ordinance as fully and to the same extent as if incorporated verbatim herein and shall be fully enforceable in the manner provided in the Original Ordinance by any of the holders of Bonds issued pursuant to this ordinance.

All of the funds and accounts created and established pursuant to the Original Ordinance shall be continued, maintained, administered and secured as provided in the Original Ordinance and this ordinance as long as any of the Bonds issued pursuant to this ordinance, or interest thereon, remain outstanding and unpaid.

Section 10. SEWER REVENUE FUND. The gross revenues derived from the operation of the Sewer System, as defined in the Original Ordinance and herein, shall be deposited by the Board in a special fund in The First National Bank of South Charleston, in

South Charleston, West Virginia, qualified under the Federal Reserve System, which fund has been designated as the "Sewer Revenue Fund", and shall constitute a trust fund for, and be used only for, the purposes provided in this ordinance and the Original Ordinance.

Section 11. DISPOSITION OF REVENUES. That all revenues at any time remaining on deposit in the Sewer Revenue Fund shall be disposed of only in the following order and priority:

(1) Moneys in the Sewer Revenue Fund shall first be used for the payment of all current operating expenses of the Sewer System, as defined in Section 1(j) of the Original Ordinance and in Section 1(l) hereof.

(2) Thereafter, from the moneys remaining in the Sewer Revenue Fund the Board shall next, not later than the first day of February and the first day of August in each year, beginning with August 1, 1961, apportion and set apart out of the Sewer Revenue Fund (or from transfers from the Construction Fund to the extent necessary until six months after the completion of the construction [illegible] additions, [illegible] improvements [illegible] Sewer System) and remit to the State Sinking Fund Commission, for deposit in a fund to be known as the "Sinking Fund", established by the Original Ordinance, in addition to the sums deposited therein on the same dates for the payment of the interest on the Outstanding Bonds, such sums as will be sufficient to pay the interest which will mature and become due on the Bonds on the next semi-annual interest payment date; and beginning with August 1, 1961, the Board shall, not later than the first day of February and the first day of August in each year, apportion and set apart out of the Sewer Revenue Fund and remit to the State Sinking Fund Commission, for deposit into said Sinking Fund, in addition to the sums deposited therein on the same dates for the payment of the principal of the Outstanding Bonds, one-half of the principal on the Bonds which will mature and become

due on the next succeeding March first.

The Board shall next, from the Sewer Revenue Fund, remit to the State Sinking Fund Commission, for deposit in a Reserve Account in said Sinking Fund, on the first day of February and the first day of August in each year, beginning with August 1, 1961, in addition to the sums deposited therein on the same dates pursuant to the Original Ordinance as a reserve for the Outstanding Bonds, an amount equal to twenty per centum (20%) of all amounts required to be paid for maturing principal and interest on the Bonds into said Sinking Fund, as provided in the above paragraph, on said dates, excepting, however, interest paid from the Construction Fund; provided, however, that no further payments need be made into said Reserve Account when there shall have been deposited therein, and as long as there shall remain therein, an amount equal to the largest amount of principal and interest which will mature and become due on the Bonds and Outstanding Bonds in any succeeding year.

Moneys in the Reserve Account shall be used only for the purpose of the payment of maturing principal of or interest on the Bonds and Outstanding Bonds when the other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. Any moneys withdrawn from said Reserve Account for payment of principal of and interest on the Bonds and Outstanding Bonds shall be restored thereto from the first revenues available after the payment of all sums required for payment of principal of and interest on the Bonds and Outstanding Bonds.

The State Sinking Fund Commission is hereby designated as the Fiscal Agent for the administration of the Sinking Fund created hereunder, and all amounts required for said Sinking Fund created hereunder shall be remitted to the State Sinking Fund Commission from said Sewer Revenue Fund by the Board at the times provided herein or from transfers from the Construction Fund to the extent necessary until six months after the completion of the construction

of said additions, extensions and improvements to the Sewer System.

Moneys in the Sinking Fund shall be used only for the purpose of paying principal of and interest on the Outstanding Bonds and the Bonds as the same shall fall due except as provided in subsection (4) below. The Board may, in its discretion, direct the State Sinking Fund Commission to use any moneys in the Reserve Account for the purchase, or redemption if such Outstanding Bonds or Bonds are then callable, of any Outstanding Bonds or Bonds outstanding maturing in the current year or the next succeeding year, at prices not greater than par and accrued interest for non-callable Outstanding Bonds or Bonds and not greater than the then redemption [illegible] for callable Outstanding Bonds or Bonds. Such purchase or redemption of Outstanding Bonds or Bonds shall not reduce the payments required to be made into the Sinking Fund and any moneys used from the Reserve Account for such purpose shall be subsequently restored to said Reserve Account from the Sinking Fund. The Board may also, in its discretion, direct the State Sinking Fund Commission to invest any moneys in the Reserve Account in direct obligations of the United States of America.

(3) Thereafter [illegible] Sewer Revenue Fund, the Board shall next, on the first day of March of each year, beginning with March 1, 1962, pay into a fund [illegible] as the "Renewal and Replacement Fund", a sum which, including [illegible] sum deposited therein pursuant to the provisions of the Original Ordinance, shall be not less than five per centum of the gross revenues derived during the preceding calendar year from the operation of said Sewer System. Moneys paid into said Fund shall be deposited by the Board with The First National Bank of South Charleston, South Charleston, West Virginia, a banking institution qualified under the Federal Reserve System. The moneys in said Renewal and Replacement Fund shall be used only for the construction or acquisition of enlargements, improvements and extensions of said Sewer System; provided, however, upon the certificate of Howard K. Bell, Consulting Engineers, or

other qualified and independent engineers, that moneys in said Fund are not needed for enlargements, improvements or extensions of said Sewer System, then such moneys may be used for the redemption of the last maturing Outstanding Bonds or Bonds then outstanding or the purchase of outstanding Bonds or Bonds of the last ten maturities then outstanding at prices not greater than the then redemption prices of such Outstanding Bonds or Bonds. The Board may, in its discretion, direct said Bank to invest any moneys in said Renewal and Replacement Fund in short-term direct obligations of the United States of America.

(4) Thereafter, the balance of any revenues remaining in said Sewer Revenue Fund on the first day of March of each year, beginning with March 1, 1962, after all requirements under subsections (1), (2) and (3), including any deficiencies for prior payments and any amounts needed for operating expenses, have been fully met, shall be deposited by the City in a Special Account in said Sinking Fund.

The moneys in such Special Account shall be used for the purpose of making the payments required under subsections (1), (2) and (3) above as the same become due, to the full extent that the other moneys in the Sewer Revenue Fund are at any time insufficient therefor; or, if not needed for such purposes shall be used by the Board for the redemption of the last maturing Outstanding Bonds or Bonds then outstanding or for the purchase of Outstanding Bonds or Bonds of the last ten maturities then outstanding at prices not greater than the then redemption prices of such bonds on the next ensuing redemption date.

The Board may, in its discretion, direct the State Sinking Commission to invest any moneys in said Special Account in direct obligations of the United States of America maturing not later than one year from date of purchase.

(5) All of the funds provided for above shall constitute trust funds and shall be used only for the purposes provided in the Original Ordinance and herein. The moneys in excess of the sum of Ten Thousand Dollars ($10,000.00) in said Sewer Revenue Fund and in said Renewal and

Replacement Fund shall at all times be secured to the full extent thereof in excess of said sum of Ten Thousand Dollars ($10,000.00), by direct obligations of the United States of America, or such other obligations as shall be eligible as security for deposits of State and municipal funds under the laws of the State of West Virginia.

(6) If on any semi-annual payment date the revenues are insufficient to place the required amount in any of the funds 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 on the subsequent payment dates.

Section 12. RATES AND CHARGES FOR SEWER SERVICE. There have been heretofore, by ordinance dated June 17, 1955, as amended and re-enacted on October 6, 1960, established and are now maintained, just and equitable rates or charges for the use of the service rendered by the Sewer System of The City of South Charleston, to be paid by the owner of each and every lot, parcel or real estate or building that is connected with and uses the same by or through any part of said system, or that in any way uses or is served by such system. Subject to the applicable statutes of the State of West Virginia, such rates or charges shall be so fixed at all times so as to be sufficient in each year for the payment of the proper and reasonable expense of operation, repair, replacement and maintenance of the system, and for the payment of the sums herein required to be paid into the sinking fund, provided, that no such rates or charges shall be established until after a public hearing, at which all the users of the system and owners of property served or to be served thereby and others interested shall have an opportunity to be heard concerning the proposed rates or charges. The proceeds or income from all charges and contracts for sewers and sewage service furnished within or without the corporate limits of The City of South Charleston shall be included and accounted for as other income and revenue of said system.

That the City and the Board will at all times comply fully with the rate covenant set forth in the Original Ordinance and this ordinance and as long as any of the bonds issued hereunder, including any additional pari passu bonds, are outstanding and unpaid, or until sufficient funds

have been irrevocably deposited in trust for the payment thereof, additionally, will not at any time reduce the rates and other charges for the services and facilities of the City's Sewer System unless such reduced rates and other charges are such as will comply fully with the rate covenant set forth in the Original Ordinance and this ordinance and, further, unless such reduced rates and other charges are such as will provide net revenues in each year thereafter at least equal to one hundred thirty per centum (130%) of the total maximum amount of principal and interest falling due in any one subsequent year on (a) the bonds issued pursuant to the Original Ordinance, then outstanding, and (b) any pari passu additional obligations theretofore issued and then outstanding payable from the net revenues of the City's Sewer System, including the Bonds issued pursuant to this ordinance, then outstanding.

Bills for rates or charges, if not paid when due, shall be a lien upon the premises served by such system, and if such rates or charges be not paid within thirty (30) days after due, the amount thereof, together with a penalty of ten percent (10%) and a reasonable attorney's fee, may be recovered by the Board in a civil action in the name of The City of South Charleston, 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.

Section 13. COVENANTS OF CITY. The City of South Charleston by this ordinance covenants and agrees with the holder or holders of the Bonds herein authorized to be issued, or any of them, that it will faithfully and punctually perform all duties with reference to said Sewer System and to said Bonds required by

the Constitution and laws of the State of West Virginia, including the making and collecting of just and equitable rates for the services rendered by said system, and will segregate the revenues therefrom and make application thereof consistent with and as provided by this ordinance; and the City hereby irrevocably covenants that in no event will the said Sewer System be sold, leased, mortgaged or in any manner disposed of as a whole, except as provided in Chapter 132, Acts of the West Virginia Legislature, Regular Session, 1955, before all of the Bonds herein authorized to be issued and all additional pari passu bonds, including all interest due thereon, shall have been paid in full, or the proceeds to be derived from such sale, lease, mortgage or other disposition of said sewer system as a whole shall be sufficient to pay or redeem all outstanding Bonds and interest thereon and such moneys shall be forwarded to the State Sinking Fund Commission for such purposes. This covenant, however, shall not be construed to prevent the City from disposing of any of the properties or facilities comprising a part of said Sewer System which the City shall determine are no longer necessary or profitable in the operation of said Sewer System; provided, however, that any and all proceeds from the sale, lease, mortgage or disposition of any of the properties or facilities of said Sewer System, in the event any of such proceeds are not needed for replacements, shall be remitted to the State Sinking Fund Commission for deposit in the Sinking Fund and applied only to the redemption of Bonds of the last maturity then outstanding, or to the purchase of Bonds as provided herein.

The City further covenants and agrees with the holders of said Bonds to maintain in good condition and continuously operate said system and appurtenances as a revenue producing enterprise and to charge and collect such rates or charges for services rendered

thereby so that the gross revenues will be sufficient at all times to provide for the payment of the operation, repair and maintenance of said system and leave net revenues remaining sufficient for the sinking fund requirements and all other payments as provided herein; provided, however, that the covenant to operate said Sewer System herein set forth shall not prevent the making of contracts or agreements with persons, firms or corporations for the operation and management of the facilities and properties of said Sewer System, or any part thereof, pursuant to Section 1409 of Article 13 of Chapter 16 of the Code of West Virginia, so long as the rates and charges are fixed and collected as herein covenanted.

The City further covenants that it will require the owner of all premises within the City abutting on or reasonably accessible to said Sewer System to connect therewith and to use the facilities provided thereby, and that it will not permit the operation within the City of any sewer system or systems which will be in competition with the Sewer System described in this ordinance; provided, however, that treatment or disposal facilities constructed by industrial users when the facilities of the City's Sewer System are inadequate to supply the needs of such industrial users shall not be deemed to be competitive with the City's Sewer System under the provisions of this paragraph.

Section 14. RIGHTS OF BONDHOLDERS. Any holder of any Bond issued pursuant hereto, or any of the coupons attached thereto, may either at law or in equity, by suit, action, mandamus or other proceeding protect and enforce any and all rights granted under this ordinance, and may enforce and compel performance of all duties required by law or by this ordinance to be performed by The City of South Charleston or by The Sanitary Board or by any officer thereof, including the making and collecting of reasonable and sufficient charges and rates for service rendered by the works. If there be any failure to pay the principal or interest of any of the Bonds on the date named herein for such payment, or in the event of a failure by the Board to comply with the covenants contained in this ordinance in such manner as to materially affect the rights of any bondholder, any court having jurisdiction of the action may

appoint a receiver to administer the works on behalf of the municipality and the bondholders, with power to charge and collect rates sufficient to provide for the payment of the expenses of operation, repair and maintenance and also to pay any Outstanding Bonds and Bonds and interest outstanding, and to apply the revenues in conformity with the Original Ordinance, this ordinance and the laws of West Virginia. The holders of not less than twenty per centum (20%) in aggregate principal amount of the Outstanding Bonds and the Bonds then outstanding may by instrument duly executed and filed in the office of the Recorder of The City of South Charleston appoint a trustee to represent such bondholders in the enforcement of any of the rights of such bondholders and the right to the appointment of such trustee for such purposes shall be limited to such percentage of bondholders.

Section 15. PROCEEDS OF BONDS. All moneys received from the sale of any or all of the Bonds issued pursuant to this ordinance shall be deposited with the State Sinking Fund Commission of the State of West Virginia, Charleston, West Virginia, in a trust fund which shall be known as the "Construction Trust Fund". The moneys in said fund shall be expended solely for the purposes provided in this ordinance and no expenditures shall be made from said fund, except for engineering and legal expenses, repayment of advances heretofore made for preliminary expenses, and expenses in connection with the authorization, issuance and sale of the Bonds authorized herein, without the approval of the Board and the Consulting Engineer, as defined herein. Funds for making authorized expenditures shall be requisitioned by the Board from the State Sinking Fund Commission and deposited in the First National Bank and/or the Chemical Bank and Trust Company of South Charleston in as nearly equal amounts as may be expedient and checks shall be drawn on either or both banks by the Board. The balance of any such deposit in such bank or banks, in excess of Ten Thousand Dollars ($10,000.00), shall at all times be secured to the full extent thereof by direct obligations of the United States of America, or such other obligations as shall be eligible as security for deposits of state and municipal funds under the laws of the State of West Virginia. Until six months after the completion of the construction or acquisition of the additions, extensions and improvements to the City's Sewer System authorized by this ordinance, sufficient moneys shall be transferred from the Construction Trust Fund to the Sinking Fund to pay maturing interest on the Bonds to

the extent that payments to said fund from revenues of the system are insufficient therefor. Any moneys in said Construction Trust Fund not immediately needed for said purposes may, with the approval of the Consulting Engineer and the Board, be invested in direct obligations of the United States of America maturing not later than six months after the date of purchase thereof. Any balance remaining in the Construction Trust Fund, after the completion of the improvements provided for in this ordinance, shall be deposited in the Sinking Fund and used only for the purchase or redemption of Bonds as provided in this ordinance.

Section 16. ADDITIONAL BONDS. So long as any of the Bonds shall remain outstanding the City shall not issue any additional bonds or issue any other obligations payable from the revenues derived from the operation of said Sewer System, or any part thereof, unless the lien and security of such bonds or other obligations shall be made junior and subordinate to the lien and security of the Bonds issued hereunder; provided, however, said City hereby reserves the right and privilege of issuing additional bonds from time to time payable from the net revenues of said system and ranking on a parity with the Bonds herein authorized in order to pay the cost of future extensions, betterments or improvements to said system, but before any such bonds ranking on a parity with the Bonds issued pursuant hereto may be issued it must be shown by the audit of a certified public accountant, not in the regular employ of the City and not otherwise interested in said Sewer System, that the sum of one-half of the net revenues of said system as defined herein for the twelve (12) months next preceding the date of the issuance of any such additional bonds plus one-half of the estimated net revenues of said system, including the improvements then being financed, during the twelve (12) months next succeeding the date of completion of

the improvements then being financed, is equal to at least 130% of the total maximum amount of principal and interest falling due in any one subsequent year on the bonds then outstanding payable from said fund and on the bonds then proposed to be issued, and provided also that the interest payment dates for any such additional bonds shall be semi-annually on March 1 and September 1 of each year, and the principal maturities of such additional bonds shall be on March 1 of any year in which any of such principal is scheduled to become due.

Section 17. ADMINISTRATIVE DUTIES OF SANITARY BOARD.

(1) The Board shall carry such insurance as is ordinarily carried by private corporations on the buildings, furniture, fixtures and equipment included in the Sewer System and such other type of insurance as in its judgment it may deem proper. In time of war, the Board shall also carry such amount of insurance as may be available against loss or damage by the risks or hazards of war.

(2) The Board will keep books and records which will be separate and apart from all other records of the City, in which complete and correct entries shall be made of all transactions relating to said Sewer System, and any holder of a Bond or Bonds issued hereunder shall have the right at all reasonable times to inspect the records and audits of the Board, as well as the Sewer System.

Should the State Tax Commissioner of West Virginia in any year fail to make an audit of the accounts of the Board, the Board shall for such year cause an audit to be made by a qualified certified public accountant. A summary of such audit shall be furnished to any bondholder making a written request therefor.

(3) The Board, at least forty-five (45) days preceding each fiscal year, shall prepare a detailed budget of its estimated expenditures for the operation and maintenance of the Sewer

System for the ensuing fiscal year, and shall file a copy thereof with the Council of The City of South Charleston and the State Sinking Fund Commission. No such expenditures in excess of one hundred ten per centum (110%) of the aggregate amount provided in the budget shall be made, unless the Board and Consulting Engineer shall certify that such expenditures are due to causes not foreseeable at the time of the adoption of the budget, or that they are necessary in order to keep the Sewer System in operation.

(4) That the City or Board may hereafter enter into contracts or agreements with any person, firm or corporation for the operation and management of the facilities and properties of said Sewer System, or any part thereof, pursuant to Section 1409 of Article 13 of Chapter 16 of the Code of West Virginia and any such contracts or agreements shall be valid and binding upon the City and Board so long as any of the Bonds issued hereunder, or additional bonds issued pursuant to Section 16 hereof, or interest thereon, remain outstanding and unpaid; that, subject to the provisions of any such contracts or agreements, which shall require such person, firm or corporation to comply fully with all the covenants, agreements and provisions of this ordinance, the Board will construct, operate and maintain the Sewer System of The City of South Charleston as a revenue producing enterprise in an efficient and economical manner.

(5) The Board will retain a competent consulting engineer, who shall supervise the construction and acquisition of the additions, extensions and improvements to the Sewer System herein authorized and all other additions thereto, and who, during the life of any of the Bonds hereby authorized, shall be available for consultation with respect to the operation, maintenance, improvement and extension of the system.

Section 18. MISCELLANEOUS.

(1) That the Bonds herein authorized shall be offered for public sale upon sealed proposals at such time and under such conditions as shall be hereafter determined by resolution of the Council of The City of South Charleston.

(2) No material modification or amendment of this ordinance or of any ordinance or resolution amendatory hereof or supplemental hereto, may be made without the consent in writing of the holders of two-thirds or more in principal amount of the Bonds then outstanding, provided, however, that no modification or amendment shall permit a change in the maturity of such Bonds or a reduction in the rate of interest thereon, or in the amount of the principal obligation or affecting the unconditional promise of the City to pay the principal of and interest on the Bonds out of the net revenues of the Sewer System as the same shall come due, without the consent of the holder of such Bonds. Notwithstanding the above, 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.

(3) If any one or more of the covenants, agreements or provisions of this ordinance should be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements and provisions, and shall in no way affect the validity of the other provisions of this ordinance or of the Bonds or coupons issued hereunder.

(4) All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this ordinance, are, to the extent of such conflicts, hereby repealed.

(5) This ordinance shall take effect at the time and in the manner provided in Chapter 25, Acts of the Legislature of West Virginia, Extraordinary Session of 1933, as amended.

(6) Upon adoption and approval of this ordinance the Recorder is hereby authorized and directed to order it posted in three public places and published once each week for two consecutive weeks in The Charleston Gazette and Charleston Daily Mail, being newspapers of opposite political faith, having a general circulation in said City of South Charleston, there being no newspaper published in South Charleston, and any person or persons interested in the matter may appear before this Council at a public hearing to be held at the City Hall in The City of South Charleston, West Virginia, on the 26th day of January, 1961, at 7:30 o'clock P.M., and there be heard and present protests as provided by law.

I, C. A. Washburn, Recorder of the City of South Charleston, hereby certify that the foregoing is a true copy of an ordinance duly and unanimously adopted by the Council of the City of South Charleston at a regular meeting of said Council held in the City of South Charleston on 5th day of January, 1961.

ATTEST:

/S/ C.A. Washburn
Recorder of the
City of South Charleston

CERTIFICATE

Certified to be a true and correct copy of Ordinance No. 856 adopted by the City Council of The City of South Charleston, West Virginia, on January 26, 1961, 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 31 day of July, 1986.

(SEAL)

Carles J. Atkinson
City Clerk

JOURNAL OF THE COUNCIL
CITY OF SOUTH CHARLESTON

The council met in its Chamber in City Hall on August 7, 1986 at 7:30 P.M., DST, for the first regular monthly meeting and was called to order by the Mayor, Richard A. Robb.

Mrs. Atkinson, City Clerk called the roll and the following members were present:

Robert Snyder
Carless Williams
Charles Hagerman II
Nancy Fox
Dennis Griffith
Frances Sheets
Warren Shirkey Sr.
Woodrow McComis
Mayor, Richard A. Robb

Absent: Mr. Winkler is on vacation.

******

PRAYER

Offered by Mr. Tingler.

******

PLEDGE OF ALLEGIANCE

Led by Mrs. Atkinson.

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ALSO IN ATTENDANCE WERE:

Harley Tingler, City Attorney
Jerry Forster, City Treasurer
Allan Dozier, Director of Public Works
Ron Williamson, Police Chief
Larry Cox, Fire Chief

******

MINUTES OF PREVIOUS MEETING

Mr. McComis moved that the minutes of the regular meeting of July 17, 1986 be approved as circulated; seconded by Mr. Griffith and passed by a unanimous voice vote.

******

CITY'S MONTHLY FINANCIAL REPORT

Due next meeting.

******

APPOINTMENT OF COUNCILPERSON FOR WARD 6 TO FILL VACANCY CREATED BY RESIGNATION OF SALLY O'NEIL. (WILLIAMS)

Mr. Williams moved for a Republican caucus; seconded by Mr. Hagerman and passed by a unanimous voice vote.

Whereupon the Republican Councilmembers returned, Mr. Hagerman moved to return to the regular order of business; seconded by Mrs. Sheets and passed by a unanimous voice vote.

Mr. Williams read the resume of City Council candidate Phillis Shawver.
Mr. Williams nominated Phillis Shawver to fill the council vacancy in the Sixth Ward.

Mayor Robb yielded the Chair to Council President, Woodrow McComis.

Mayor Robb submitted the resume of City Council candidate Arch Schoonover.
Mayor Robb nominated Arch Schoonover to the fill the vacancy in the Sixth Ward.

Mayor Robb then assumed the Chair.

Mr. Hagerman moved that the nominations be closed; seconded by Mr. McComis and passed by a unanimous voice vote.

A roll call vote was taken. The vote was as follows:

Phillis Shawver	Arch Schoonover
Snyder	McComis
Williams	Mayor Robb
Hagerman	
Fox	
Griffith	
Sheets	
Shirkey	

Mrs. Phillis Shawver was elected to fill the vacancy by a 7-2 roll call vote.

Mayor Robb administered the Oath of Office to Mrs. Shawver. Mrs. Shawver assumed her seat on Council.

Mr. Schoonover congratulated Mrs. Shawver on her appointment.

******

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT TO ACCEPT A MATCHING GRANT FROM THE GOVERNOR'S OFFICE OF COMMUNITY AND INDUSTRIAL DEVELOPMENT. (MAYOR)

Mr. Snyder moved that the resolution be adopted; seconded by Mr. Hagerman and passed by a unanimous voice vote.

******

AN ORDINANCE AMENDING AND READOPTING THE CITY CODE OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA BY AMENDING AND READOPTING CHAPTER 27 SECTIONS 27-1 THROUGH 27-12, RELATING TO SOLICITATION OF FUNDS. (FIRST READING) (MAYOR)

Mr. Griffith moved that the ordinance be referred to the Ordinance Committee; seconded by Mr. Hagerman.

Mr. Williams addressed the drainage problem on Princess Drive.

Mr. Dozier stated that a lot of field work was done regarding this problem and they will try to come up with a final solution.

DIRECTOR OF PUBLIC WORKS

Mr. Dozier submitted a list of streets for the resurfacing program. The Street Committee met with Mr. Dozier and inspected all City streets.

The Street Committee will meet Wednesday, August 13th at the home of Mrs. Sheets.

Mayor Robb informed council that Mr. Dozier has regretfully submitted his resignation. Mayor Robb congratulated Mr. Dozier on a job well done.

POLICE CHIEF

No written report.

FIRE CHIEF

No written report.

Chief Cox provided a letter from FMC regarding the fire at FMC's Spring Hill Plant located in South Charleston and said he would like to commend the men listed on the letter for their oustanding work. (letter attached to official minutes)

CITY TREASURER

Mr. Forster gave an oral report.

Mr. Forster also reported that Mr. Tingler has requested to attend the NIMLO conference and the cost to attend is $1,100.

******

COMMITTEE REPORTS

WAGE ADJUSTMENT COMMITTEE (Finance & Ordinance)

Mr. Snyder and Mr. Williams called a meeting for Tuesday, August 19th at 7:00 P.M.

ORDINANCE COMMITTEE

Mr. Snyder called an Ordinance Committee meeting for Monday, August 18th at 7:00 P.M. Mr. Leavitt, Mr. Wickert and Mr. Tingler are requested to attend the meeting.

FINANCE COMMITTEE

Mr. Williams reported that the Finance Committee will meet Thursday, August 14th at 6:00 P.M.

******

Mr. Williams moved for an Executive Session with the City Treasurer and President of the Area Development Corporation to discuss the purchase of property; seconded by Mrs. Sheets and passed by a unanimous voice vote.

Whereupon council returned, Mr. McComis moved to return to the regular order of business; seconded by Mr. Griffith and passed by a unanimous voice vote.

Parking Request

Mrs. Fox moved that a 30 minute parking spot be installed in front of the "Country Peddler" on MacCorkle Avenue; seconded by Mr. Williams and passed by a unanimous voice vote.

Police Committee

The following resolution was introduced by Mr. Williams.

A RESOLUTION AUTHORIZING THE MAYOR TO ACCEPT A TWO THOUSAND DOLLAR GRANT FOR THE SOUTH CHARLESTON POLICE DEPARTMENT'S TRAFFIC SAFETY TRAINING PROGRAM.

Mr. Williams moved that the resolution be adopted; seconded by Mr. Hagerman and passed by a unanimous voice vote.

Emergency Number - 911

The charge for the 911 emergency number was discussed.

SEWAGE PROBLEM - JOPLIN HOLLOW

Mr. Shirkey reported that the Charleston Sanitary Board is dumping raw sewage in Joplin Hollow. Mr. Shirkey requested that the Mayor contact the Department of Natural Resoures regarding this matter.

******

ADOURNMENT

Mr. Snyder moved that the meeting be adjourned; seconded by Mr. Hagerman and passed by a unanimous voice vote.

Mayor Robb adjourned the meeting at 9:55 P.M.

******

APPROVAL

Approved this 21 day of August, 1986

Richard A. Robb

Richard A. Robb, Mayor

ATTEST:

Carles J. Atkinson

Carles J. Atkinson, City Clerk

CERTIFICATE

Certified to be a true and correct copy of the minutes of the Council of the City of South Charleston dated August 7, 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, 1982.

(SEAL)

Carles J. Atkinson
CITY CLERK

PETITION OF THE SANITARY BOARD OF THE COUNCIL OF THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

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 of The City of South Charleston, West Virginia (the "City"), which was established pursuant to an ordinance passed by the Council of the City (the "Council") on January 21, 1955, hereby petitions the Council to enact an ordinance which shall:

(a) set forth a brief and general description of the extensions, improvements and betterments required to be made to the sewerage system of the City (the "Project") in accordance with the preliminary report prepared by Howard K. Bell, Consulting Engineers, Inc., Lexington, Kentucky, the engineers chosen by this Board (the "Consulting Engineer"); which preliminary report has been filed with this Board and the Clerk of the City;

(b) set forth the cost of the Project, as estimated by said Consulting Engineer,

(c) order the construction or acquisition of said Project;

(d) direct that improvement revenue bonds of the City be issued pursuant to Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended, in such amount as may be found necessary to pay the costs of the Project, and make other necessary provisions; and

(e) contain such other provisions as may be necessary in the premises.

This Board respectfully represents to the Council that, during the construction of the Project, one of the two persons appointed to this Board by the Council will be a registered professional engineer.

WITNESS our signatures on this 6th day of August, 1986.

THE SANITARY BOARD OF THE CITY OF
SOUTH CHARLESTON, WEST VIRGINIA

By Richard A. Robb
Richard A. Robb, Mayor

Gordon H. Murray
Member

C. L. Perry
Engineer-Member

CERTIFICATE

Certified to be a true and correct copy of the petition presented to Council by the Sanitary Board. (August 7, 1986 meeting)

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

(SEAL)

Carles F. Atkinson
CITY CLERK

JOURNAL OF THE COUNCIL
CITY OF SOUTH CHARLESTON

The Council met in its Chamber in City Hall on August 14, 1986 at 7:30 P.M. DST, for a special meeting and was called to order by the Mayor, Richard A. Robb.

Mrs. Sue Vanover, Deputy City Clerk, called the roll and the following members were present:

Phyllis Shawver
Carless Williams
Nancy Fox
Frances Sheets
Woodrow McComis
Robert Snyder
Charles Hagerman II
Dennis Griffith
Warren Shirkey
Mayor, Richard A. Robb

Absent: Bill Winkler

******

PETITIONS, COMMUNCIATIONS AND PUBLIC HEARINGS

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. (SECOND READING) (MAYOR)

Mr. Griffith moved to adopt the ordinance; seconded by Mr. Hagerman and passed by a unanimous roll call vote.

******

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 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

CERTIFICATE

Certified to be a true and correct copy of the minutes of the Council of the City of South Charleston dated August 14, 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, 1982.

(SEAL)

Carles J. Atkinson
CITY CLERK

BOND ORDINANCE

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

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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

outlet sewers, lateral sewers, drains, force mains, conduits, pumping stations, ejector stations and all other appurtenances, extensions, additions and improvements necessary, appropriate, useful, convenient or incidental for the collection, treatment and disposal in a sanitary manner of sewage and industrial wastes.

B. In accordance with Section 18 of the Act, the System is under the supervision and control of the Sanitary Board of The City of South Charleston (the "Board").

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 February 16, 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").

D. The Prior Bonds of the City are currently outstanding in the principal amount of $748,000 and $4,685,000, respectively.

E. The Prior Bonds of the City will rank superior to the Bonds as to lien and source of and security for payment.

F. The City derives revenues from the System, and except for the pledges thereof to secure and pay the Prior Bonds, said revenues are not pledged or encumbered in any manner.

G. It is deemed 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 System (the "Project") at an estimated cost of $5,234,800, in accordance with the plans and specifications prepared and revised by Howard K. Bell, Consulting Engineers, Inc., Lexington, Kentucky (the "Consulting Engineers"), which plans and specifications are on file with the City, and which Project is generally described in Exhibit A attached hereto and by this reference made a part hereof and has an estimated useful life in excess of forty (40) years.

H. The Board has presented a petition to the City for enactment of this Ordinance.

I. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of said System will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Prior Bonds and the Bonds and all sinking fund and other payments provided for in the Prior Ordinances 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 9, 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, Mayor

[SEAL]

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)

Carles J. Atkinson
City Clerk

SOUTH CHARLESTON
PUBLIC HEARING

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"), adopted 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 existing 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 Project is generally described in the Ordinance.

2. Upon petition of the Sanitary Board of 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

Affidavit of Publication

No. _____

STATE OF WEST VIRGINIA,

Kanawha County, to-wit:

I, Deirdre Coleman of the

☐ Sunday Gazette-Mail ☒ Charleston Gazette, a daily Democratic newspaper ☐ 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 So.Chas-Public Hearing was duly published in said paper once a week for 2 successive weeks commencing with the issue of the 15 day of August, 19 86, and ending with the issue of the 22 day of August, 19 86, and was posted at the front door of the Court House of said Kanawha County, West Virginia, on the 18 day of August, 19 86

Dates Published:
8/15/86, 8/22/86 Deirdre Coleman

Subscribed and sworn to before me this 22 day of Aug., 19 86
Sandra L. Miller
Notary Public of Kanawha County, West Virginia

My Commission expires October 28, 1991

Printer's Fee $ 145.65

ACCT-7

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

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;

<u>NOW, THEREFORE, Be It Resolved By the Council of The City of South Charleston, West Virginia, as follows</u>:

(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

#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;

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. 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 $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	57,342.68	76,223.68
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%	32,993.00	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%	52,538.00	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 11

CITY OF SOUTH CHARLESTON
Analysis of 7.00% Borrowing Cost for Local Issuer

Period Ending 10/1	Coupon	Principal	Interest	Debt Service
	1986 Series A Bonds			
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%	30,054.00	46,159.72	76,223.72
2017	9.75%	32,975.00	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%	52,538.00	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

August 20, 1986

Exhibit I

JACKSON, KELLY, HOLT & O'FARRELL
(IN KENTUCKY, JACKSON, KELLY, WILLIAMS & PALMORE)
ATTORNEYS AT LAW
1600 LAIDLEY TOWER
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000 TELECOPIER 304-340-1130

WRITER'S DIRECT DIAL NO.

(304) 340-1307

MORGANTOWN OFFICE
618 MONONGAHELA BUILDING
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-292-7311

LOUISVILLE OFFICE
10100 LINN STATION ROAD
LOUISVILLE, KENTUCKY 40223
TELEPHONE 502-425-3055

LEXINGTON OFFICE
2365 HARRODSBURG ROAD
LEXINGTON, KENTUCKY 40504
TELEPHONE 606-223-3080

OWENSBORO OFFICE
225 ST. ANN STREET
OWENSBORO, KENTUCKY 42301
TELEPHONE 502-926-8332

October 1, 1986

Mr. James Greer
WV Municipal Bond Commission
Building 3 - Room 337-342
Capitol Complex
Charleston, WV 25305

Re: The City of South Charleston, West Virginia
$761,015 Subordinate Sewer Revenue Bonds,
Series 1986

Dear Jim:

Enclosed please find a copy of the borrowing costs for the local issues for the Series A Bonds referred to above. If this copy proves to be unreadable as the last copy, please let me know and I will try again.

Very truly yours,

Kathleen

KATHLEEN S. GROSS

KSG/taq

Enclosure

RECEIVED
OCT 2 1986
MBC

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

WDA-5
(November 1985)

LOAN AGREEMENT

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

W I T N E S S E T H:

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

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

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

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

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

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act and having available sufficient funds therefor, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of revenue bonds of the Governmental Agency with proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985 (the "General Resolution"), as supplemented, subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's water development loan program (the "Program") as hereinafter set forth.

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

ARTICLE I

Definitions

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

1.2 "Consulting Engineers" means the consulting engineer designated in the Application and any successor thereto.

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

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

1.5 "Local Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, as hereinafter defined, to evidence the Loan and to be purchased by the Authority with a portion of the proceeds of its water development revenue bonds, all in accordance with the provisions of this Loan Agreement.

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

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

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

1.9 "System" means the water development project owned by the Governmental Agency, of which the Project constitutes all or to which the Project constitutes an improvement, and any improvements thereto hereafter constructed or acquired from any sources whatsoever.

1.10 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 constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute.

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

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

2.6 The Governmental Agency agrees that it will permit the Authority and its agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Local Bonds described in this Article III and in Article IV hereof;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount

and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Local Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel, to such effect;

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

(g) 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) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate, of such person or firm and in form and substance satisfactory to the Authority, to such effect and evidence satisfactory to it of such irrevocably committed grants.

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Governmental Agency and the Governmental Agency shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Governmental Agency shall sell to the Authority and the Authority shall make

the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

3.4 The Local Bonds shall be delivered to the Authority, at the offices of the Authority, on a date designated by the Governmental Agency by written notice to the Authority, which written notice shall be given not less than five (5) business days prior to the date designated; provided, however, that if the Authority is unable to accept delivery on the date designated, the Local Bonds shall be delivered to the Authority on a date as close as possible to the designated date and mutually agreeable to the Authority and the Governmental Agency. The date of delivery so designated or agreed upon is hereinafter referred to as the "Date of Loan Closing." Notwithstanding the foregoing, the Date of Loan Closing shall in no event occur more than ninety (90) days after the date of execution of this Loan Agreement by the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies as in the aggregate will permit the fullest and most timely utilization of such proceeds to enable the Authority to pay debt service on the water development revenue bonds issued by it. The Governmental Agency specifically recognizes that the Authority will not execute this Loan Agreement unless and until it has available funds sufficient to purchase all the Local Bonds and that, prior to such execution, the Authority may commit to and purchase the revenue bonds of other governmental agencies for which it has sufficient funds available.

ARTICLE IV

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

4.1 The Governmental Agency shall, as one of the conditions of the Authority to make the Loan, authorize the issuance of and issue the Local Bonds pursuant to an official

action of the Governmental Agency in accordance with the Local Statute, which shall, as enacted, contain provisions and covenants in substantially the form as follows:

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

(b) Covenants substantially as follows:

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

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

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the

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

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

(viii) That any bond owner may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Local Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law;

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant and shall submit the report of said audit to the Authority, which shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

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

(xiv) That the proceeds of the Local Bonds, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund on which the owner of the Local Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs); and

(xv) That, as long as the Authority is the owner of any of the Local Bonds, the Governmental Agency shall not authorize redemption of any Local Bonds by it without the written consent of the Authority and otherwise in compliance with this Loan Agreement.

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

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

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

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

Schedule X hereto. In no event shall the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

4.5 The Local Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Program. Such administrative expenses shall be as determined by the Authority and shall include without limitation Program expenses and fees paid to the trustee and paying agents for the water development revenue bonds. The Governmental Agency hereby specifically authorizes the Authority to exercise the powers granted it by Section 9.06 of the General Resolution.

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

ARTICLE V

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

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

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

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

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

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

ARTICLE VI

Other Agreements of the Governmental Agency

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

6.2 At the option of the Authority, the Governmental Agency shall issue and sell to the Authority additional, subordinate bonds to evidence the Governmental Agency's obligation to repay to the Authority any grant received by the Governmental Agency from the Authority in excess of the amount

to which the Governmental Agency is entitled pursuant to applicable policies or rules and regulations of the Authority. Also at the option of the Authority, the Governmental Agency may issue and sell to the Authority additional, subordinate bonds for such purposes as may be acceptable to the Authority.

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X, Y and Z shall be attached to this Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

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

7.4 This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all

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

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

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

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

7.8 This Loan Agreement shall terminate upon the earlier of:

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

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Loan Agreement shall not be binding on the Authority until executed by it.

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA
[Proper Name of Governmental Agency]

(SEAL)

By _____
Its MAYOR

Attest: Date: August 12, 1986

Sue Hamilton-Vanover
Its Deputy City Clerk

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL) By Edgar N. Henry
Director

Attest: Date: Aug. 19, 1986

Daniel B. Yurkosky
Secretary-Treasurer

WDA-5X
(August 1985)

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

SCHEDULE Y
REVENUES

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

(i) to pay Operating Expenses of the System;

(ii) to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if 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 Reserve Requirement, by depositing in the Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Reserve Account at the Reserve Requirement or, if the Reserve Account has been so funded (whether by Local Bond proceeds, monthly deposits or otherwise), any amount necessary to maintain the Reserve Account at the Reserve Requirement;

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

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

3. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

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

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

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

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

> That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental Agency owns a water facility (the "Water System"), the Water System to all users of services of the System

delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

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

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

WDA-5X
(August 1985)

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 ____% per annum. Principal of the Local Bonds is payable on October 1 in each year as set forth on Exhibit 1 attached hereto and incorporated herein by reference.

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

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

WDA-Supp. 5
(November 1985)

SUPPLEMENTAL LOAN AGREEMENT

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

W I T N E S S E T H:

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

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

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

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

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

WHEREAS, on or prior to the date hereof, the Governmental Agency and the Authority entered a loan agreement with respect to the purchase by the Authority of certain Local Bonds of the Governmental Agency, all as more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Loan Agreement").

WHEREAS, having reviewed the Application and made all findings required by Section 5 of the Act, and having available sufficient funds therefore, the Authority is willing to lend the Governmental Agency the amount set forth on Schedule X attached hereto and incorporated herein by reference, through the purchase of supplemental, subordinate revenue bonds of the Governmental Agency with certain available funds of the Authority (other than the proceeds of certain water development revenue bonds of the State issued by the Authority pursuant to and in accordance with the provisions of the Act and a general resolution adopted by the Authority on May 22, 1985, as supplemented), subject to the Governmental Agency's satisfaction of certain legal and other requirements of the Authority's supplemental water development loan program (the "Supplemental Program") as hereinafter set forth.

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

ARTICLE I

Definitions; Loan Agreement

1.1 Capitalized terms used and not otherwise defined herein shall have the meanings respectively given them by the Loan Agreement.

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

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

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

1.5 "Supplemental Bonds" means the revenue bonds to be issued by the Governmental Agency pursuant to the provisions of the Local Statute, to evidence the Supplemental Loan and to be purchased by the Authority with certain available funds (other than the proceeds of its water development revenue bonds), the lien of which on the revenues of the System is junior, subordinate and inferior to that of the Local Bonds, all in accordance with the provisions of this Supplemental Loan Agreement.

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

1.7 This Supplemental Loan Agreement is supplemental to the Loan Agreement, the terms of which are incorporated herein by reference.

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 constructed in accordance with plans, specifications and designs prepared for the Governmental Agency by the Consulting Engineers, the Authority having found, to the extent applicable, that the Project is consistent with the applicable comprehensive plan of water management approved by the Director of the West Virginia Department of Natural Resources (or in the process of preparation by such Director), has been approved by the West Virginia Department of Health and is consistent with the standards set by the West Virginia Water Resources Board for the waters of the State affected thereby.

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

2.3 All real estate and interests in real estate and all personal property constituting the Project and the Project site heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency, subject to any mortgage lien or other security interest as is provided for in the Local Statute.

2.4 The Governmental Agency agrees that the Authority and its duly authorized agents shall have the right at all

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

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

2.6 The Governmental Agency agrees that it will permit the Authority and its agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

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

2.8 The Governmental Agency shall require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the Governmental Agency or (at the option of the Governmental Agency) the contractor shall maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor and all subcontractors, as their interests may appear.

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

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

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

ARTICLE III

Conditions to Supplemental Loan; Issuance of Supplemental Bonds

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

(a) The Governmental Agency shall have performed and satisfied all of the terms and conditions to be performed and satisfied by it in this Supplemental Loan Agreement;

(b) The Governmental Agency shall have authorized the issuance of and delivered to the Authority for purchase the Supplemental Bonds described in this Article III and in Article IV hereof and shall have delivered to the Authority for purchase the Local Bonds in accordance with the Loan Agreement;

(c) The Governmental Agency shall have received bids for the construction of the Project which are in an amount and otherwise compatible with the plan of financing described in the Application, and the Authority shall have received a certificate of the Consulting Engineers to such effect;

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

(e) The Governmental Agency shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Supplemental Bonds, construction of the Project and imposition of rates and charges and shall have taken any other action required for the imposition of such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), and the Authority shall have received an opinion of counsel to the Governmental Agency, which may be local counsel to the Governmental Agency, bond counsel or special PSC counsel, to such effect;

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

(g) The net proceeds of the Supplemental Bonds, together with the net proceeds of the Local Bonds and all other 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) and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, shall be sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application, and the Authority shall have received a certificate, of such person or firm and in form and substance satisfactory to the Authority, to such effect and evidence satisfactory to it of such irrevocably committed grants.

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

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

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

3.4 The Supplemental Loan will be made only in conjunction with the Loan. The Supplemental Bond shall be delivered to the Authority, at the offices of the Authority, simultaneously with the delivery of the Local Bond to the Authority.

3.5 The Governmental Agency understands and acknowledges that it is one of several governmental agencies which have applied to the Authority for loans to finance water development projects and that the obligation of the Authority to make any such loan is subject to the Governmental Agency's fulfilling all of the terms and conditions of this Supplemental Loan Agreement and the Loan Agreement on or prior to the Date of Loan Closing and to the right of the Authority to make such loans to other governmental agencies under the conditions and in the manner described in the Loan Agreement. The Governmental Agency further understands and acknowledges that the Authority's obligation to make the Supplemental Loan is subject to the availability on the Date of Loan Closing of funds legally available therefor.

ARTICLE IV

Supplemental Bonds; Security for Supplemental Loan; Repayment of Supplemental Loan; No Interest on Supplemental Loan; Fees and Charges

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

(a) That the revenues generated from the operation of the System will be used monthly, in the order of priority listed, as set forth on Schedule Y attached hereto and

incorporated herein by reference. The gross revenues of the System shall always be used for purposes of the System.

(b) Covenants substantially as follows:

(i) That the Supplemental Bonds shall be secured by the revenues from the System, as more fully set forth in Schedules X and Y attached hereto, subject to the prior and senior security therefrom granted to the Local Bonds;

(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 the Supplemental Bonds and all other obligations secured by or payable from the revenues of the System prior to or on a parity with the Local Bonds and on a parity with the Supplemental Bonds or, if the reserve accounts established for the payment of debt service on the Local Bonds (the "Reserve Account") and for the payment of debt service on the Supplemental Bonds (the "Supplemental Reserve Account") are funded (whether by Local Bond proceeds with respect to the Local Bonds, monthly deposits or otherwise), respectively, at an amount at least equal to the maximum amount of principal and interest which will come due on the Local Bonds in any year (the "Reserve Requirement") or on the Supplemental Bonds in any year (the "Supplemental Reserve Requirement"), as the case may be, 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 the Supplemental Bonds and any such prior or parity obligations;

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

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

(v) That the Governmental Agency shall not issue any other obligations payable from the revenues of the System which rank prior to, or equally, as to lien and security with the Supplemental Bonds, except the Local Bonds and bonds on a parity with the Supplemental Bonds, which parity bonds 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 Supplemental Bonds and parity bonds theretofore and then being issued and on the Local Bonds and any other obligations secured by or payable from the revenues of the System prior to the Supplemental Bonds; provided, however, that additional parity Local Bonds and additional parity Supplemental Bonds may be issued to complete the Project, as described in the Application as of the date hereof, without regard to the foregoing;

(vi) That the Governmental Agency will carry such insurance as is customarily carried with respect to works and properties similar to the System;

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

(viii) That any bond owner may, by proper legal action, compel the performance of the duties of the Governmental Agency under the Local Act, including the making and collection of sufficient rates or charges for services rendered by the System, and shall also have, in the event of a default in payment of principal of or interest on the Supplemental Bonds, the right to obtain the appointment of a receiver to administer the System as provided by law, subject to the prior and senior rights of the owner or owners of the Local Bonds;

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

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

(xi) That the Governmental Agency shall annually cause the records of the System to be audited by an independent certified public accountant and shall submit the report of said audit to the Authority, which shall include a statement that the Governmental Agency is in compliance with the terms and provisions of the Local Act and this Supplemental Loan Agreement;

(xii) That the Governmental Agency shall annually adopt a detailed budget of the estimated expenditures for operation and maintenance of the System during the succeeding fiscal year;

(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 Supplemental Bonds, except for accrued interest and capitalized interest, if any, must be deposited in a construction fund on which the owner of the Supplemental Bonds shall have a lien until such proceeds are applied to the construction of the Project (including the repayment of any incidental interim financing for non-construction costs), provided that said construction fund may be the one established for the Local Bonds, which shall have a prior and senior lien thereon; and

(xv) That, as long as the Authority is the owner of any of the Supplemental Bonds, the Governmental Agency shall not authorize redemption of any Supplemental Bonds by it without the written consent of the Authority.

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

4.2 The Supplemental Loan shall be secured by the pledge and assignment by the Governmental Agency, as effected by the Local Act, of the fees, charges and other revenues of the Governmental Agency from the System as further set forth by and subject only to the prior and senior security therefrom for the Local Bonds and to such reservations and exceptions as are

described in Schedules X and Y hereto or are otherwise expressly permitted in writing by the Authority.

4.3 The principal of the Supplemental Loan shall be repaid by the Governmental Agency annually on the day and in the years provided in Schedule X hereto.

4.4 The Supplemental Loan shall not bear interest.

4.5 The Supplemental Bonds shall be delivered to the Authority in fully registered form, transferable and exchangeable as provided in the Local Act at the expense of the Governmental Agency.

4.6 The Governmental Agency agrees to pay from time to time, as required by the Authority, the Governmental Agency's allocable share of the reasonable administrative expenses of the Authority relating to the Supplemental Program, which administrative expenses shall be as determined by the Authority.

ARTICLE V

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

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

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

5.3 In the event the Governmental Agency defaults in the payment of any fees due to the Authority pursuant to Section

4.6 hereof, the amount of such default shall bear interest at the rate of five percent (5%) per annum, from the date of the default until the date of the payment thereof.

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

ARTICLE VI

Other Agreements of the Governmental Agency

6.1 The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges with respect to water development projects in the event of default by governmental agencies in the terms and covenants of loan agreements, and the Governmental Agency hereby covenants and agrees that, if the Authority should hereafter have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render negatory such actions of the Authority in the due and prompt implementation of this Supplemental Loan Agreement.

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

ARTICLE VII

Miscellaneous

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

7.2 Schedules X, Y and Z shall be attached to this Supplemental Loan Agreement at the time of execution hereof by the Authority and shall be approved by an official action of the Governmental Agency supplementing the Local Act, a certified copy of which official action shall be submitted to the Authority.

7.3 If any provision of this Supplemental 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 Supplemental Loan Agreement, and this Supplemental Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

7.4 This Supplemental 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 Supplemental Loan Agreement.

7.5 No waiver by either party of any term or condition of this Supplemental 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 Supplemental Loan Agreement.

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

7.7 By execution and delivery of this Supplemental Loan Agreement, the Governmental Agency specifically recognizes that it is hereby agreeing to sell its Supplemental Bonds to the Authority and that such obligation may be specifically

enforced or subject to a similar equitable remedy by the Authority.

7.8 This Supplemental Loan Agreement shall terminate upon the earlier of:

(i) termination by the Authority of the Loan Agreement pursuant to Subsections 7.8(i) or (ii) thereof;

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

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

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Loan Agreement to be executed by their respective duly authorized officers as of the date executed below by the Governmental Agency, but this Supplemental Loan Agreement shall not be binding on the Authority until executed by it.

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA
[Proper Name of Governmental Agency]

(SEAL) By _____
Its MAYOR

Attest: Date: AUGUST 12, 1986

_____
Its DEPUTY CITY CLERK

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL) By _____
Director

Attest: Date: AUG 19, 1986

_____
Secretary-Treasurer

WDA-Supp. 5X
(November 1985)

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

SCHEDULE Y
REVENUES

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

(i) as prescribed by the Loan Agreement, to pay Operating Expenses of the System;

(ii) as prescribed by the Loan Agreement, to the extent not otherwise limited by an outstanding local resolution, indenture or other act or document, as reflected on Schedule X to the Loan Agreement, and beginning seven (7) months prior to the first date of payment of interest on the Local Bonds from revenues and thirteen (13) months prior to the first date of payment of principal of the Local Bonds, respectively, to provide debt service on the Local Bonds by depositing in a sinking fund one-sixth (1/6) of the interest payment next coming due on the Local Bonds and one-twelfth (1/12) of the principal payment next coming due on the Local Bonds and, if 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 Reserve Requirement, by depositing in the Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Reserve Account at 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) as prescribed by the Loan Agreement, to create a renewal and replacement, or similar, fund in an amount equal to two and one-half percent (2-1/2%) of the gross revenues from the System, exclusive of any payments into the Reserve Account, for the purpose of improving or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account;

(iv) beginning thirteen (13) months prior to the first date of payment of principal of the Supplemental Bonds, to provide debt service on the Supplemental Bonds by depositing in a sinking fund one-twelfth (1/12) of the principal payment next coming due on the Supplemental Bonds and, if the Supplemental Reserve Account was not funded

concurrently with the issuance thereof in an amount equal to the Supplemental Reserve Requirement, by depositing in the Supplemental Reserve Account an amount equal to one-twelfth (1/12) of one-tenth (1/10) of the amount necessary to fund the Supplemental Reserve Account at the Supplemental Reserve Requirement or, if the Supplemental Reserve Account has been so funded (whether by monthly deposits or otherwise), any amount necessary to maintain the Supplemental Reserve Account at the Supplemental Reserve Requirement;

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

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

SCHEDULE Z

Additional and Supplemental Definitions

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

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

3. "System" means the works for the collection and/or treatment, purification and disposal of sewage, in its entirety or any integral part thereof, owned by the Governmental Agency and under the supervision and control of a sanitary board, and any extensions, improvements or betterments thereto hereafter constructed or acquired from any sources whatsoever and includes the Project.

Additional Conditions and Covenants

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

2. The Governmental Agency agrees that it will permit the EPA to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the System at any reasonable time following completion of construction of the Project and commencement of operation thereof.

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

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

> That the Governmental Agency will, to the full extent permitted by applicable law and the rules and regulations of the PSC, discontinue and shut off the services and facilities of the System and, in the event the Governmental

Agency owns a water facility (the "Water System"), the Water System to all users of services of the System delinquent in payment of charges for the services of the System and will not restore the services of either system until all delinquent charges for the services of the System have been fully paid.

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

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

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA, to-wit:

I, HOWARD M. CUNNINGHAM, Executive Secretary of the Public Service Commission of West Virginia, do hereby certify that the attached is a true and complete copy of a Final Order entered by the Commission on July 22, 1986, in Case No. 86-122-S-CN, styled The Sanitary Board of the City of South Charleston, as same appears on file and of record in my office.

Given under my hand and the Seal of The Public Service Commission of West Virginia, 201 Brooks Street, Charleston, West Virginia, this 25th day of August, 1986.

Howard M. Cunningham

HOWARD M. CUNNINGHAM
Executive Secretary

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

Entered: July 22, 1986

CASE NO. 86-122-S-CN

THE SANITARY BOARD OF THE
CITY OF SOUTH CHARLESTON
Application for a certificate of convenience and necessity to conduct an upgrading project on its existing wastewater treatment plant at South Charleston, Kanawha County.

FINAL ORDER

On March 14, 1986, The Sanitary Board of the City of South Charleston (hereinafter "Sanitary Board"), a municipal corporation, Kanawha County, filed an application, duly verified, for a certificate of convenience and necessity to conduct an upgrading project on its existing wastewater treatment plant at South Charleston, Kanawha County, to correct a continuing fecal coliform permit violation of the Environmental Protection Agency. The Sanitary Board estimates that construction will cost $3,600,000 and will be financed 55% by a grant from the Environmental Protection Agency; 45% from local funds (existing cash reserves or borrowing from the West Virginia Water Development Authority at 7% rate of interest).

By Order entered on March 18, 1986, the Sanitary Board was ordered by the Commission to give notice of the filing of its application by publishing a copy of the Commission's Order once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in Charleston, Kanawha County, making due return to the Commission of proper Certification of Publication immediately after publication. Said Order

additionally stated that anyone desiring to make objection to said application do so in writing within thirty (30) days after the publication of said notice. Finally, said Order stated that if no protests are received within said thirty (30) day period, the Commission may waive formal hearing and grant the application of the Sanitary Board of the City of South Charleston based upon the evidence submitted with said application and the Commission's review thereof.

On May 2, 1986, the Sanitary Board filed with the Commission an Affidavit of Newspaper Publication of the Commission's March 18, 1986 Order in The Charleston Gazette, a newspaper published in Charleston, Kanawha County, on March 25, 1986. As a result of the aforesaid public notice by newspaper publication the Commission has received no letters of public protest to the Sanitary Board's application.

The Sanitary Board's application has been reviewed by the Commission's Finance and Special Studies, Engineering, and Legal Divisions, and the findings of said reviews and resulting recommendations submitted to the Commission by Memoranda dated April 30, June 10, and June 30, 1986, respectively. The aforesaid Divisions recommend that in the absence of public protest hearing on the Sanitary Board's application be waived and that said application be granted and approved by the Commission.

In consideration of the information data submitted by the Sanitary Board with its application filing and of the Commission Staff review and resulting recommendations, it is the Hearing Examiner's opinion that the certificate application of the Sanitary Board of the City of South Charleston should be granted and approved.

IT IS, THEREFORE, ORDERED that a certificate of public convenience and necessity be, and it hereby is, granted to the Sanitary Board of the

City of South Charleston to undertake the upgrading of its existing wastewater treatment plant as proposed by the Sanitary Board in its application filed with this Commission on March 14, 1986, said project construction to cost approximately $3,600,000 and to be financed 55% by a grant from the Environmental Protection Agency and 45% by the User Reserve Funds and possible borrowing from the West Virginia Water Development Authority.

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

This order is issued pursuant to General Order No. 212, dated December 16, 1982, which order designates the Division of Hearing Examiners as the initial decision making body in the Public Service Commission and authorizes the Public Service Commission Hearing Examiners to issue orders on behalf of the Commission in all proceedings filed pursuant to Chapter 24 of the West Virginia Code, which proceedings are not set for hearing and which orders shall have the full force and effect of Commission orders, without the provision for the filing of exceptions thereto.

Leave is hereby granted to the parties to file a petition for further hearing, reopening, or rehearing pursuant to Rule 19 of the Commission's Rules of Practice and Procedure with the Executive Secretary of the Commission within ten (10) days after the date this order is mailed.

Charles D. Perfater
Hearing Examiner

CDP:jas

ORDINANCE NO. 1251

Introduced in Council

Passed by Council

January 17, 1980

Introduced by

Referred to

AN ORDINANCE AMENDING AND REENACTING CHAPTER 26, ARTICLE IV, SECTION 26-49, WITH REGARD TO THE RATES AND CHARGES FOR SANITARY SEWER SERVICE.

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

I. Chapter 26, Article IV, Section 26-49, is amended and reenacted as follows:

"Section 26-49--ESTABLISHMENT FOR SEWER SERVICE.

For the payment of the proper and reasonable expense of operation, repair, replacement, improvements, additions, betterments, extensions and maintenance of the sewer system and for the payment of the sums required to pay the principal of, and interest on, all sewer revenue bonds as the same become due, together with all amounts required for reserves and for payment of financing costs, there is hereby established a schedule of just and equitable rates or charges for the use of any service rendered by the municipal sewer system and works of the city, which schedule of rates or charges, based upon the metered amount of water supplied the premises, shall be as follows:

Sewer rates inside corporate limits of city.

Water Usage 1,000 Gallons Per Month		Sewer Service Charge 1,000 Gallons Per Month
First	2,000	$1.45
Next	3,000	1.45
Next	25,000	1.45
Next	70,000	1.45
Next	100,000	1.45
Next	100,000	1.45
Next	700,000	1.45
Next	9,000,000	1.45
Over	10,000,000	1.45

The minimum bill is $2.90 per month.

Sewer rates outside corporate limits of city.

Water Usage 1,000 Gallons Per Month		Sewer Service Charge 1,000 Gallons Per Month
First	2,000	$1.57
Next	3,000	1.57
Next	25,000	1.57
Next	70,000	1.57
Next	100,000	1.57
Next	100,000	1.57
Next	700,000	1.57
Next	9,000,000	1.57
Over	10,000,000	1.57

The minimum bill is $3.14 per month.

On all premises having a private water supply and connected with the sewer system and works, there shall be installed a meter for measuring the amount of water supplied premises.

The minimum charge of $2.90 inside the corporate limits, and the minimum charge of $3.14 outside the corporate limits, shall be the minimum for each month or fraction thereof. If for any reason there is no record of the amount of water supplied in any month, then the charge for that month shall be based upon the last available monthly meter reading.

Any user using more than ten thousand gallons of water a month, the nature and character of whose use is such that the amount of water discharged into such system is substantially less than the amount of metered water supplied the premises, shall be charged for sewer service substantially on the basis of the amount of such sewage discharged per month into the system. Where the volume of such sewage discharged per month into the system is measured by meter, or where the amount of water supplied such premises, and which is to be ultimately discharged into the sewer system, is metered separately from water supplied such premises, and which is not to be ultimately discharged into the sewer system, the charge for sewer service shall be based on the metered amount of sewage discharged into the system, or on the metered amount of water supplied to the premises and to be discharged into the system. Where the volume of such sewage is not measured by a meter on sewage outflow or water supplied to such premises, and to be discharged into the system, the charge for sewer service shall be based on estimates of the monthly amount of sewage to

be discharged by such users into the system. Such estimates shall be established and determined by the sanitary board after application by the user to the board for a determination of such estimate.

The foregoing schedule of rates or charges shall not be applicable to the handling and treatment of sanitary sewage and industrial wastes discharged into the sewer system and works by Union Carbide Corporation, the amount of payment for which is determined in accordance with the provisions of the contract and agreement dated March 15, 1956, between the city, the sanitary board of the city and Union Carbide Corporation, and the amendment to such contract and agreement dated February 20, 1960, between the city, sanitary board, and Union Carbide Corporation (formerly known as Union Carbide and Carbon Corporation), and this article is subject to all of the terms and provisions of such contract and agreement dated March 15, 1956."

II. This ordinance shall become effective upon passage.

III. Any and all ordinances, resolutions, or administrative regulations inconsistent with the provisions hereof are hereby repealed to the extent necessary to give this ordinance full force and effect.

IV. In the event that any section enacted hereunder be declared invalid, in whole or in part, by a court of competent jurisdiction, it is the intention of council that the unaffected portions hereof remain in full force and effect.

Richard A. Robb

Richard A. Robb, Mayor

Attest:

Carles J. Atkinson

Carles J. Atkinson, City Clerk

This instrument was prepared by Larry G. Kopelman, City Attorney.

Affidavit of Publication

No. _____

STATE OF WEST VIRGINIA,

Kanawha County, to-wit:

I, Sandy Miller of the

☐ Sunday Gazette-Mail ☐ Charleston Gazette, a daily Democratic newspaper ☒ Daily Mail, a daily Republican newspaper, published in the City of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of Sanitary Sewer Service

was duly published in said paper once a week for two successive weeks commencing with the issue of the 4 day of January, 19 80, and ending with the issue of the 11 day of January, 19 80, and was posted at the front door of the Court House of said Kanawha County, West Virginia, on the 14 day of January, 1980

Dates Published: January 4, 11, 1980

Sandy Miller

Subscribed and sworn to before me this 11 day of Jan., 19 80

Hermon Deckale

Notary Public of Kanawha County, West Virginia

My Commission expires May 24, 1986

Printer's Fee $ 15.72

ACCT-7

PUBLIC NOTICE

Notice is hereby given that on January 17, 1980, Council of The City of South Charleston will hold a public hearing at 7:30 p.m. in Council Chambers of City Hall, 4th Ave. and D Street, South Charleston, for the purpose of considering an ordinance which raises fees charged by the South Charleston Sanitary Board for Sanitary sewer service.

A copy of the proposed ordinance is available for review at the Clerk's office at City Hall during normal working hours. The public is encouraged to participate in the public hearing.

CARLES J. ATKINSON
Clerk

(1196)

CERTIFICATE

Certified to be a true and correct copy of Ordinance No. 1251 adopted by the City Council of The City of South Charleston, West Virginia, on January 17, 1980, 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

Mailed to: E.P.A. 10-21-85 EB certified / Return Receipt ✓
H.K.B. 10-21-85 EB ✓ to Bill Moore

FILE COPY

U.S. ENVIRONMENTAL PROTECTION AGENCY
EPA ASSISTANCE AGREEMENT/~~AMENDMENT~~
PART I - ASSISTANCE NOTIFICATION INFORMATION

1. ASSISTANCE ID NO: C-540385-02-0
2. LOG NUMBER: Three - C
3. DATE OF AWARD: SEP 30 1985
4. MAILING DATE: OCT 07 1985

5. AGREEMENT TYPE
- Cooperative Agreement: [ ]
- Grant Agreement: [X]
- Assistance Amendment: [ ]

6. PAYMENT METHOD: [ ] Advance [X] Reimbursement [ ] Letter of Credit
Send Payment Request To: Grants Management Section

7. TYPE OF ACTION: Continuation

RECIPIENT ORGANIZATION

8. RECIPIENT
City of South Charleston
Sanitary Board
P.O. Box 8336
South Charleston, West Virginia 25303

9. PAYEE
City of South Charleston
Sanitary Board
P.O. Box 8336
South Charleston, West Virginia 25303

SIN NO.:
CONGRESSIONAL DISTRICT: 3rd

10. RECIPIENT TYPE: City

11. PROJECT MANAGER AND TELEPHONE NO.
Richard A. Robb, Chairman
(304) 744-1351

12. CONSULTANT (WWT Construction Grants Only)
Howard K. Bell
P.O. Box 546
354 Waller Avenue
Lexington, Kentucky (606) 278-5412

EPA CONTACT

13. ISSUING OFFICE (City/State)
Philadelphia, Pennsylvania
10-29-85 - E.B. 1-(215)597-6166 EPA
"Veronica" - yes - "received 10/25/85" ✓ OK

14. EPA PROJECT/STATE OFFICER AND TELEPHONE NO.
R. Fenton Roudabush, Chief
Virginia-West Virginia Section
(215) 597-9131

15. EPA CONGRESSIONAL LIAISON & TEL. NO.: Patricia Gaskins (202) 382-5184

16. STATE APPL ID (Clearinghouse):

17. FIELD OF SCIENCE: N/A

18. PROJECT STEP (WWT CG Only): 2/3

19. STATUTORY AUTHORITY: Clean Water Act, Title II

20. REGULATORY AUTHORITY: 40 CFR Parts 30 & 35

21. STEP 2 + 3 & STEP 3 (WWT Construction Only)

a. Treatment Level	4	
b. Project Type	INT	
c. Treatment Process	2	
d. Sludge Design	N/A	

22. PROJECT TITLE AND DESCRIPTION
Design and construction of upgrading improvements to the municipal portion of the South Charleston Sewage Treatment Plant. The eligible project includes associated costs as defined in 40 CFR 35.2250 up to the amounts shown in Part II of the Assistance Agreement.

23. PROJECT LOCATION (Areas Impacted by Project)

City/Place	County	State	Congressional District
South Charleston	Kanawha	WV	3rd

24. ASSISTANCE PROGRAM (CFDA Program No. & Title): 66.418
25. PROJECT PERIOD: 09/85 - 09/88
26. BUDGET PERIOD: N/A
27. COMMUNITY POPULATION (WWT CG Only): 15,968
28. TOTAL BUDGET PERIOD COST: N/A
29. TOTAL PROJECT PERIOD COST: 3,713,300

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
30. EPA Amount This Action		2,042,310 ✓	
31. EPA In-Kind Amount			
32. Unexpended Prior Year Balance			
33. Other Federal Funds			
34. Recipient Contribution			
35. State Contribution			
36. Local Contribution			
37. Other Contribution			
38. Allowable Project Cost		3,713,300	

39. FISCAL

Program Element	FY	Appropriation	Doc. Control No.	Account Number	Object Class	Obligation/Deoblig. Amount
CHQW80	78R	68X0103.A	W78011	RGHQ036006	41.11	$ 281,127
CHPW80	79R	68X0103.B	W79006	RGHP036006	41.11	$ 192,830
CHNW80	80R	68X0103.C	W80003	RGHN036006	41.11	$ 133,500
CDJW80	81R	68X0103.D	W81003	RGDJ036006	41.11	$ 1,120
CMAW80	85	68X0103.H	W85017	5GMA036006	41.11	$1,433,733

PART II-APPROVED BUDGET

ASSISTANCE IDENTIFICATION NO. C-540385-02-0

TABLE A - OBJECT CLASS CATEGORY (Non-construction)	TOTAL APPROVED ALLOWABLE BUDGET PERIOD COST
1. PERSONNEL	
2. FRINGE BENEFITS	
3. TRAVEL	
4. EQUIPMENT	
5. SUPPLIES	
6. CONTRACTUAL	
7. CONSTRUCTION	
8. OTHER	
9. TOTAL DIRECT CHARGES	
10. INDIRECT COSTS RATE % BASE	
11. TOTAL (Share: Recipient ____% Federal ____%)	
12. TOTAL APPROVED ASSISTANCE AMOUNT	$ N/A
TABLE B - PROGRAM ELEMENT CLASSIFICATION (Non-construction)	
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	
10.	
11.	
12. TOTAL (Share: Recipient ____% Federal ____%)	
13. TOTAL APPROVED ASSISTANCE AMOUNT	$ N/A
TABLE C - PROGRAM ELEMENT CLASSIFICATION (Construction)	
1. ADMINISTRATION EXPENSE	
2. PRELIMINARY EXPENSE	
3. LAND STRUCTURES, RIGHT-OF-WAY	
4. ARCHITECTURAL ENGINEERING BASIC FEES	455,000
5. OTHER ARCHITECTURAL ENGINEERING FEES	
6. PROJECT INSPECTION FEES	241,800
7. LAND DEVELOPMENT	
8. RELOCATION EXPENSES	
9. RELOCATION PAYMENTS TO INDIVIDUALS AND BUSINESSES	
10. DEMOLITION AND REMOVAL	
11. CONSTRUCTION AND PROJECT IMPROVEMENT	2,605,600
12. EQUIPMENT	
13. ~~XXXXXXXXXXX~~ Design Allowance	150,382
14. TOTAL (Lines 1 thru 13)	
15. ESTIMATED INCOME (If applicable)	
16. NET PROJECT AMOUNT (Line 14 minus 15)	
17. LESS: INELIGIBLE EXCLUSIONS	
18. ADD: CONTINGENCIES	260,518
19. TOTAL (Share: Recipient 45 %. Federal 55 %)	3,713,300
20. TOTAL APPROVED ASSISTANCE AMOUNT	$ 2,042,310

a. GENERAL CONDITIONS

The recipient covenants and agrees that it will expeditiously initiate and timely complete the project work for which assistance has been awarded under this agreement, in accordance with all applicable provisions of 40 CFR Chapter I, Subpart B. The recipient warrants, represents, and agrees that it, and its contractors, subcontractors, employees and representatives, will comply with: (1) all applicable provisions of 40 CFR Chapter I, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of Appendix A to 40 CFR Part 30, and (2) any special conditions set forth in this assistance agreement or any assistance amendment pursuant to 40 CFR 30.425.

b. SPECIAL CONDITIONS

(For cooperative agreements include identification or summarization of EPA responsibilities that reflect or contribute to substantial involvement.)

A. The grantee is subject to all the requirements of 40 CFR Part 35, Subpart I, Part 30, Part 33 and other pertinent regulations. The grantee is directed to certain following special considerations of those requirements.

"1. Regulations Affecting Federal Grant Payments

(a) Payments shall not be made for Step III professional services until the grantee complies with the procurement requirements of 40 CFR Part 33, Subpart A.

(b) The Regional Administrator shall not pay more than 50% of the Federal share unless the grantee has furnished a satisfactory final plan of operation, and shall not pay more than 90% unless the grantee has furnished a satisfactory operation and maintenance manual (40 CFR 35.2206).

(c) Payments shall be made in accordance with 40 CFR 35.2300.

(d) The grantee may submit requests for payment for allowable costs incurred in accordance with the following schedule:

Payment No.	Date	Payment	Cumulative Amount (not to be exceeded)
1	10/85	41,350	41,350
2	05/86	41,350	82,700
3	06/86	117,700	200,400
4	07/86	117,700	318,100
5	08/86	117,700	435,800
6	09/86	117,700	553,500
7	10/86	117,700	671,200
8	11/86	117,700	788,900
9	12/86	117,700	906,600
10	01/87	117,700	1,024,300
11	02/87	117,700	1,142,000
12	03/87	117,700	1,259,700
13	04/87	117,700	1,377,400
14	05/87	117,700	1,495,100
15	06/87	117,700	1,612,800
16	07/87	117,700	1,730,500
17	08/87	118,110	1,848,610
18	09/87	188,700	2,037,310
19	09/88	5,000	2,042,310 ✓

9/9/85 Bob Rogers - OK? → 2:45P. will call Back. 3:45P. B.R.: "OK" to mail

2. Project Schedule Changes

For any changes in the project which increase the cost, delay or accelerate the project or alter the project in other ways (40 CFR 35.2204), the grantee must receive a formal grant amendment from the Regional Administrator before implementing the changes. Of particular interest is any change in completion of final design drawings and specifications, date of advertisement for bids, the building completion date as referenced in 40 CFR 35.2216, and the initiation of project operation date. The latter date is considered, at the time of this grant, to be 09/87 . The grantee further agrees to provide the Regional Administrator, upon request, with a revised schedule for payment.

3. Project Initiation

The grantee agrees to initiate the building of all significant elements of the project within 12 months after authorization to advertise for bids has been given (40 CFR 35.2212). To the extent practicable this initiation should not occur before all sites, easements and rights-of-way are acquired. The grantee shall notify the Regional Administrator immediately upon award of the contracts.

4. Sewer Use Ordinance and User Charge System

The grantee agrees to adopt its sewer use ordinance and implement its user charge system before the treatment works is placed in operation (40 CFR 35.2208).

5. Project Performance

The grantee agrees to certify to the Regional Administrator on the date one year after the initiation of operation whether or not the project is capable of meeting the project performance standards (40 CFR 35.2218(c)).

6. Subagreements and Contracts

(a) The grantee agrees to negotiate a subagreement and contract for all services to be awarded under this grant. Such subagreements and contracts shall be in conformance with and incorporate the required clauses of 40 CFR Part 33.

(b) A copy of the proposed subagreements and contracts shall be submitted to the Regional Administrator for review and pre-award approval as appropriate under 40 CFR Part 33. The submittal of the proposed subagreements and contracts shall include the procurement records required in Appendix A to 40 CFR Part 33.

(c) The grantee shall submit to the Regional Administrator the proposed subagreement and contract cost or price data on EPA Form 5700-41 or on a form which contains similar information.

7. Flood Insurance

The grantee agrees to acquire and maintain at his own cost any flood insurance made available to it under the National Flood Insurance Act of 1968, as amended. This condition shall not be applicable if, on the date of execution of this Grant Agreement by both parties, flood insurance was not available pursuant to the Flood Insurance Act of 1968, as amended, for property in the project location.

8. Land Acquisition

The grantee shall not make any offer to acquire allowable real property until the Regional Administrator approves the price the grantee will offer the property owner (40 CFR 35.2210).

9. Review

The grantee recognizes that approval of any part of this grant, change orders, grant increase amendments, subagreements, any specific items, or eligibility of any other costs will be subject to final review, including project officer review, audit review, and final determination of the Grant Approving official.

10. Advertisement for Bids

Prior to the advertisement for construction bids, the grantee agrees to submit to the Regional Administrator for approval the following:

(a) A draft plan of operation (40 CFR 35.2106);

(b) A user charge system (40 CFR 35.2140); and

(c) Final design drawings and specifications (40 CFR 35.2040 (b)(5).

11. MBE/WBE Requirements

The recipient agrees to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA Region III, a completed EPA Form 6005-1 within 30 days after the date the recipient begins building the project (see 40 CFR 35.2202). This 6005-1 will contain the information on subagreement awards to minority and women's businesses used during the design phase of the project.

The recipient further agrees to submit to the Chief, Construction Grants Branch, Attn: EEO Specialist, EPA-Region III, a completed Form 6005-1 within 15 days after the end of each Federal fiscal quarter during which the recipient or its contractors award any subagreements to a minority or women's business for building and building-related services and supplies.

12. Public Participation

Additional public participation is required to inform prospective users of the expected costs and rates. The grantee shall submit to the DNR project officer, within 2 months, a plan/schedule for conducting the additional public participation.

13. Audit Requirement

The recipient agrees that it will comply with the provisions of OMB Circular A-128 governing the audit of State and local government recipients of federal assistance for fiscal years that begin after December 31, 1984. (This requirement replaces 40 CFR 30.540(b) which is based on OMB Circular A-102, Attachment P.)

14. Plans and Specification Requirements

Plans and specifications are to document the necessity for any treatment plant by-passes and any concurrent pump station by-passes during a specified period between November 15 and March 30. The documentation must show that no other alternative is feasible."

15. CAPDET

In accordance with 40 CFR 35.2123, EPA grant assistance is limited to eligible project costs for serving existing needs on the date of approval of the final plans and specifications for a Step 4 grant. All incremental costs associated with treatment works capacity beyond existing needs are to be paid for by the grantee. Prior to written authorization to advertise for construction bids, eligible/ineligible project costs will be redefined by employing the CAPDET (Computer Assisted Procedures for the Design and Evaluation of Wastewater Treatment Systems) method. The CAPDET ratio of existing needs eligible construction costs/total project construction costs will then be utilized to revise grant participation upon receipt and review of construction bids.

ASSISTANCE IDENTIFICATION NO. C-540385-02-0

b. SPECIAL CONDITIONS *(Continued)*

PART IV

NOTE: The Agreement must be completed in duplicate and the Original returned to the Grants Administration Division for Headquarters awards and to the appropriate Grants Administrations Office for State and local awards within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA.

Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement shall void the Agreement.

OFFER AND ACCEPTANCE

The United States of America, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers assistance/~~amendment~~ to the City of South Charleston Sanitary Board (RECIPIENT ORGANIZATION) for 55 % of all approved costs incurred up to and not exceeding $ 2,042,310 (ASSISTANCE AMOUNT) for the support of approved budget period effort described in application *(including all application modifications)* C-540385-02 City of South Charleston Sanitary Board (DATE AND TITLE) included herein by reference.

ISSUING OFFICE *(Grants Administration Office)*	AWARD APPROVAL OFFICE
ORGANIZATION/ADDRESS Environmental Protection Agency Grants Management Section (3PM32) 841 Chestnut Building Philadelphia, Pennsylvania 19107	ORGANIZATION/ADDRESS Environmental Protection Agency Water Management Division (3WM00) 841 Chestnut Building Philadelphia, Pennsylvania 19107

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
	James M. Seif, Regional Administrator	SEP 30 1985

This Agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2, the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter I, Subchapter B and of the provisions of this agreement (Parts I thru IV), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Richard A. Robb	/	10/15/85

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION III
841 Chestnut Building
Philadelphia, Pennsylvania 19107

FILE COPY

OCT 07 1985

received 10/15/85
Returned 10/21/85 ✓ yes

CERTIFIED MAIL - Return Receipt !

RE: C-540385-02
City of South Charleston
Sanitary Board

Mr. Richard A. Robb, Chairman
City of South Charleston
Sanitary Board
P.O. Box 8336
South Charleston, West Virginia 25303

Dear Mr. Robb:

We are pleased to inform you of the award of a Step II/III Federal grant for the preparation of construction drawings and specifications, and the upgrading of wastewater treatment works for the referenced project, as described in your application and approved by the West Virginia Department of Natural Resources.

The grant award is for an amount not to exceed $2,042,310, and is subject to the conditions set forth in Part III of the Assistance Agreement.

Copies of the applicable Federal Regulations are forwarded for your reference.

The original and a copy of the Assistance Agreement are enclosed. The original copy of the Agreement should be signed and returned to Ms. Catherine Mastropieri, Chief, Grants Management Section, within twenty-one days of your receipt. The copy should also be signed and retained for your files.

Sincerely,

for Alvin R. Morris, Director
Water Management Division

Enclosures (2)

cc: Mr. Mike Johnson, WVDNR
Mr. Edgar Henry, WDA
Howard K. Bell

ENVIRONMENTAL PROTECTION AGENCY

FORM APPROVED
OMB NO. 43-R131

OFFER AND ACCEPTANCE OF FEDERAL GRANT FOR SEWAGE TREATMENT WORKS UNDER 33 U.S.C. 466 et seq.

(See instructions on page 3)

PART B — SUPPLEMENTAL PROJECT INFORMATION

NOTE: The CONTRACT SHALL NOT BE AWARDED UNTIL PART B AND ATTACHMENTS HAVE BEEN APPROVED by the Environmental Protection Agency and, where required, by the appropriate State agency. Therefore, the Applicant should submit this form and the required attachments as soon as possible after bids are opened. The prompt submission of this form will give the State agency and the Environmental Protection Agency sufficient time to approve Part B and to notify the Applicant that the contract may be awarded before the time period expires within which bids must be accepted. Part B should present all information necessary to indicate fulfillment of all conditions to the offer included in Part A of the Offer and Acceptance.

1. LOCATION OF PROJECT *(State, County, City)*

West Virginia, Kanawha, South Charleston

PROJECT NUMBER

C-540385-02-0

2. LEGAL NAME AND ADDRESS OF APPLYING AUTHORITY *(herein called the "Applicant")*

City of South Charleston Sanitary Board

3. SUMMARY OF MAJOR CHANGES *(if any)* IN THE PROJECT SINCE GRANT OFFER WAS ACCEPTED.

a. Deleted chlorine scrubber component per DNR's instruction in their letter of April 9, 1986.

b. Added rehabilitation of filter building with DNR's concurrence and declaration of eligibility for grant funding. Revisions per Addendum No. 10 to Contract 29, July 28, 1986, Article 1.c. and 2.a.

4. HAVE THERE BEEN ANY CHANGES IN THE FINAL PLANS AND SPECIFICATIONS SINCE DATE OF APPROVAL BY THE ENVIRONMENTAL PROTECTION AGENCY? ADMINISTRATION? ☐ YES ☒ NO

IF YES, HAVE THESE CHANGES BEEN APPROVED BY THE ENVIRONMENTAL PROTECTION AGENCY? ☐ YES ☐ NO

5. SITE DATA:

A. If not previously submitted, (Attached - Exhibit 2)

1. Attach a legal description of the site on which project is to be constructed.
2. Attach an opinion signed by competent title counsel describing the interest the Applicant has in the site, including information as to any easements and rights of way, and certifying that the estate or interest is legal and valid.

The opinion should also include information as to whether or not:

(a) The Applicant (or the present owner if fee simple title has not been or is not to be acquired) has good and valid title to the entire site (excluding easements and rights of way) free and clear of any pre-existing mortgages, deeds of trust, liens, or other encumbrances which would affect the value or usefulness of the site for the purpose intended; and

(b) Any deeds or documents required to be recorded in order to protect the title of the owner and the interest of the Applicant have been duly recorded or filed for record whenever necessary.

INSTRUCTIONS

DO NOT AWARD CONTRACTS UNTIL PART B AND ATTACHMENTS HAVE BEEN APPROVED by the Environmental Protection Agency and, where required by the appropriate State agency.

Three copies of Part B are to be submitted to the Environmental Protection Agency through the State agency, where required, with required supporting documents as soon as possible after construction bids are opened.

5. Describe briefly any major changes in the project since the grant offer was accepted which have resulted in a functional change (e.g. from activated sludge process to high-rate filters) or a change in the cost of the project.

6. Project cost estimate summary. Be sure to enter date of amount or of cost determination.

The "Total Project" column is intended to show total cost of the project, whether or not such costs are eligible for Federal grant assistance; the "For grant participation" column is to include only those costs in which the Federal government is participating.

A. (1) to (3) — Enter the amount of the bid or bids the Applicant intends to accept. If these are not the lowest bids received, full justification for award to other than the low bidder must accompany the form.

A. (6) — If other construction contracts for this project have been awarded or will be awarded at a later date, enter the actual or estimated costs as applicable.

A. (7) — If equipment or materials are to be or have been purchased outside the construction contracts, enter the estimated or actual costs as applicable.

B. to D. — If not previously submitted, attach copies of any applicable contracts or agreements; if formal agreements do not exist, provide information regarding the basis for determining such costs.

7. Funds available for construction of the project.

B. and C. — Enter the amount of general obligation bonds and revenue bonds or certificates authorized but not yet sold.

E. — Enter the amount of the grant, if any, offered by the State.

F. — Enter the amount of the grant offered, if any, in "Functional Justification" above, unless that the amount upon which the grant offer was based, the amount which will be authorized by the new cost figures.

G. — Total funds available must equal or exceed the "B — For grant participation" above.

The form must be signed by the Applicant's authorized representative.

6. PROJECT COST ESTIMATE SUMMARY		TOTAL PROJECT	FOR GRANT PARTICIPATION
A. CONSTRUCTION (specify numbers where requested)			
(1) CONTRACT NO.	(29-Wastewater Treatment	$ 4,070,000.00	$ 4,070,000.00
(2) CONTRACT NO.	– Plant Improvements)	$	$
(3) CONTRACT NO.	–	$	$
(4) CONTRACT NO.	–	$	$
(5) CONTRACT NO.	–	$	$
(6) LATER CONTRACTS		$	$
(7) EQUIPMENT AND MATERIALS –		$	$
(SUB-TOTAL)		$	$
B. TECHNICAL SERVICES	Engr. & Inspection	$ 696,800.00	$ 647,370.00
C. LEGAL AND FISCAL	Fiscal Agent & Bond Counsel	$ 42,000.00	$ 0
D. ADMINISTRATIVE	None	$ 0	$ 0
E. CONTINGENCY	5% Construction	$ 203,500.00	$ 203,500.00
F. OTHER (specify)	Design Allowance	$ 222,500.00	$ 222,500.00
G. SITE	None	$ 0	
H. TOTAL		$ 5,234,800.00	$ 5,143,370.00

EXPIRATION DATE FOR WAGE DETERMINATION

WVDL Ch. 21-5A Series 1965; USDL 86-2 (Bldg.) 486-3 (HVY & HWY) - No expr. dates

7. Attach the following information:

A. A detailed breakdown supporting the project cost estimate summary.
B. Tabulations of all bids received.
C. Copies of the bid the Applicant wishes to accept.
D. Evidence of advertising.

8. FUNDS AVAILABLE FOR CONSTRUCTION OF THE PROJECT		AMOUNT
A. CASH (including net receipts from bonds sold)	Sanitary Board Reserve Funds	$ 1,005,950.00
B. GENERAL OBLIGATION BONDS	None	$ 0
C. REVENUE BONDS OR CERTIFICATES	WDA Loan (Requested)	$ 1,400,000.00
D. OTHER (specify)	Supplemental EPA Grant (Requested)	$ 786,540.00
E. STATE AID	None	$ 0
F. FEDERAL GRANT	EPA (Previous Offer)	$ 2,040,310.00
G. TOTAL		$ 5,234,800.00

The undersigned representative of the Applicant certifies that the information contained above and in any attached statements and materials in support thereof, is true and correct to his best knowledge.

SIGNATURE OF AUTHORIZED REPRESENTATIVE	DATE
Richard A. [illegible]	

NAME AND TITLE OF REPRESENTATIVE (Type or Print)

GSA FCC TELETYPE
RM 1212 600 ARCH ST
PHILA PA 19106 25PM

Western Union Mailgram

4-232517U237 08/25/86 ICS WA16614 CHWC
04715 MLTN VA 08/25/86 JN56806

FILE COPY

RECEIVED
AUG 26 1986
SO. CHARLESTON
SANITARY BOARD
BUSINESS OFFICE

RICHARD A ROBB CHAIRMAN
CITY OF SO. CHARLESTON SANITARY BD
P.O. BOX 8336
SOUTH CHARLESTON, WV 25303

REFERENCE CITY OF SOUTH CHARLESTON C -540385-02

DEAR MR . ROBB
YOU ARE HEREBY ADVISED THAT THE BIDDING PROCEDURES FOR CONTRACT NO. 29 OF PROJECT C-540385-02 HAVE BEEN REVIEWED AND APPROVED. THE CONTRACT MAY NOW BE AWARDED TO THE LOW, RESPONSIVE BIDDER , SHOOK OF WEST VIRGINIA, INC., AS INDICATED BY THE PROPOSAL YOU HAVE SUBMITTED.
CERTAIN CONSTRUCTION ACTIVITIES HAVE BEEN ASSIGNED TO THE WEST VIRGINIA DEPT OF NATURAL RESOURCES. YOU WILL BE CONTACTED BY REPRESENTATIVES OF THIS AGENCY IN THE NEAR FUTURE. SINCERELY,
R . FENTON ROUDABUSH CHIEF, VIRGINIA/WEST VIRGINIA
SECTION, CONSTRUCTION GRANTS BR .
ENVIRONMENTAL PROTECTION AGENCY REGION III
841 CHESTNUT BLDG., PHILA., PA. 19107

(ARS RUEVDDG 1-13-01-018571)
2323 EST

MGMCOMP MGM

52 1 (R 7/82)

TO REPLY BY MAILGRAM MESSAGE, SEE REVERSE SIDE FOR WESTERN UNION'S TOLL - FREE PHONE NUMBERS

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

CERTIFICATE OF CLERK AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Carles J. Atkinson, City Clerk of The City of South Charleston, West Virginia (the "City"), hereby certify that the copies of the following documents being delivered in connection with the closing of the sale of $761,015 in principal amount of the City's Subordinate Sewer Revenue Bonds, Series 1986, and the sale of $378,985 in principal amount of the City's Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (collectively the "Bonds"), are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the City and included in the Transcript of Proceedings, that said documents have been duly enacted or entered by the Council of said City (the "Council") (or by the Sanitary Board in its behalf), and that said documents are 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, recision, supersedence, amendment or modification is also listed below:

1. The Charter of the City.

2. Rules and Order of Business of the City Council of the City.

3. Current oaths of office of the following officials: Richard A. Robb, Mayor; Carles J. Atkinson, City Clerk; and Nancy Fox, Dennis C. Griffith, Charles W. Hagerman, II, Woodrow K. McComis, Phyllis L. Shawver, Frances Sheets, Warren M. Shirkey, Sr., Robert R. Snyder, Carless W. Williams and W. E. Winkler, Councilmembers.

4. Ordinance passed by the Council on January 21, 1955, creating the Sanitary Board.

5. Prior Ordinances.

6. Minutes of the August 7, 1986, meeting of the Council, wherein the Ordinance was introduced.

7. Petition of the Sanitary Board of [to] the Council of The City of South Charleston, West Virginia.

8. Minutes of the August 14, 1986, meeting of the Council, wherein the Ordinance was passed and a resolution authorizing publication of an abstract and notice of the Ordinance was adopted.

9. Ordinance (without Exhibits B-D).

10. Resolution authorizing publication of an abstract and notice of the Ordinance.

11. Affidavit of Publication of the abstract and notice of the Ordinance in The Charleston Gazette on August 15, and 22, 1986.

12. Resolution regarding the public hearing on the Ordinance and putting the Ordinance into effect.

13. Resolution authorizing the sale of the Bonds to the Authority and nonsubstantively amending the Ordinance.

14. Loan Agreement, dated August 12, 1986, with the Authority.

15. Supplemental Loan Agreement, dated August 12, 1986, with the Authority.

16. Ordinance passed by the Council on January 17, 1980, establishing rates and charges for the System.

17. Assistance Agreement, awarded as of September 30, 1985, between the City and the United States Environmental Protection Agency (the "EPA")

18. "Part B" submittal, as approved by the West Virginia Department of Natural Resources, of the City to the EPA.

Capitalized terms used and not otherwise defined herein have the respective meanings given them in Ordinance No. 1545, passed by the Council on August 14, 1986, and supplemented and nonsubstantively amended on August 25, 1986 (the "Ordinance").

WITNESS my signature and the official seal of The City of South Charleston, West Virginia, as of the 29 day of August, 1986.

Carles J. Atkinson

Carles J. Atkinson
City Clerk
The City of South Charleston

(SEAL)

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

CERTIFICATE OF:

1. TERMS
2. NO LITIGATION
3. GOVERNMENTAL APPROVALS AND BIDDING
4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS
5. SIGNATURES
6. PUBLIC SERVICE COMMISSION ORDER
7. RATES
8. LAND AND RIGHTS-OF-WAY
9. MEETINGS
10. GRANTS
11. OTHER FUNDS
12. INSURANCE
13. LOAN AGREEMENT
14. SPECIMEN BONDS

We, the undersigned MAYOR and the undersigned CITY CLERK of The City of South Charleston, West Virginia (herein called the "City"), and the undersigned ATTORNEY for the City, hereby certify in connection with the single, fully registered Subordinate Sewer Revenue Bond, Series 1986, of the City, numbered R-1, dated the date hereof, in the principal amount of $761,015 and bearing interest at the rate of nine and seventy-five hundredths percent (9.75%) per annum (the "Subordinate Bonds"), and the single, fully registered Supplemental Subordinate Sewer Revenue Bond, Series 1986, of the City, numbered SR-1, dated the date hereof, in the principal amount of $378,985 and bearing no interest (the "Supplemental Bonds") (collectively herein called 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 meanings as in Ordinance No. 1545, passed by the Council of the City (the "Council") on August 14, 1986, and supplemented and nonsubstantively amended on August 25, 1986 (the "Ordinance"), and the Loan Agreement and Supplemental Loan

Agreement (collectively, the "Loan Agreement") entered into between the City and the West Virginia Water Development Authority (the "Authority"), both dated August 12, 1986.

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 the issuance and delivery of the Bonds; nor questioning the proceedings and authority by which the Council authorized the issuance and sale of 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 City or the title of the members or officers of the City or of the Council thereof to their respective offices; nor questioning the construction and acquisition or financing of the Project nor operation by the City of the System as expanded by the Project; nor challenging the collection or use of the revenues of the System, including the subordinate pledge of the Net Revenues to the payment of the Bonds, or the proposed transfers of funds by the Sanitary Board in connection with the construction and acquisition of the Project and the issuance of the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates presently required by law for construction of the Project, operation of the System and issuance of the Bonds have been duly and timely obtained and remain in full force and effect, and competitive bids for 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 City or the System since August 12, 1986. Further, there has been no adverse change in the status of the grant from the EPA necessary to finance the acquisition and construction of the Project since such date. The outstanding debt of the City with liens on the revenues of the System prior to those of the Bonds are the City's Sewer Revenue Bonds dated March 1, 1956, currently outstanding in the amount of $748,000, and the City's Sewer Revenue Bonds, Series 1961, currently outstanding in the amount of $4,685,000.

5. SIGNATURES: The undersigned Mayor and City Clerk are the duly elected or appointed, qualified and serving officers of the City as indicated by the official titles opposite their signatures below, and were duly authorized to execute and seal the Bonds for the City. The seal impressed upon the Bonds and this certificate is the duly authorized, proper and only seal of the City.

6. PUBLIC SERVICE COMMISSION ORDER: The undersigned City Attorney hereby covenants that he has filed any information with the Public Service Commission of West Virginia (the "Public Service Commission") and taken any other actions required to maintain the Public Service Commission order, dated July 22, 1986, in full force and effect.

7. RATES: The existing rates and charges for the System were enacted by ordinance on January 17, 1980, and the City has complied with all requirements of the Public Service Commission and applicable law to make the rates valid and effective.

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

9. MEETINGS: All actions, ordinances, resolutions, orders and agreements taken, passed, adopted and entered into by or on behalf of the City in any way connected with the construction, acquisition, operation and financing of the Project were authorized, passed or adopted at meetings of the Council duly and regularly or specially called and held pursuant to all applicable statutes and the rules of procedure of Council, and a quorum of duly appointed, qualified and acting members of the Council was present and acting at all times during all such meetings.

10. GRANTS: As of the date hereof, the United States Environmental Protection Agency ("EPA") has committed to the City the approximate amount of $2,828,850. Said commitment of EPA is in force and effect as of the date hereof.

11. OTHER FUNDS: Contemporaneously with the issuance of the Bonds, the Sanitary Board, on behalf of the City, has transferred $1,042,900 from the existing Renewal and Replacement Fund to the Bond Construction Trust Fund and has transferred $76,224.01 and $9,717.72 from the existing Revenue Fund, first to the Special Account, then to the Renewal and Replacement Fund and then to the Reserve Account and the Supplemental Reserve Account, respectively.

12. INSURANCE: The City has maintained and will or, as appropriate, has required and will require all contractors to, maintain workers' compensation, public liability and property damage insurance, and builder's risk insurance where applicable, in accordance with the Ordinance.

13. LOAN AGREEMENT: As of the date hereof, (i) the representations of the City contained in the Loan Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Loan Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the City 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) to the best knowledge of the undersigned, the City has not violated any commitment made by it in its Application or in any supporting documentation and has not violated any of the terms of the Loan Agreement.

14. SPECIMEN BONDS: Attached hereto as Exhibit A are specimens of the Bonds numbered R-1 and SR-1, respectively, which, except as to execution and authentication, are identical in all respects with such Bonds this day delivered to the Authority thereof and being substantially in the form prescribed in the Ordinance.

WITNESS our signatures and the official corporate seal of The City of South Charleston on this 26th day of August, 1986.

[CORPORATE SEAL]

Signature	Official Title
Richard A. Robb	Mayor
Carles J. Atkinson	City Clerk
Harley E. Tinsley	City Attorney

R-1

"SPECIMEN"

"SPECIMEN"

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BOND
SERIES 1986

$761,015

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia (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 Seven Hundred Sixty-one Thousand Fifteen Dollars ($761,015), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit 1 hereto and incorporated herein by reference, with interest on each installment at the rate per annum of 0.75 percent.

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 April 1, 1987. 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 West Virginia Municipal Bond Commission, 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 Kanawha Valley Bank, N.A., Charleston, 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 the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part only with the express written consent of the Authority and as otherwise provided by the Loan Agreement, dated as of August 12, 1986, between the City and the Authority.

This Bond represents the entire series or is one of a series of bonds entitled "Subordinate Sewer Revenue Bonds, Series 1986," issued by the City in the aggregate principal amount of $761,015 (the "Bonds") 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 called 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

MIDWEST BANK NOTE COMPANY PLYMOUTH MICH

with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Act"), and Ordinance No. 1545, duly enacted by the Council of the City on the 25th day of August, 1986, as supplemented and nonsubstantively amended by a resolution also adopted on August 25, 1986 (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 $378,985, which Supplemental Bonds are junior and subordinate with respect to lien and source of and security for payment to the Bonds.

THIS BOND IS JUNIOR AND SUBORDINATE WITH RESPECT TO LIEN AND SOURCE OF AND SECURITY FOR PAYMENT FROM THE NET REVENUES (AS DEFINED IN THE ORDINANCE), AND OTHERWISE, TO THE CITY'S SEWER REVENUE BONDS, DATED MARCH 1, 1956, OUTSTANDING ON THE DATE HEREOF IN THE PRINCIPAL AMOUNT OF $748,000, AND THE CITY'S SEWER REVENUE BONDS, SERIES 1961, OUTSTANDING ON THE DATE HEREOF IN THE PRINCIPAL AMOUNT OF $4,685,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a second lien on and pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, subject to the lien of the Prior Bonds, 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 hereon 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 fiscal year equal to at least 115 percent 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 Bonds), on the Bonds and all obligations on a parity therewith and on the Supplemental Bonds and all obligations on a parity therewith (there being no other obligations prior to the Supplemental Bonds); provided that, in the event that an amount at least 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 fiscal year is on deposit in the Reserve Account and an amount at least equal to the maximum amount of principal of (and interest, if any, on) the Supplemental Bonds and any bonds on a parity therewith is on deposit in the Supplemental Reserve Account created under the Ordinance, and the reserve account for the Prior Bonds is funded at least at the requirement therefor, such percentage may be reduced to 110 percent. 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

"SPECIMEN"

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 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 provisions of the Act is, and has all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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 affixed and attested by its City Clerk, and has caused this Bond to be dated August 29, 1986.

"SPECIMEN"

[SEAL]

Mayor

ATTEST:

"SPECIMEN"

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Subordinate Sewer Revenue Bonds, Series 1986, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,
as Registrar

"SPECIMEN"

By "SPECIMEN"
Its Authorized Officer

Dated: _____

[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 with full power of substitution in the premises.

Dated: _____, _____.

"SPECIMEN"

In the presence of:

"SPECIMEN"

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%	18,891.00	57,342.68	76,223.68
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%	52,538.00	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 1

August 20, 1986

SR-1

"SPECIMEN"

"SPECIMEN"

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
THE CITY OF SOUTH CHARLESTON
SUPPLEMENTAL SUBORDINATE
SEWER REVENUE BOND,
SERIES 1986

$378,985

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia (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 Three Hundred Seventy-eight Thousand Nine Hundred Eight-five Dollars ($378,985), in installments on October 1 of each year as set forth on the "Schedule of Annual Debt Service" attached as Exhibit 1 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 the West Virginia Municipal Bond Commission, as paying agent. This Bond bears no interest.

This Bond may be redeemed prior to its stated date of maturity in whole or in part only with the express written consent of the Authority and as otherwise provided by the Supplemental Loan Agreement, dated as of August 12, 1986, between the City and the Authority.

This Bond represents the entire series or is one of a series of bonds entitled "Supplemental Subordinate Sewer Revenue Bonds, Series 1986," issued by the City in the aggregate principal amount of $378,985 (the "Bonds") 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 called 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 Code of West Virginia, 1931, as amended (the "Act"), and Ordinance No. 1545, duly enacted by the Council of the City on the 25th day of August, 1986, as supplemented and nonsubstantively amended by a resolution also adopted on August 25, 1986 (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

MIDWEST BANK NOTE COMPANY PLYMOUTH MICH

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 SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, OF THE CITY (THE "SUBORDINATE BONDS"), ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,015, WHICH SUBORDINATE BONDS RANK PRIOR WITH RESPECT TO LIEN AND SOURCE OF AND SECURITY FOR PAYMENT TO THE BONDS. THIS BOND AND THE SUBORDINATE BONDS ARE JUNIOR AND SUBORDINATE WITH RESPECT TO LIEN AND SOURCE OF AND SECURITY FOR PAYMENT FROM THE NET REVENUES (AS DEFINED IN THE ORDINANCE), AND OTHERWISE, TO THE CITY'S SEWER REVENUE BONDS, DATED MARCH 1, 1956, OUTSTANDING ON THE DATE HEREOF IN THE PRINCIPAL AMOUNT OF $748,000, AND THE CITY'S SEWER REVENUE BONDS, SERIES 1961, OUTSTANDING ON THE DATE HEREOF IN THE PRINCIPAL AMOUNT OF $4,685,000 (COLLECTIVELY, THE "PRIOR BONDS").

This Bond is payable only from and secured by a third lien on and pledge of the Net Revenues (as defined in the Ordinance) to be derived from the operation of the System, subject to the lien of the Prior Bonds and the Subordinate Bonds, moneys in the Supplemental Reserve Account created under the Ordinance and, subject to the lien of the Subordinate Bonds, 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 fiscal year equal to at least 115 percent 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), on the Subordinate Bonds and all obligations on a parity with the Subordinate Bonds and on the Bonds and all obligations on a parity therewith (there being no obligations prior to the Bonds other than the Prior Bonds and the Subordinate Bonds, and there being precluded the issuance of obligations prior to the Bonds except completion Subordinate Bonds); provided that, in the event that an amount at least 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 is on deposit in the Supplemental Reserve Account and an amount at least equal to the maximum amount of principal of and interest on the Subordinate Bonds and any bonds on a parity therewith is on deposit in the Reserve Account created under the Ordinance, and the reserve account for the Prior Bonds is funded at least at the requirement therefor, such percentage may be reduced to 110 percent. 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.

SPECIMEN

This Bond is transferable, as provided in the Ordinance, only upon the books kept for that purpose at the office of Kanawha Valley Bank, N.A., Charleston, West Virginia, as registrar (the "Registrar"), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of

this Bond together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or its attorney duly authorized in writing.

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

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 of 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 affixed and attested by its City Clerk, and has caused this Bond to be dated August 29, 1986.

"SPECIMEN"

[SEAL]

Mayor

ATTEST:

"SPECIMEN"

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Supplemental Subordinate Sewer Revenue Bonds, Series 1986, described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

KANAWHA VALLEY BANK, N.A.,
as Registrar

By "SPECIMEN"
Its Authorized Officer

Date: "SPECIMEN"

[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 with full power of substitution in the premises.

Dated: _____, _____.

"SPECIMEN"

_____

In the presence of:

"SPECIMEN"

_____

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

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds,
Series 1986

CERTIFICATE AS TO NON-ARBITRAGE

I, Richard A. Robb, Mayor of The City of South Charleston, West Virginia (herein called the "City"), hereby certify and reasonably expect with respect to the issuance of the $761,015 in aggregate principal amount of the City's Subordinate Sewer Revenue Bonds, Series 1986, dated as of the date hereof (the "Bonds"), as follows:

1. Capitalized words not defined herein shall have the meanings defined in Ordinance No. 1545, passed by the Council of the City on August 14, 1986, and supplemented and nonsubstantively amended on August 25, 1986 (the "Ordinance").

2. The original proceeds of the Bonds, being $761,015, will be used as follows: (1) $754,015 for the financing of the cost of construction and acquisition of the Project, being certain extensions, additions, betterments and improvements to the existing sewerage system of the City, and (2) $7,000 for expenses incurred in connection with the issuance of the Bonds.

3. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purpose of providing funds to pay a portion of the costs of acquisition and construction of the Project and to pay the costs of issuance of the Bonds. The remainder of such costs are expected to be paid with a grant from the United States Environmental Protection Agency (the "EPA") in the amount of $2,828,850, moneys in the existing Renewal and Replacement Fund in the amount of $1,042,900, interest earnings on the Reserve Account, the Supplemental Reserve Account and the Bond Construction Trust Fund during construction in the amount $223,950, and the City's $378,985 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, which bear no interest (the "Supplemental Bonds").

4. The total cost of the Project is estimated to be $5,234,800. The amount of Project costs not expected to be reimbursed or paid from the other sources described in Paragraph 3, above, is estimated to be at least $761,015. Except for the proceeds of the EPA grant and the Supplemental Bonds, the moneys transferred from the existing Renewal and

Replacement Fund and interest earnings during construction, as described above, and except as described in Paragraph 6, below, no other funds of the City will be available to meet costs of the Project, and no balances are available to meet such costs in any account which may, without legislative or judicial action, be invaded to pay such expenditures without a legislative, judicial or contractual requirement that such account be reimbursed.

5. The Authority, as the original purchaser of the Bonds and the Supplemental Bonds, requires the City to fund and maintain its Reserve Account and its Supplemental Reserve Account at the maximum amount of principal of and any interest which will mature and come due on the Bonds or the Supplemental Bonds, as the case may be, in any year.

6. Simultaneously with the delivery of the Bonds, the City is depositing in the Reserve Account and the Supplemental Reserve Account created with the Commission amounts equal to the Reserve Account Requirement and the Supplemental Reserve Requirement, respectively. Such funds will be transferred by the City from its existing Revenue Fund, first to the Special Account, then to the Renewal and Replacement Fund and then to the Reserve Account and the Supplemental Reserve Account.

7. Pursuant to Article IV of the Ordinance, the following special funds or accounts have been created or are being maintained with respect to the Bonds:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Bond Construction Trust Fund; and

(4) Sinking Fund, and, within the Sinking Fund, the Reserve Account.

8. Pursuant to Article V of the Ordinance, the proceeds of the Bonds will be deposited in the Bond Construction Trust Fund and applied solely to payment of the Cost of the Project, including costs of issuance of the Bonds.

9. All moneys in the Sinking Fund described in Paragraph 7(4) above will be held for the payment of the principal due and the interest to accrue on the Bonds on or prior to the maturity thereof. Except for interest earned during the construction period for the Project, which will be at least annually transferred to the Bond Construction Trust Fund, moneys held in the Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to meet the Cost of the Project.

10. Except for the Sinking Fund described in Paragraph 7(4) above (including the Reserve Account established therein), there are no other funds or accounts established or held by the City 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 City encounters financial difficulties.

11. Any money deposited in the Sinking Fund, other than in the Reserve Account therein, will be spent within a thirteen-month period beginning on the date of receipt, and any money received from the investment of the amounts held in the Sinking Fund, other than in the Reserve Account therein, will be spent within a one-year period beginning on the date of receipt. Such funds are designed to achieve a proper matching of the City's revenues and debt service on the Bonds within each bond year. Investment earnings on the Reserve Account will 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.

12. The City will enter into binding obligations for construction of the Project prior to September 30, 1986, and work on the Project will proceed with due diligence to completion. Expenditures for the Project are expected to be made as set forth in the following schedule:

Period Ending	Cumulative Expenditures
December, 1986	$1,595,000
March, 1987	$2,365,000
June, 1987	$3,480,000
September, 1987	$4,630,000
December, 1987	$5,045,000
March, 1988	$5,175,500
December, 1988	$5,220,500
March, 1989	$5,234,800

All of the proceeds of the Bonds will be expended within three years of the date of issue

13. Except as provided in the Ordinance, the Project will not be sold or otherwise disposed of in whole or in part before the maturity of the Bonds.

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

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

16. The City has covenanted in the Ordinance to make no use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of the Treasury Regulations or Section 103(c) of the Internal Revenue Code of 1954, as amended.

17. To the best of my knowledge, information and belief, the above expectations are reasonable.

This certification has been delivered pursuant to Sections 1.103-13, 1.103-14 and 1.103-15 of the Treasury Regulations under Section 103(a) of the Internal Revenue Code of 1954, as amended, as part of the record of proceedings and accompanying certificates with respect to the Bonds. I am one of the officers of the City charged by the City in the Ordinance with responsibility for issuance of the Bonds, and, as such, I am an official referred to in Section 1.103-13(a)(2)(ii) whose certification may be relied upon as the certification of the City.

IN WITNESS WHEREOF, I have hereunto set my hand as of this 29 day of August, 1986.

THE CITY OF SOUTH CHARLESTON,
WEST VIRGINIA

By: Richard A. Robb
Richard A. Robb, Mayor

THE CITY OF SOUTH CHARLESTON

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

ENGINEER'S CERTIFICATE

I, Donald R. Fugette, Registered Professional Engineer, West Virginia License No. 9220, of Howard K. Bell, Consulting Engineers, Inc., Lexington, Kentucky, hereby certify that my firm is engineer for the construction and acquisition of the extensions, additions, betterments and improvements to the existing sewerage system (herein called the "Project") of The City of South Charleston, West Virginia (the "City"), to be constructed in South Charleston, West Virginia, which construction and acquisition are being financed in part by the above-captioned bonds of the City (the "Bonds"). Capitalized words not defined herein shall have the meanings set forth in Ordinance No. 1545, passed by the Council of the City on August 14, 1986, and supplemented on August 25, 1986, and the Loan Agreement and Supplemental Loan Agreement, both dated August 12, 1986, by and between the City and the West Virginia Water Development Authority.

1. The Project is estimated to cost $5,234,800 and is being funded by a United States Environmental Protection Agency (the "EPA") grant in the amount of $2,826,850, moneys in the existing Renewal and Replacement Fund in the amount of $1,042,900, interest earnings in the amount of $223,050 and $1,140,000 from the proceeds of the sale of the Bonds to the Authority.

2. The undersigned hereby certifies that (i) the Project will be constructed in accordance with the plans, specifications and designs prepared by my firm, or approved amendments thereto, and as described in the application, as amended, submitted to the Authority requesting the Authority to purchase the Bonds (the "Application"), and approved by all necessary governmental bodies; (ii) the Project is adequate for the purpose for which it was designed; (iii) the City has received bids for the construction of the Project which are in

an amount and otherwise compatible with the plan of financing described in the Application; (iv) my firm has ascertained or will prior to award ascertain that all contractors have made required provisions for all insurance and payment and performance bonds and has verified or will prior to award verify such insurance policies or binders and such bonds for accurace; (v) the City has obtained all permits required by the laws of the State and the federal government necessary for the construction of the Project, including but not limited to permits from the EPA and the West Virginia Department of Natural Resources; and (vi) the net proceeds of the Subordinate Bonds and the Supplemental Bonds, together with all other moneys on beposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants irrevocably committed therefor, are sufficient to pay the costs of construction and acquisition of the Project as set forth in the Application.

WITNESS my signature as of this 29 th day of August, 1986.

HOWARD K. BELL, CONSULTING
ENGINEERS, INC.

BY: Donald R Fizzetto

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series, 1986
$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series, 1986

ACCOUNTANT'S CERTIFICATE

The undersigned, on behalf of Howell & Paterno, independent certified public accountants, Charleston, West Virginia, hereby certifies that, based upon the rates and charges set forth in the ordinance enacted by the Council of The City of South Charleston, West Virginia (the "City"), on January 17, 1980, the audit report for the fiscal year ending June 30, 1985, which was prepared for the Sanitary Board of the City (the "Sanitary Board") by the Tax Department of the State of West Virginia, the unaudited financial statements of the Sanitary Board for the fiscal year ending June 30, 1986, the debt service schedules for the City's outstanding Sewer Revenue Bonds dated March 1, 1956, and Sewer Revenue Bonds, Series 1961, and the Schedules "X" attached to the Loan Agreement and the Supplemental Loan Agreement, both dated August 12, 1986, between the City and the West Virginia Water Development Authority (the "Loan Agreements"), the rates and charges for the sewerage system of the City are sufficient to comply with the provisions of Subsections 4.1(b)(ii) of the Loan Agreements.

WITNESS my signature this 29th day of August, 1986.

HOWELL & PATERNO

By: _____

THE SANITARY BOARD OF THE CITY OF SOUTH CHARLESTON

SCHEDULE - DEBT SERVICE COVERAGE

FOR THE YEARS ENDED JUNE 30, 1986 AND 1985

	6/30/86	6/30/85
Gross revenue	$3,346,534	$2,729,862
Operating expenses:		
Collecting system	108,812	112,603
Pumping system	86,851	80,055
Treatment and disposal system	2,704,519	2,092,813
Billing and collection	53,192	54,336
Administrative and general	169,652	162,839
Reimbursement of general and administrative expenses	(33,883)	(30,441)
Total operating expenses	3,089,143	2,472,205
Net operating revenue	257,391	257,657
Interest income	479,256	379,029
Income available for debt service	736,647	636,686
Other income (expense):		
Depreciation expense	(206,446)	(204,075)
Special receipts - U.C.C. portion of interest expense (1961 issue)	111,522	115,611
Bond interest	(197,200)	(206,403)
Bond discount amortized	(5,622)	(5,030)
Net income	$ 438,901	$ 336,789
Maximum annual debt service	$ 347,038	$ 347,038
Debt service coverage	2.12%	1.83%

SANITARY BOARD OF THE CITY OF SOUTH CHARLESTON
DEBT SERVICE SCHEDULE

YEAR	1956 BOND ISSUE PRINCIPAL	1956 BOND ISSUE INTEREST	1961 BOND ISSUE PRINCIPAL	1961 BOND ISSUE INTEREST	1961 BOND ISSUE DOMESTIC PORTION (42.47347%)	1985 SERIES A BONDS PRINCIPAL	1985 SERIES A BONDS INTEREST	ZERO COUPON BONDS	TOTAL PRINCIPAL AND INTEREST
1986	$65,000.00	$28,455.00	$200,000.00	$171,170.00	$157,648.78	$0.00	$7,213.79	$0.00	$258,317.57
1987	$65,000.00	$26,180.00	$210,000.00	$163,970.00	$158,838.04	$2,024.00	$74,198.96	$9,717.72	$335,958.72
1988	$70,000.00	$23,905.00	$50,000.00	$156,305.00	$87,624.89	$2,222.00	$74,001.62	$9,717.56	$267,471.07
1989	$60,000.00	$21,455.00	$230,000.00	$154,480.00	$163,302.00	$2,438.00	$73,784.98	$9,717.56	$330,697.54
1990	$75,000.00	$19,355.00	$240,000.00	$145,970.00	$163,934.85	$2,676.00	$73,547.27	$9,717.56	$344,230.68
1991	$75,000.00	$16,730.00	$250,000.00	$137,090.00	$164,410.56	$2,937.00	$73,286.36	$9,717.56	$342,081.48
1992	$80,000.00	$14,105.00	$260,000.00	$127,715.00	$164,676.01	$3,224.00	$73,000.01	$9,717.56	$344,722.58
1993	$63,000.00	$11,305.00	$275,000.00	$117,965.00	$166,905.87	$3,538.00	$72,685.67	$9,717.56	$327,152.10
1994	$85,000.00	$9,100.00	$285,000.00	$107,652.50	$166,773.14	$3,883.00	$72,340.71	$9,717.56	$346,814.41
1995	$85,000.00	$6,125.00	$300,000.00	$96,965.00	$168,604.81	$4,261.00	$71,962.12	$9,717.56	$345,670.49
1996	$90,000.00	$3,150.00	$310,000.00	$85,415.00	$167,946.47	$4,677.00	$71,546.67	$9,717.56	$347,037.70
1997	$0.00	$0.00	$415,000.00	$73,480.00	$207,474.41	$5,133.00	$71,090.66	$9,717.56	$293,415.63
1998	$0.00	$0.00	$435,000.00	$57,502.50	$209,182.90	$5,633.00	$70,590.20	$9,717.56	$295,123.66
1999	$0.00	$0.00	$455,000.00	$40,755.00	$210,564.35	$6,183.00	$70,040.98	$9,717.56	$296,505.89
2000	$0.00	$0.00	$475,000.00	$23,237.50	$211,618.76	$6,785.00	$69,438.14	$9,717.56	$297,559.46
2001	$0.00	$0.00	$495,000.00	$4,950.00	$212,346.11	$7,447.00	$68,776.60	$9,717.56	$298,287.27
2002	$0.00	$0.00	$0.00	$0.00	$0.00	$8,173.00	$68,050.52	$9,717.56	$85,941.08
2003	$0.00	$0.00	$0.00	$0.00	$0.00	$8,970.00	$67,253.65	$9,717.56	$85,941.21
2004	$0.00	$0.00	$0.00	$0.00	$0.00	$9,844.00	$66,379.07	$9,717.56	$85,940.63
2005	$0.00	$0.00	$0.00	$0.00	$0.00	$10,804.00	$65,419.28	$9,717.56	$85,940.84
2006	$0.00	$0.00	$0.00	$0.00	$0.00	$11,858.00	$64,365.89	$9,717.56	$85,941.45
2007	$0.00	$0.00	$0.00	$0.00	$0.00	$13,014.00	$63,209.74	$9,717.56	$85,941.30
2008	$0.00	$0.00	$0.00	$0.00	$0.00	$14,283.00	$61,940.87	$9,717.56	$85,941.43
2009	$0.00	$0.00	$0.00	$0.00	$0.00	$15,675.00	$60,548.28	$9,717.56	$85,940.84
2010	$0.00	$0.00	$0.00	$0.00	$0.00	$17,203.00	$59,019.97	$9,717.56	$85,940.53
2011	$0.00	$0.00	$0.00	$0.00	$0.00	$18,881.00	$57,342.68	$9,717.56	$85,941.24
2012	$0.00	$0.00	$0.00	$0.00	$0.00	$20,722.00	$55,501.78	$9,717.56	$85,941.34
2013	$0.00	$0.00	$0.00	$0.00	$0.00	$22,742.00	$53,481.38	$9,717.56	$85,940.94
2014	$0.00	$0.00	$0.00	$0.00	$0.00	$24,959.00	$51,264.04	$9,717.56	$85,940.60
2015	$0.00	$0.00	$0.00	$0.00	$0.00	$27,393.00	$48,830.54	$9,717.56	$85,941.10
2016	$0.00	$0.00	$0.00	$0.00	$0.00	$30,064.00	$46,159.72	$9,717.56	$85,941.28
2017	$0.00	$0.00	$0.00	$0.00	$0.00	$32,995.00	$43,228.48	$9,717.56	$85,941.04
2018	$0.00	$0.00	$0.00	$0.00	$0.00	$36,212.00	$40,011.47	$9,717.56	$85,941.03
2019	$0.00	$0.00	$0.00	$0.00	$0.00	$39,743.00	$36,480.80	$9,717.56	$85,941.36
2020	$0.00	$0.00	$0.00	$0.00	$0.00	$43,617.00	$32,605.85	$9,717.56	$85,940.41
2021	$0.00	$0.00	$0.00	$0.00	$0.00	$47,870.00	$28,353.20	$9,717.56	$85,940.76
2022	$0.00	$0.00	$0.00	$0.00	$0.00	$52,538.00	$23,685.87	$9,717.56	$85,941.43
2023	$0.00	$0.00	$0.00	$0.00	$0.00	$57,660.00	$18,563.42	$9,717.56	$85,940.98
2024	$0.00	$0.00	$0.00	$0.00	$0.00	$63,282.00	$12,941.57	$9,717.56	$85,941.13
2025	$0.00	$0.00	$0.00	$0.00	$0.00	$69,452.00	$6,771.57	$9,717.56	$85,941.13
	$813,000.00	$179,865.00	$4,885,000.00	$1,664,622.50	$2,781,851.95	$761,015.00	$2,218,914.38	$378,985.00	$7,133,631.33

SANITARY BOARD OF THE CITY OF SOUTH CHARLESTON
DEBT SERVICE SCHEDULE

YEAR	1956 BOND ISSUE PRINCIPAL	1956 BOND ISSUE INTEREST	1956 BOND ISSUE PRINCIPAL	1956 BOND ISSUE INTEREST	1985 SERIES A BONDS PRINCIPAL	1985 SERIES A BONDS INTEREST	ZERO COUPON BONDS	TOTAL PRINCIPAL AND INTEREST
1986	$65,000.00	$28,455.00	$200,000.00	$171,170.00	$0.00	$7,213.79	$0.00	$471,838.79
1987	$65,000.00	$26,180.00	$210,000.00	$163,970.00	$2,024.00	$74,198.96	$9,717.72	$551,090.68
1988	$70,000.00	$23,905.00	$50,000.00	$156,305.00	$2,222.00	$74,001.62	$9,717.56	$386,151.18
1989	$60,000.00	$21,455.00	$230,000.00	$154,480.00	$2,438.00	$73,784.98	$9,717.56	$551,875.54
1990	$75,000.00	$19,355.00	$240,000.00	$145,970.00	$2,676.00	$73,547.27	$9,717.56	$566,265.83
1991	$75,000.00	$16,730.00	$250,000.00	$137,090.00	$2,937.00	$73,286.36	$9,717.56	$564,760.92
1992	$80,000.00	$14,105.00	$260,000.00	$127,715.00	$3,224.00	$73,000.01	$9,717.56	$567,761.57
1993	$63,000.00	$11,305.00	$275,000.00	$117,965.00	$3,538.00	$72,685.67	$9,717.56	$553,211.23
1994	$85,000.00	$9,100.00	$285,000.00	$107,652.50	$3,883.00	$72,340.71	$9,717.56	$572,693.77
1995	$85,000.00	$6,125.00	$300,000.00	$96,965.00	$4,261.00	$71,962.12	$9,717.56	$574,030.68
1996	$90,000.00	$3,150.00	$310,000.00	$85,415.00	$4,677.00	$71,546.67	$9,717.56	$574,506.23
1997	$0.00	$0.00	$415,000.00	$73,480.00	$5,133.00	$71,090.66	$9,717.56	$574,421.22
1998	$0.00	$0.00	$435,000.00	$57,502.50	$5,633.00	$70,590.20	$9,717.56	$578,443.26
1999	$0.00	$0.00	$455,000.00	$40,755.00	$6,183.00	$70,040.98	$9,717.56	$581,696.54
2000	$0.00	$0.00	$475,000.00	$23,237.50	$6,785.00	$69,438.14	$9,717.56	$584,178.20
2001	$0.00	$0.00	$495,000.00	$4,950.00	$7,447.00	$68,776.60	$9,717.56	$585,891.16
2002	$0.00	$0.00	$0.00	$0.00	$8,173.00	$68,050.52	$9,717.56	$85,941.08
2003	$0.00	$0.00	$0.00	$0.00	$8,970.00	$67,253.65	$9,717.56	$85,941.21
2004	$0.00	$0.00	$0.00	$0.00	$9,844.00	$66,379.07	$9,717.56	$85,940.63
2005	$0.00	$0.00	$0.00	$0.00	$10,804.00	$65,419.28	$9,717.56	$85,940.84
2006	$0.00	$0.00	$0.00	$0.00	$11,858.00	$64,365.89	$9,717.56	$85,941.45
2007	$0.00	$0.00	$0.00	$0.00	$13,014.00	$63,209.74	$9,717.56	$85,941.30
2008	$0.00	$0.00	$0.00	$0.00	$14,283.00	$61,940.87	$9,717.56	$85,941.43
2009	$0.00	$0.00	$0.00	$0.00	$15,675.00	$60,548.28	$9,717.56	$85,940.84
2010	$0.00	$0.00	$0.00	$0.00	$17,203.00	$59,019.97	$9,717.56	$85,940.53
2011	$0.00	$0.00	$0.00	$0.00	$18,881.00	$57,342.68	$9,717.56	$85,941.24
2012	$0.00	$0.00	$0.00	$0.00	$20,722.00	$55,501.78	$9,717.56	$85,941.34
2013	$0.00	$0.00	$0.00	$0.00	$22,742.00	$53,481.38	$9,717.56	$85,940.94
2014	$0.00	$0.00	$0.00	$0.00	$24,959.00	$51,264.04	$9,717.56	$85,940.60
2015	$0.00	$0.00	$0.00	$0.00	$27,393.00	$48,830.54	$9,717.56	$85,941.10
2016	$0.00	$0.00	$0.00	$0.00	$30,064.00	$46,159.72	$9,717.56	$85,941.28
2017	$0.00	$0.00	$0.00	$0.00	$32,995.00	$43,228.48	$9,717.56	$85,941.04
2018	$0.00	$0.00	$0.00	$0.00	$36,212.00	$40,011.47	$9,717.56	$85,941.03
2019	$0.00	$0.00	$0.00	$0.00	$39,743.00	$36,480.80	$9,717.56	$85,941.36
2020	$0.00	$0.00	$0.00	$0.00	$43,617.00	$32,605.85	$9,717.56	$85,940.41
2021	$0.00	$0.00	$0.00	$0.00	$47,870.00	$28,353.20	$9,717.56	$85,940.76
2022	$0.00	$0.00	$0.00	$0.00	$52,538.00	$23,685.87	$9,717.56	$85,941.43
2023	$0.00	$0.00	$0.00	$0.00	$57,660.00	$18,563.42	$9,717.56	$85,940.98
2024	$0.00	$0.00	$0.00	$0.00	$63,282.00	$12,941.57	$9,717.56	$85,941.13
2025	$0.00	$0.00	$0.00	$0.00	$69,452.00	$6,771.57	$9,717.56	$85,941.13
	$813,000.00	$179,865.00	$4,885,000.00	$1,664,622.50	$761,015.00	$2,218,914.38	$378,985.00	$10,901,401.88

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 29 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 $761,015 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 $378,985 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 and nonsubstantively amended 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, MAYOR

KANAWHA VALLEY BANK, N.A.

By: _____
Its ASST. CORP. TRUST OFFICER

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

CHARLESTON NATIONAL BANK, a national banking association with its principal office in the City of Charleston, and with an office in The City of South Charleston, West Virginia, hereby accepts appointment as Depository Bank in connection with Ordinance No. 1545, passed by the Council of The City of South Charleston on August 14, 1986, as supplemented on August 25, 1986 (the "Ordinance"), authorizing issuance of the above-referenced bonds, and agrees to perform any and all duties of the Depository Bank all as set forth in said Ordinance, a copy of which has been delivered to the undersigned bank.

Witness my signature as of the 29th day of August, 1986.

CHARLESTON NATIONAL BANK

By: Sharon L. Jurzik

Its: Asst. Branch Manager

REQUISITION AS TO LOAN TO GOVERNMENTAL AGENCY

TO: KANAWHA VALLEY BANK, N.A., Trustee

A. Name of Governmental Agency to which payment is to be made: The City of South Charleston, West Virginia

B. Total Amount to be paid: $761,015 (Loan Account Fund B)

C. Certification by Water Development Authority:

I hereby certify that under the terms and provisions of the Loan Agreement providing for the Loan to the above-captioned Governmental Agency, dated as of August 12, 1986, said Governmental Agency has sold its Local Bonds to the Authority in the principal amount equal to the amount of the Loan set forth in B above, that such Governmental Agency is obligated to make Local Bonds Payments and to pay Fees and Charges in accordance with Section 9.09 of the General Resolution and that such Governmental Agency is not in default under any of the terms or provisions of said Loan Agreement.

I further certify that the Local Bonds Payments will be sufficient to pay interest on and Principal Installments of the Bonds, the proceeds of which were used to fund the Loan Obligation, as such interest and Principal Installments come due.

The above certifications comply with Subsections 6.06(2)(a)(ii) and (v) of the General Resolution.

Edgar N. Henry

Authorized Representative
West Virginia Water Development Authority

DATE: August 29, 1986

ASSIGNMENT SEPARATE FROM BOND

FOR VALUE RECEIVED, the West Virginia Water Development Authority hereby sells, assigns and transfers unto Kanawha Valley Bank, N.A., Charleston, West Virginia, the Subordinate Sewer Revenue Bond, Series 1986, numbered R-1, of The City of South Charleston, West Virginia, in the principal amount of $761,015 and standing in the name of the West Virginia Water Development Authority on the books of said Governmental Agency.

Dated: August 29, 1986.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

Edgar N. Henry

Authorized Representative

The City of South Charleston
Sanitary Board
Box 8336
South Charleston, West Virginia 25303

August 29, 1986

Charleston National Bank
505 "D" Street
South Charleston, WV 25303

Kanawha Valley Bank, N.A.
Corporate Trust Department
One Valley Square
P. O. Box 1793
Charleston, WV 25326

West Virginia Municipal Bond
Commission
Building 3, Suite 337
1800 Washington Street, East
Charleston, WV 25305

Re: The City of South Charleston, West Virginia
$761,015 Subordinate Sewer Revenue Bonds,
Series 1986, and $378,985 Supplemental Subordinate
Sewer Revenue Bonds, Series 1986

Ladies and Gentlemen:

In connection with the issuance of the above-referenced Bonds, the Sanitary Board of The City of South Charleston request that you make the transfers and deposits as set forth in this letter. Such transfers and deposits have been approved by Ordinance No. 1545, passed by the Council of the City on August 14, 1986, as supplemented and nonsubstantively amended on August 25, 1986 (the "Ordinance"). Such transfers should be made no later than 10:00 a.m. on Friday, August 29, 1986, and such deposits should be made immediately upon receipt of the funds.

Charleston National Bank shall transfer $1,042,900 from the Renewal and Replacement Fund (CNB Account No. 00-22055; State Pool Account No. G 367-02) to the Bond Construction Trust Fund established by the Ordinance.

Charleston National Bank shall transfer $85,941.73 from the Revenue Fund (CNB Account No. 00-22063; State Pool Account No. G 367-01) to the West Virginia Municipal Bond Commission (the "Commission"). Wire instructions are as follows: From Charleston National Bank, ABA 0519-00366, to Kanawha Valley Bank, N.A., ABA 0519-00353 [Code 12] for the account of the Treasurer of the State of West Virginia (Account No. 846-387-9) for credit to the Commission, for further credit to The City of South Charleston Sewer Bonds. The Commission shall deposit $76,224.01 of the amount received in the Reserve Account and $9,717.72 of the amount received in the Supplemental Reserve Account established by the Ordinance.

Upon direction from the Authority, Kanawha Valley Bank, N.A., as trustee for the Authority, shall deliver $761,015, being the proceeds of the Subordinate Bonds, to the City. The City shall deposit such moneys in the Bond Construction Trust Fund established by the Ordinance.

Charleston National Bank is hereby instructed to invest the Bond Construction Trust Fund in the consolidated fund managed by the West Virginia State Board of Investments until receipt of new instructions.

It has been determined that the available interest rate offered by an acceptable depository in Kanawha County is less than the interest rate, net of administrative fees, offered by the State Board of Investments.

Capitalized terms used and not otherwise defined in this letter have the respective meanings given them in the Ordinance, a copy of which is delivered herewith.

Very truly yours,

Richard A. Robb

Richard A. Robb
Mayor and Chairman of The
Sanitary Board

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds,
Series 1986 and $378,985 Supplemental
Subordinate Sewer Revenue Bonds, Series 1986

CERTIFICATE OF THE TREASURER OF
THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

I, Jerry Forster, Treasurer of The City of South Charleston, West Virginia (the "City") hereby certify that I have determined that the available interest rate offered by acceptable depositories in Kanawha County on the investment of the proceeds of the above-referenced Bonds received by the City and the moneys held in the funds and accounts established by the Bond Ordinance, is less than the interest rate, net of administrative fees, offered to the City through the West Virginia State Board of Investments.

WITNESSTH my signature this 26th day of August 1986.

Treasurer of The City of
South Charleston, West Virginia

Jerry Forster

Jerry Forster

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION AND DELIVERY OF THE BONDS

August 29, 1986

Kanawha Valley Bank, N.A.
Summers & Lee Streets
Box 1793
Charleston, West Virginia 25326
Attention: Corporate Trust Department

Ladies and Gentlemen:

We herewith hand to you, duly executed, the entire issue of $761,015 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, in the form of one bond numbered R-1, and the entire issue of $378,985 in aggregate principal amount of Supplemental Subordinate Sewer Revenue Bonds, Series 1986, in the form of one bond numbered SR-1 (together, the "Bonds"), of The City of South Charleston, West Virginia (the "City"), authorized to be issued under and pursuant to the Ordinance No. 1545, passed by the Council of the City on August 14, 1986, and supplemented and nonsubstantively amended on August 25, 1986 (the "Ordinance").

You are hereby requested and authorized to authenticate the Bonds and to register and deliver the Bonds on behalf of the City to the West Virginia Water Development Authority.

THE CITY OF SOUTH CHARLESTON

By Richard A. Robb
RICHARD A. ROBB, Mayor

(SEAL)

Attest:

Carles J. Atkinson
City Clerk

THE CITY OF OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

CERTIFICATE OF REGISTRATION AND DELIVERY OF BONDS

I, David P. Kirby, Assistant Corporate Trust Officer of Kanawha Valley Bank, N.A., as Registrar under the ordinance providing for the issuance of the Subordinate Sewer Revenue Bonds, Series 1986 (the "Subordinate Bonds"), and the Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (the "Supplemental Bonds") (collectively, the "Bonds"), of The City of South Charleston, West Virginia (the "City"), hereby certify that on the 29 day of August, 1986, the fully registered Subordinate Bonds in the principal amount of $761,015 and in the form of one bond numbered R-1, and the Supplemental Bonds in the principal amount of $378,985 and in the form of one bond numbered SR-1, both dated of the date hereof, were duly authenticated, were registered as to principal and the Subordinate Bonds were registered as to interest in the name of "West Virginia Water Development Authority" in the books of the City kept for that purpose at our office, and were delivered to the West Virginia Water Development Authority upon the request of the City, all of which actions were taken by a duly authorized officer or officers on behalf of Kanawha Valley Bank, N.A., as Registrar.

WITNESS my signature as of the 29 day of August, 1986.

KANAWHA VALLEY BANK, N.A.

By: David P. Kirby

Its: Assistant Corporate Trust Officer

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds,
Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds,
Series 1986

RECEIPT FOR BONDS

The undersigned, EDGAR N. HENRY, Director of the West Virginia Water Development Authority, for and on behalf of the West Virginia Water Development Authority (the "Authority"), hereby certifies as follows:

1. On the date hereof, in Dunbar, West Virginia, the Authority received the entire original issue of $761,015 in aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986 (the "Subordinate Bonds"), of The City of South Charleston, West Virginia (the "City"), and the entire original issue of $378,985 in aggregate principal amount of the City's Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (the "Supplemental Bonds") (collectively, the "Bonds"). Said Bonds were dated the date hereof, and were issued in the form of one bond per issue, fully registered to the Authority, and numbered R-1 and SR-1, respectively.

2. At the time of receipt of such Bonds, they had been executed by Richard A. Robb, as Mayor of the City, by his manual signature, and attested by Carles J. Atkinson, as City Clerk by her manual signature, and the official seal of the City had been impressed upon each Bond.

3. The Authority specifically recognizes that the Supplemental Bonds evidence no indebtedness until the proceeds thereof have been received by the City.

IN WITNESS WHEREOF, Edgar N. Henry, Director, duly signed and delivered this receipt on behalf of the West Virginia Water Development Authority on the 29 day of August, 1986.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Edgar N. Henry
Director

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

$761,015 Subordinate Sewer Revenue Bonds, Series 1986

$378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

RECEIPT FOR BOND PROCEEDS

The undersigned Richard A. Robb, Mayor of The City of South Charleston, West Virginia (the "City"), hereby certifies as follows:

1. The City has received and hereby acknowledges receipt from the West Virginia Water Development Authority (the "Authority"), as original purchaser of the City's $761,015 in the aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1986, of the proceeds of said Bonds in the amount of $761,015 (100% of par value), with no interest having been accrued thereon.

2. The City has delivered its Supplemental Subordinate Sewer Revenue Bond, Series 1986, in the aggregate principal amount of $378,985 to the Authority. Proceeds of said Bond in the amount of $378,985 (100% of par value) are expected to be received from the Authority within one month from the date hereof. Such Bond shall not evidence any indebtedness until such proceeds are received. Immediately upon receipt of such proceeds, the City will execute and deliver to the Authority a receipt in substantially the form attached as Exhibit A hereto.

IN WITNESS WHEREOF, The City of South Charleston has caused this receipt to be executed by its Mayor on this 24 day of August, 1986.

THE CITY OF SOUTH CHARLESTON,
WEST VIRGINIA

By: Richard A. Robb
RICHARD A. ROBB, Mayor

REQUISITION FORM

Charleston National Bank
P. O. Box 8038
505 D Street
South Charleston, WV 25303

Re: The City of South Charleston, West Virginia
$761,015 Subordinate Sewer Revenue Bonds,
Series 1986

$378,985 Supplemental Subordinate Sewer
Revenue Bonds, Series 1986

Ladies and Gentlemen:

You are authorized to make the following disbursements from the Bond Construction Trust Fund created pursuant to Ordinance No. 1545, as supplemented and nonsubstantively amended, authorizing the above-noted Bonds, a copy of which has been previously delivered to you:

The expenses listed above have been incurred as Costs of the Project and have not been the basis of any previous disbursement.

THE SANITARY BOARD,
THE CITY OF SOUTH CHARLESTON

By: _____
Chairman

HOWARD K. BELL, CONSULTING
ENGINEERS, INC.

By: _____

DATE: _____

JACKSON, KELLY, HOLT & O'FARRELL
(IN KENTUCKY, JACKSON, KELLY, WILLIAMS & PALMORE)
ATTORNEYS AT LAW
1600 LAIDLEY TOWER
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322

TELEPHONE 304-340-1000 TELECOPIER 304-340-1130

WRITER'S DIRECT DIAL NO.

MORGANTOWN OFFICE
618 MONONGAHELA BUILDING
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-292-7311

LOUISVILLE OFFICE
10100 LINN STATION ROAD
LOUISVILLE, KENTUCKY 40223
TELEPHONE 502-426-3055

LEXINGTON OFFICE
2365 HARRODSBURG ROAD
LEXINGTON, KENTUCKY 40504
TELEPHONE 606-223-3080

OWENSBORO OFFICE
225 ST. ANN STREET
OWENSBORO, KENTUCKY 42301
TELEPHONE 502-926-8332

4.1

August 29, 1986

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

Gentlemen:

We are bond counsel to The City of South Charleston, West Virginia (the "Governmental Agency"), a municipal corporation created and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated August 12, 1986 (the "Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Governmental Agency, dated August 29, 1986 (the "Subordinate Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Subordinate Bonds are in the principal amount of $761,015, issued in the form of one bond registered as to principal and interest to the Authority, with interest payable April 1 and October 1 of each year, beginning April 1, 1987, at the rate of 9.75 percent per annum, and with principal payable in installments on October 1 in each of the years 1987 through 2025, inclusive, all as set forth in Exhibit A incorporated in and made a part of the Subordinate Bonds.

The Subordinate Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the Governmental Agency's Sewer Revenue Bonds, dated March 1, 1956, and Sewer Revenue Bonds, Series 1961 (the "Prior Bonds").

The Subordinate Bonds are issued for the purpose of acquiring and constructing certain extensions, additions, betterments and improvements to the sewerage system of the

Governmental Agency, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Local Statute"), under which the Subordinate Bonds are issued, and the Loan Agreement that has been undertaken, including all schedules and exhibits to the Loan Agreement. The Subordinate Bonds have been authorized by an ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Loan Agreement. The Subordinate Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary resolutions and orders in connection with the issuance and sale of the Subordinate Bonds.

5. The Subordinate Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a second lien on and pledge of the net revenues of said System, all in accordance with the terms of the Subordinate Bonds and the Local Act, and have been duly issued and delivered to the Authority. Said lien and pledge is junior, subordinate and inferior to that created for the Prior Bonds.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Subordinate Bonds, as provided in the Local Act.

7. The Subordinate Bonds are, by statute, exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof. Under the laws of the State of West Virginia as presently written and applied, the interest on the Subordinate Bonds is exempt from personal income taxes imposed directly thereon by the State of West Virginia, and under existing statutes and court decisions of the United States of America, as presently written and applied, the interest on the Subordinate Bonds is exempt from federal income taxation.

Please be advised that on December 17, 1985, the United States House of Representatives passed the Tax Reform Act of 1985 ("H.R. 3838"), which contains provisions that, if enacted into law, would impose additional requirements as a condition to the exemption from federal income taxation of interest on state and local governmental obligations issued after December 31, 1985, and would add as a preference item to be included in calculating alternative minimum taxable income, interest on certain tax-exempt obligations issued after December 31, 1985.

On March 14, 1986, a joint statement was issued by the Chairmen and Ranking Minority Members of the House Committee on Ways and Means and the Senate Committee on Finance and by the Secretary of the Treasury (the "Joint Statement"), endorsing the postponement, until the earlier of September 1, 1986, or the date of enactment of tax reform legislation, of the effective date of certain of the provisions of H.R. 3838 that could have a material adverse impact on the tax-exempt status

of the Subordinate Bonds. We are of the opinion that the Subordinate Bonds are entitled to the postponement described in the Joint Statement.

On May 6, 1986, the Committee on Finance of the United States Senate ordered reported an amendment in the nature of a substitute to H.R. 3838 (the "Senate Amended H.R. 3838"). On June 24, 1986, the Senate Amended H.R. 3838, as so reported, was passed by the United States Senate with certain technical corrections and floor amendments. The Senate Amended H.R. 3838 provides that an alternative minimum tax would be imposed on corporations at a 20 percent rate, and that one-half of the adjusted net book income of a corporation reported on its financial statements not otherwise included in the minimum tax base would be a preference item in the calculation of the alternative minimum tax. The report accompanying the Senate Amended H.R. 3838 specifies that financial statement income generally will include the amount of interest from obligations of states and political subdivisions thereof received by the taxpayer that otherwise is exempt from taxation, such as interest on the Subordinate Bonds. This provision is not addressed in the Joint Statement.

On August 16, 1986, the Committee of Conference on H.R. 3838 (the "Conference Committee") reached an agreement on the terms of H.R. 3838. A summary of the terms of this agreement was released by the Joint Committee on Taxation on August 16, 1986, in a working document (the "Working Document"), incorporating the provisions of the Joint Statement with certain modifications which are not applicable to the Subordinate Bonds. The statutory language of H.R. 3838 as agreed to by the Conference Committee is not presently available. We are of the opinion that the exemption from federal income taxation of interest on the Subordinate Bonds would not be affected if H.R. 3838, as described in the Working Document, were enacted into law, except as described above with respect to the calculation of the alternative minimum tax imposed on corporations.

There can be no assurance that the Joint Statement will not be amended or revised or that either version of H.R. 3838 or the Working Document will not be amended prior to enactment, or that additional or alternative legislation will not be introduced or enacted after the issuance of the Subordinate Bonds, so as to affect adversely the exemption of

interest on the Subordinate Bonds from federal income taxation or from personal income taxes imposed directly thereon by the State, the tax treatment of such interest received by certain owners of the Subordinate Bonds or the market value of the Subordinate Bonds or to impose additional requirements as a condition on such exemptions.

8. No opinion is given herein as to the enforceability of remedies with respect to the Subordinate Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights or general equitable principles.

9. We have examined executed Subordinate 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,

Jackson, Kelly, Holt & O'Farrell

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4.2

August 29, 1986

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

Gentlemen:

We are bond counsel to The City of South Charleston, West Virginia (the "Governmental Agency"), a municipal corporation created and existing under the laws of the State of West Virginia.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement, dated August 12, 1986 (the "Supplemental Loan Agreement"), between the Governmental Agency and the West Virginia Water Development Authority (the "Authority"), and (ii) the issue of a series of supplemental, subordinate revenue bonds of the Governmental Agency, dated August 29, 1986 (the "Supplemental Bonds"), to be purchased by the Authority in accordance with the provisions of the Supplemental Loan Agreement. The Supplemental Bonds are in the principal amount of $378,985, issued in the form of one bond registered as to principal to the Authority, without interest thereon, with principal payable in installments of $9,717.56 on October 1 in each of the years 1988 through 2025, inclusive, and $9,717.72 in 1987.

The Supplemental Loan Agreement is supplemental to a loan agreement dated August 12, 1986, also between the Governmental Agency and the Authority (the "Loan Agreement"). The Supplemental Bonds are junior, subordinate and inferior as to lien and source of and security for payment to the bonds issued pursuant to the Loan Agreement (the "Subordinate Bonds"), which Subordinate Bonds are issued simultaneously

herewith and to the Governmental Agency's Sewer Revenue Bonds dated March 1, 1956, and Sewer Revenue Bonds, Series 1961 (the "Prior Bonds").

The Supplemental Bonds are issued, together with the Subordinate Bonds, for the purpose of acquiring and constructing certain extensions, additions, betterments and improvements to the sewerage system of the Governmental Agency, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13, of the Code of West Virginia, 1931, as amended (the "Local Statute"), under which the Supplemental Bonds are issued, and the Supplemental Loan Agreement that has been undertaken, including all schedules and exhibits to the Supplemental Loan Agreement. The Supplemental Bonds have been authorized by a bond ordinance (the "Local Act") duly enacted by the Governmental Agency, which contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Supplemental Loan Agreement. The Supplemental 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 Supplemental 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 Supplemental Loan Agreement has been duly authorized by and executed on behalf of the Governmental Agency and is a valid and binding special obligation of the Governmental Agency enforceable in accordance with the terms thereof.

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

3. The Governmental Agency is a duly organized and presently existing municipal corporation created and existing under the laws of the State of West Virginia, with full power

and authority to construct and acquire the Project and to operate and maintain the System referred to in the Supplemental Loan Agreement and to issue and sell the Supplemental Bonds, all under the Local Statute and other applicable provisions of law.

4. The Governmental Agency has legally and effectively enacted the Local Act and all other necessary resolutions and orders in connection with the issuance and sale of the Supplemental Bonds.

5. The Supplemental Bonds are valid and legally enforceable special obligations of the Governmental Agency, payable from the net revenues of the System referred to in the Local Act and secured by a third lien on and pledge of the net revenues of said System, all in accordance with the terms of the Supplemental Bonds and the Local Act, and have been duly issued and delivered to the Authority. Said lien and pledge are junior, subordinate and inferior to that created for the Prior Bonds and the Subordinate Bonds.

6. The Governmental Agency has reserved the right to issue additional bonds ranking on a parity with the Supplemental Bonds, as provided in the Local Act.

7. The Supplemental Bonds are, by statute, exempt from taxation by the State of West Virginia or any county, municipality, political subdivision or agency thereof.

No opinion is given herein as to the enforceability of remedies with respect to the Supplemental Bonds under any applicable bankruptcy, insolvency, moratorium or other laws affecting creditors' rights or general equitable principles.

This opinion is qualified to the extent that the proceeds of the Supplemental Bonds, being $378,985, were not received by the Governmental Agency at the time of delivery. The Supplemental Bonds evidence no debt until the proceeds are received by the Governmental Agency.

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

Very truly yours,

Jackson, Kelly, Holt & O'Farrell

JACKSON, KELLY, HOLT & O'FARRELL
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4.3

August 29, 1986

The City of South Charleston
City Hall
4th Avenue & D Street
South Charleston, West Virginia 25303

Re: The City of South Charleston, West Virginia $761,015 Subordinate Sewer Revenue Bonds, Series 1986

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance of the Subordinate Sewer Revenue Bonds, Series 1986 (the "Bonds"), in the principal amount of $761,015, of The City of South Charleston, West Virginia (the "City"), a municipal corporation organized and existing under the laws of the State of West Virginia.

In connection with such examination, we have reviewed the certification of even date herewith of Richard A. Robb, Mayor of the City, relating to the expectation that the proceeds of the issuance of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and in effect on the date hereof.

Based upon our examination of law and review of such certification, it is our opinion that the Bonds will not be "arbitrage bonds" for the purposes of Section 103(c) and Sections 1.103-13, 1.103-14 and 1.103-15 of the Treasury Regulations under the Internal Revenue Code of 1954, as amended and in effect on the date hereof.

No matters have come to our attention which in our opinion make unreasonable or incorrect the representations made in such certification.

Very truly yours,

Jackson, Kelly, Holt & O'Farrell

CITY OF SOUTH CHARLESTON
4TH AVENUE & D STREET
SOUTH CHARLESTON, WEST VIRGINIA 25303

OFFICE OF THE CITY ATTORNEY PHONE 744-5301

August 26, 1986

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

Jackson, Kelly, Holt and O'Farrell
Post Office Box 553
Charleston, West Virginia 25322

Re: The City of South Charleston, West Virginia
$1,000,000 Subordinate Sewer Revenue Bonds, Series 1986

$500,000 Supplemental Subordinate Sewer Revenue Bonds, Series 1986

Ladies and Gentlemen:

I am City Attorney for The City of South Charleston, West Virginia (the "City"). As City Attorney, I have examined copies of the approving opinions of Jackson, Kelly, Holt and O'Farrell, as bond counsel, relating to the above-captioned bonds of the City (the "Bonds"), the Loan Agreement and Supplemental Loan Agreement by and between the West Virginia Water Development Authority (the "Authority") and the City, both dated August 12, 1986, and Ordinance No. 1545 enacted by the City on August 25, 1986, as nonsubstantively amended and supplemented by a resolution adopted on August 25, 1986 (the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinions, the Loan Agreement, Supplemental Loan Agreement and Ordinance and not otherwise defined herein have the same meanings herein.

I am of the opinion that:

1. The Loan Agreement and Supplemental Loan Agreement have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the Authority, constitute valid and binding agreements of City in accordance with their terms.

2. The members of the Council were duly and properly elected or appointed and are thereby authorized to act on behalf of the City.

3. The Ordinance has been duly enacted by the City and is in full force and effect.

4. The City has obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") necessary for the issuance of the Bonds, construction of the Project and imposition of the rates and charges established by an ordinance duly enacted by the Council on January 17, 1980, and has taken any and all other action required for the imposition of such rates and charges.

5. The execution and delivery of the Bonds and the Loan Agreement and Supplemental Loan Agreement and the consummation of the transactions contemplated by the Loan Agreement or the Supplemental Loan Agreement, 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 City a breach of or default under any agreement or other instrument to which the City is a party or any existing law, regulation, court order or consent decree to which the City is subject.

6. The City has received all the necessary permits, licenses, approvals and authorizations that are presently required to construct the Project.

7. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Loan Agreement or the Supplemental Loan Agreement, the validity of the Bonds or the collection or pledge of the Net Revenues to the payment of the Bonds.

Very truly yours,

Harley E. Tingler
City Attorney

HET:ams