THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

Closing: May 25, 1999

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TRANSCRIPT OF PROCEEDINGS

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The closing of the sale of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds"), will take place at the offices of the West Virginia Water Development Authority in Charleston, West Virginia, at 10:00 a.m. prevailing time on May 25, 1999. No transaction shall be deemed to have been completed and no documents shall be deemed to have been delivered unless or until all transactions are complete and all documents delivered.

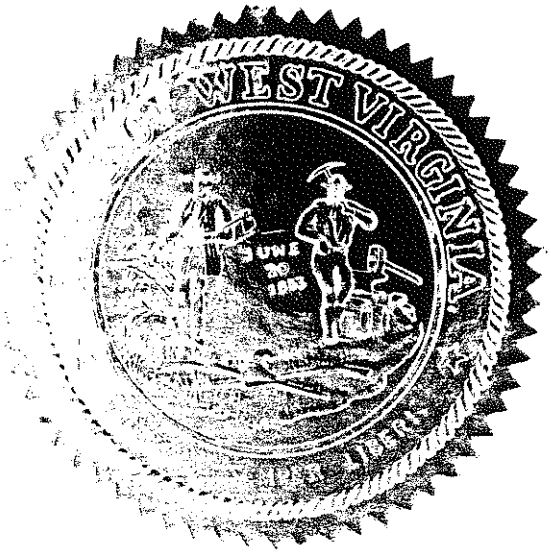
CHASFS3:144717

State of West Virginia

Certificate

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

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



Given under my hand and the Great Seal of the State of West Virginia on this Twenty-fourth *day of* May *19* 99

Secretary of State

sanitary district, said county court shall enter an appropriate order as hereinbefore provided, and such additional territory shall thenceforth be deemed an integral part of such sanitary district. (1933, Ex. Sess., c. 24, § 13.)

Editor's notes. — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

§ 16-12-14. Disconnection of territory from sanitary district.

Any contiguous territory located within the boundaries of any sanitary district organized under this article, and upon the border of such sanitary district, may become disconnected from such sanitary district in the manner following, to wit: Ten percent or more of the legal voters resident in the territory sought to be disconnected from such sanitary district may petition the county court (county commission) of the county in which the original petition for the organization of said sanitary district was filed, to cause the question of such disconnection to be submitted to the legal voters of such territory whether such territory shall be disconnected. Said petition shall be addressed to the county court of the county in which the original petition for the formation of such sanitary district was filed and shall contain a definite description of the boundaries of such territory to be disconnected and recite as a fact, that there is no bonded indebtedness of such sanitary district incurred while such territory to be disconnected was a part of such sanitary district and that such territory to be disconnected is not, at the time of the filing of such petition, and will not be, either benefited or served by any work or improvement either then existing or then authorized by said sanitary district. Upon filing such petition in the office of the county clerk of the county in which the original petition for the formation of such sanitary district has been filed it shall be the duty of the county court of the county in which the original petition for the formation of such sanitary district was filed, to consider the boundaries of such territory and the facts upon which the petition is founded, and shall consider the limits and boundaries of such proposed territory, in the same manner as provided for locating, fixing and deciding of the limits and boundaries of the original sanitary district, as provided in section one [§ 16-12-1] of this article. If any part of the territory proposed to be disconnected is situated in another county or counties other than that county in which the original petition was filed, then it shall be the duty of the said county court of the county in which the original petition was filed to call to its assistance the county courts of counties in which portions of such territory proposed to be disconnected is situated; such county courts shall constitute themselves a board of commissioners, and after electing a presiding officer from among themselves, shall consider the boundaries of such territory and the facts upon which the petition is founded, and shall consider the limits and boundaries of such proposed territory to be disconnected, in the same manner as provided for locating, fixing and deciding of the limits and boundaries of the original sanitary district, as provided in section one of this article: Provided, however, That it shall be the duty of the county

court or the board of commissioners to deny the prayer of the petition for the disconnecting of any territory from the original sanitary district, if the material allegations therein contained are not founded in fact.

Notice shall be given by the county court of the time and place, when and where all persons interested will be heard substantially as provided in section one [§ 16-12-1] of this article. The conduct of the hearing and the manner of conducting the subsequent election on the question whether such territory shall become disconnected and the issuance, reception, return and canvassing of the ballots shall be, as nearly as possible, in accordance with the provisions of section one of this article. The ballots for the election provided for in this section shall be substantially as follows, to wit:

☐ For disconnection from sanitary district.

☐ Against disconnection from sanitary district.

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

Editor's notes. — As to the designation of county courts as county commissions, see W. Va. Const., art. IX, § 9.

ARTICLE 13.

SEWAGE WORKS OF MUNICIPAL CORPORATIONS AND SANITARY DISTRICTS.

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16-13-1. Acquisition, operation, etc., of works; acquisition of property; issuance of bonds.
16-13-2. Sanitary board to supervise and control construction, etc., of works; appointment of board; definitions.
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Editor's notes. — Acts 1989, 1st Ex. Sess., c. 3, redesignated the board of health and the department of health as the division of health, within the department of health and human resources. See also, Acts 1997, c. 225.

Constitutionality. — See Brewer v. City of Point Pleasant, 114 W. Va. 572, 172 S.E. 717 (1934); Stevenson v. City of Bluefield, 39 F. Supp. 462 (S.D.W. Va. 1941); West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

Obligations incurred by a city under the authority of this article permitting the issuance of revenue bonds for the construction of sewers are not to be deemed "debts" within the constitutional inhibition. 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).

In general. — 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).

Conflict of laws. — There is no conflict between this article, authorizing a city to incur expenses which are to be payable solely from the proceeds of revenue bonds, and the general statutory limitations on the expenditure of money and incurring of obligations with respect to funds produced by 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).

Legislative intent. — It appears clear that the legislature recognized the need for municipal utility systems; however, it did not wish the municipality to become generally obligated for the building or acquisition of the system. Financing is provided for primarily by revenue bonds, and bondholders are assured of a safe investment through the collection of sufficient user charges to service the bonds and maintain the assets of the system. Op. Att'y Gen., April 3, 1979.

Limitations. — Where a city made an agreement with the federal works administrator under the War Mobilization and Reconversion Act of 1944 with regard to advances of money to the city for the purpose of plan preparation for construction of a proposed sewage treatment and disposal system, the limitation imposed by this article would be read into the agreement, since the parties are presumed to know the extent of the city's authority to make a binding contract. 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).

Nonresidents. — Municipality may not compel nonresidents to connect with a municipal sewer extended without its corporate limits. 48 Op. Att'y Gen. 19 (1958).

Ordinance held valid. — An ordinance of a municipal corporation, creating a sanitary board and authorizing such sanitary board to enter into contracts for the construction of a sewage system, was within the police power of the State delegated to municipalities by this chapter. West Virginia Water Serv. Co. v. Cunningham, 143 W. Va. 1, 98 S.E.2d 891 (1957).

§ 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.)

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

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

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

§ 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 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.)

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); Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

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

The board shall have power to take all steps and proceedings and to make and enter into all contracts or agreements necessary or incidental to the performance of its duties and the execution of its powers under this article: Provided, That any contract relating to the financing of the acquisition or construction of any 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 five thousand dollars, shall be made without advertising for bids, which bids shall be publicly opened and award made to the best bidder, with power in the board to reject any or all bids. After the construction, installation, and completion of the works, or the acquisition thereof, the board shall operate, manage and control the same and may order and complete any extensions, betterments and improvements of and to the works that the board may 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. The sanitary board may declare an emergency situation in the event of collector line breaks or vital treatment plant equipment failure and shall be exempted from competitive bidding requirements and enter into direct purchase agreements or contracts for such expenses. 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; 1989, c. 133.)

Immunity. — 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).

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.)

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

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

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

§ 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.)

§ 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.)

Advances. — 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).

Preliminary expenses. — 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).

§ 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 references. — See notes to § 16-13-8.

Applicability. — 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).

Contracts between municipalities. — Under the provisions of §§ 16-13-19 and 16-13-23a, a city and a town could 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 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 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.)

§ 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.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see R.C.P. 2.

Applicability. — Although the public service commission concluded that cities providing only sewer service are not covered by this section, which applies to municipalities that provide both water and sewer service, the district court implicitly rejected the commission's interpretation. City of Charleston v. Public Serv. Comm'n, 57 F.3d 385 (4th Cir. 1995), cert. denied, — U.S. —, 116 S. Ct. 474, 133 L. Ed. 2d 404 (1995).

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).

Jurisdiction. — 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).

Municipal sewer system is subject to jurisdiction of public service commission, so 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).

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).

Cited in Delardas v. Morgantown Water Comm'n, 148 W. Va. 776, 137 S.E.2d 426 (1964).

§ 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 the organization of the board, and that the custody, administration, operation and maintenance of such works shall be under the supervision and control of a sanitary board, created as herein provided. Such sanitary board shall be composed of either the mayor of the municipality, or the city manager thereof, if said municipality shall have a city manager form of government, and two persons appointed by the governing body: Provided, That, in the event of an acquisition or merger of an existing sewage works, the governing body may increase the membership to a maximum of four members in addition to the mayor or city manager of the

municipality served by the board. During the construction period one of the members must be a registered professional engineer. The engineer member of the board need not be a resident of said municipality. After the construction of the plant has been completed, the engineer member may be succeeded by a person not an engineer. No officer or employee of the municipality, whether holding a paid or unpaid office, shall be eligible to appointment on said sanitary board until at least one year after the expiration of the term of his 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; 1992, c. 95.)

In general. — 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).

Construction. — 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).

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).

Board membership. — When a municipal corporation has a city manager 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).

City treasurer. — 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).

Consulting engineer. — 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).

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).

Legislative intent. — 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).

Applied in Hawkins 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, of the county where the offense was committed, shall have concurrent jurisdiction to try such offense. (1957, c. 138; 1967, c. 105.)

Editor's notes. — The phrase "justice of the peace" and the word "justice," when used in a context meaning "justice of the peace," are construed to mean "magistrate." See § 50-1-17 and W. Va. Const., art. VIII, § 15.

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

Any municipality operating a sewage collecting system and/or a sewage disposal plant or plants 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 principal or interest of any of the bonds on the date therein named for such payment, any court having jurisdiction of the action may appoint a receiver to administer the works on behalf of the municipality and the bondholders and/or trustee, except as so restricted, 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 article and the said ordinance and/or trust indenture. (1933, Ex. Sess., c. 25, § 21.)

Rules of Civil Procedure. — As to abolition of procedural distinctions between law and equity, see Rule 2.

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. Any other provisions of this article to the contrary notwithstanding, interest on any such loans or temporary advances may be paid from the proceeds thereof until the maturity of such notes or other negotiable instrument.

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

Stated in United States v. City of Charleston, 149 F. Supp. 866 (S.D.W. Va. 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 municipality as long as any of said bonds, or interest thereon, are outstanding and unpaid. (1955, c. 132.)

§ 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.)

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

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

Notwithstanding any other provision contained in this article, and in addition thereto, the governing body of any municipal corporation which has received or which hereafter receives an order issued by the director of the division of environmental protection or the environmental quality board requiring such municipal corporation to cease the pollution of any stream or waters, is hereby authorized and empowered to fix, establish and maintain, by ordinance, just and equitable rates 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 director of the division of environmental protection or the environmental quality board, and for the operation, maintenance and repair of the entire works and system; 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 municipal bond 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 shall have had 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 is 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, That if such change or readjustment be made substantially pro rata, as to all classes of service, no hearing or notice is required. If any rate or charge so established is not paid within thirty days after the same is due, the amount thereof, together with a penalty of ten percent, and a reasonable attorney's fee, may be recovered by the sanitary board of such municipal corporation in a civil action in the name of the municipality. Any municipal corporation exercising the powers given herein has authority to construct, acquire, improve, equip, operate, repair and maintain any plants, machinery, or works necessary to comply with such order of the director of the division of environmental protection or the environmental quality board, and the authority provided herein to establish, maintain and collect rates or charges is an additional and alternative method of financing such works and matters, and is 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 director of the division of environmental protection or the environmental quality board, and the rights, powers, and duties of such municipal corporation and the respective officers and departments thereof, including the sanitary board, are governed by the provisions of this article. (1955, c. 135; 1967, c. 105; 1994, c. 61.)

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

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

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

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

ARTICLE 13A.

PUBLIC SERVICE DISTRICTS FOR WATER, SEWERAGE AND GAS SERVICES.

Sec.
16-13A-1. Legislative findings.
16-13A-1a. Jurisdiction of the public service commission.
16-13A-1b. County commissions to develop plan to create, consolidate, merge, expand or dissolve public service districts.
16-13A-1c. General purpose of districts.
16-13A-2. Creation of districts by county commission; enlarging, reducing, merging, or dissolving district; consolidation; agreements, etc.; infringing upon powers of county commission; filing list of members and districts with the secretary of state.
16-13A-3. District to be a public corporation and political subdivision; powers thereof; public service boards.
16-13A-3a. Removal of members of public service board.
16-13A-4. Board chairman; members' compensation; procedure; district name.
16-13A-5. General manager of board.
16-13A-6. Employees of board.
16-13A-7. Acquisition and operation of district properties.
16-13A-8. Acquisition and purchase of public service properties; right of eminent domain; extraterritorial powers.
16-13A-9. Rules; service rates and charges; discontinuance of service; required water and sewer connections; lien for delinquent fees.
16-13A-9a. Limitations with respect to foreclosure.
16-13A-10. Budget.
16-13A-11. Accounts; audit.
16-13A-12. Disbursement of district funds.
16-13A-13. Revenue bonds.
16-13A-14. Items included in cost of properties.
16-13A-15. Bonds may be secured by trust indenture.
16-13A-16. Sinking fund for revenue bonds.
16-13A-17. Collection, etc., of revenues and enforcement of covenants; default; suit, etc., by bondholder or trustee to compel performance of duties; appointment and powers of receiver.
16-13A-18. Operating contracts.
16-13A-18a. Sale, lease or rental of water, sewer or gas system by district; distribution of proceeds.
16-13A-19. Statutory mortgage lien created; foreclosure thereof.
16-13A-20. Refunding revenue bonds.
16-13A-21. Complete authority of article; liberal construction; district to be public instrumentality; tax exemption.
16-13A-22. Validation of prior acts and proceedings of county courts for creation of districts, inclusion of additional territory, and appointment of members of district boards.
16-13A-23. Validation of acts and proceedings of public service boards.
16-13A-24. Acceptance of loans, grants or temporary advances.
16-13A-25. Borrowing and bond issuance; procedure.

Editor's notes. — Acts 1989, 1st Ex. Sess., c. 3, redesignated the board of health and the department of health as the division of health, within the department of health and human resources. See also, Acts 1997, c. 225.

Textbooks. — Instructions for Virginia and West Virginia, Publisher's Editorial Staff (Michie).

Constitutionality. — The act from which this article was derived, authorizing the creation of public service districts by the county courts of this State, defining the powers and duties of the governing boards of such districts in the acquisition, construction, maintenance, operation, improvement and extension of property supplying water and sewerage services, and authorizing the issuance of bonds of such districts payable solely from revenue to be derived from the operation of such properties, does not violate any provision of the Constitution of this State or the Fourteenth Amendment to the Constitution of the United States. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Purpose. — The purpose of this article is to provide water and sewerage facilities in unincorporated districts. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

The title to Acts 1953, c. 147, is sufficient to give a fair and reasonable index to all of the purposes of the act. State ex rel. McMillion v. Stahl, 141 W. Va. 233, 89 S.E.2d 693 (1955).

Public utilities. — Public service districts are "public utilities" because they are required to pay a special license fee pursuant to § 24-3-6 for support of the public service commission. 50 Op. Att'y Gen. 447 (1963).

Cited in Berkeley County Pub. Serv. Dist. v. Vitro Corp. of Am., 152 W. Va. 252, 162 S.E.2d 189 (1968); State v. Neary, 179 W. Va. 115, 365 S.E.2d 395 (1987); McClung Invs., Inc. v. Green Valley Community Pub. Serv. Dist., 485 S.E.2d 434 (W. Va. 1997).

§ 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

State of West Virginia

Certificate

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

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

Given under my hand and the Great Seal of the State of West Virginia on this Twenty-fourth *day of* May *19* 99

Secretary of State

the necessary appurtenances in the new location in, on, over or under the property of the authority for as long a period and upon the same terms as it had the right to maintain and operate such facilities in their former location. (1994, c. 61.)

§ 22C-1-24. Financial interest in contracts prohibited; penalty.

No officer, member or employee of the authority shall be financially interested, directly or indirectly, in any contract of any person with the authority, or in the sale of any property, real or personal, to or from the authority. This section does not apply to contracts or purchases of property, real or personal, between the authority and any governmental agency. If any officer, member or employee of the authority has such financial interest in a contract or sale of property prohibited hereby, he or she is guilty of a misdemeanor, and, upon conviction thereof, shall be fined not more than one thousand dollars, or imprisoned in the county jail not more than one year, or both fined and imprisoned. (1994, c. 61.)

§ 22C-1-25. Meetings and records of authority to be kept public.

All meetings of the authority shall be open to the public and the records of the authority shall be open to public inspection at all reasonable times, except as otherwise provided in this section. All final actions of the authority shall be journalized and such journal shall also be open to the inspection of the public at all reasonable times. Any records or information relating to secret processes or secret methods of manufacture or production which may be obtained by the authority or other persons acting under authority of this article are confidential and shall not be disclosed. (1994, c. 61.)

§ 22C-1-26. Liberal construction of article.

The provisions of this article are hereby declared to be remedial and shall be liberally construed to effectuate its purposes and intents. (1994, c. 61.)

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

The aggregate principal amount of bonds and notes issued by the authority shall not exceed three hundred million dollars outstanding at any one time: Provided, That in computing the total amount of bonds and notes which may at any one time be outstanding, the principal amount of any outstanding bonds or notes refunded or to be refunded either by application of the proceeds of the sale of any refunding bonds or notes of the authority or by exchange for any refunding bonds or notes, shall be excluded. (1994, c. 61; 1995, c. 252.)

ARTICLE 2.

WATER POLLUTION CONTROL REVOLVING FUND ACT.

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

Editor's notes. — The Water Pollution Control Revolving Fund Act was formerly compiled in c. 20, art. 5I.

§ 22C-2-1. Definitions.

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

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

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

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

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

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

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

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

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

(c) "Fund" means the state water pollution control revolving fund provided for in this article as it may be expanded or modified from time to time pursuant

to the clean water act, as amended, the federal safe drinking water act, as amended or by the executive order of the governor issued to comply with federal laws relating to the acts.

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

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

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

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

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

(3) Drainage facilities and projects;

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

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

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

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

The division of environmental protection shall act as the instrumentality that is empowered to enter into capitalization agreements with the United States environmental protection agency, to accept capitalization grant awards made under the federal clean water act, as amended, the safe drinking water act, as amended, and other federal laws and to otherwise manage the fund provided for in this article in accordance with the requirements of said federal laws. (1994, c. 61.)

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

(a) Under the direction of the division of environmental protection, the water development authority shall establish, administer and manage a permanent and perpetual fund, to be known as the "West Virginia Water Pollution Control Revolving Fund." The fund shall be comprised of moneys appropriated to the fund by the Legislature, moneys allocated to the state by the federal government expressly for the purposes of establishing and maintaining a state water pollution control revolving fund, all receipts from loans made from the fund to local entities, all income from the investment of moneys held in the

fund, and all other sums designated for deposits to the fund from any source, public or private. Moneys in the fund shall be used solely to make loans to local entities to finance or refinance the costs of a project: Provided, That moneys in the fund shall be utilized to defray the costs incurred by the authority and the division of environmental protection in administering the provisions of this article: Provided, however, That moneys in the fund shall be used to make grants for projects to the extent allowed or authorized by federal law.

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

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

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

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

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

(e) All moneys belonging to the fund shall be kept in appropriate depositories and secured in conformance with this code. Disbursements from the fund shall be authorized for payment by the director of the authority or the director's designee. Any depository or officer of the depository to which moneys of the fund are paid shall act as trustee of the moneys and shall hold and apply them solely for the purposes for which the moneys are provided under this article. Moneys in the fund shall not be commingled with other money of the authority. If not needed for immediate use or disbursement, moneys in the fund may be invested or reinvested by the authority in obligations or securities which are considered lawful investments for public funds under this code. (1994, c. 61; 1996, c. 257.)

§ 22C-2-4. Annual audit.

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

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

In order to ensure the timely payment of all sums due and owing to the fund under a revolving fund loan agreement between the state and a local entity,

and notwithstanding any provisions of this code to the contrary, the authority has and may, at its option, exercise the following rights and remedies in the event of any default by a local entity under a loan agreement:

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

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

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

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

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

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

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

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

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

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

defray the costs incurred by the division of environmental protection in administering the provisions of this section. (1994, c. 61.)

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

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

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

§ 22C-2-8. Conflicting provisions.

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

ARTICLE 3.

SOLID WASTE MANAGEMENT BOARD.

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22C-3-2. Legislative findings; declaration of policy and responsibility; purpose and intent of article.
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22C-3-9. Development and designation of solid waste disposal sheds by board.
22C-3-10. Board empowered to issue solid waste disposal revenue bonds, renewal notes and refunding bonds; requirements and manner of such issuance.
22C-3-11. Establishment of reserve funds, replacement and improvement funds and sinking funds; fiscal

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.

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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 D. Atkinson
City Clerk

ORDINANCE NO. 1040

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

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

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

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

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

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

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

FIRST PROPOSED AMENDMENT

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

ARTICLE III

MUNICIPAL OFFICERS

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

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

SECOND PROPOSED AMENDMENT

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

ARTICLE III

MUNICIPAL OFFICERS

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

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

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.

THIRD PROPOSED AMENDMENT

That Section 14.1, Primary and General Elections; Term of Office OF CITY OFFICIALS, of ARTICLE XIV, NOMINATIONS AND ELECTIONS of the Charter of the City of South Charleston be amended and re-enacted to read as follows:

ARTICLE XIV

NOMINATIONS AND ELECTIONS

Sec. 14.1. Primary and General Elections; Term of Office of City Officials. 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 30th day of June, 1971, or as soon thereafter as their respective successors shall have been elected or appointed and qualified.

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

FOURTH PROPOSED AMENDMENT

That Section 14.2, Nominations of Candidates by Primary Election; Qualified Parties; Vacancy on Executive Committees and Council; Eligibility for Executive Committees and Council, of Article XIV, Nominations and Elections of the Charter of the City of South Charleston be amended and re-enacted to read as follows:

ARTICLE XIV

NOMINATIONS AND ELECTIONS

Sec. 14.2. Nominations of Candidates by Primary Election; Qualified Parties; Vacancy on Executive Committees and Council; Eligibility for Executive Committees and Council. 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 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.

FOURTH: That the herein proposed amendments to the Charter of the City of South Charleston shall be deemed to affect and change only those provisions of the Charter directly concerning and governing the subject matter thereof, and except as in said proposed amendments specifically provided existing charter provisions shall remain unchanged.

FIFTH: That the proposed amendments hereinabove set forth be submitted to the electors of said City at a Public Hearing thereon, which is hereby set for Thursday, the 7th day of March, 1968, at 7:30 o'clock, P.M., on said day, in the Council Chambers in the City Hall of said City of South Charleston; and, that at the same time and place the hereinabove set forth proposed amendments to the Charter of the City of South Charleston will be considered by the Council, and that any elector of the City may appear and file objections, in writing, to any one or more, or all of said proposed amendments, and that if no objections are filed the said amendments, or any one or more of them, shall become operative on and after the 18th day of March, 1968; if no objections are filed, or if objections are filed and withdrawn at the time of the hearing on March 7, 1968, or within ten days thereafter, the Council will, by Ordinance, adopt the hereinabove proposed amendments or any one or more of them, depending upon objections thereto, as amendments to the Charter of the City of South Charleston.

SIXTH: That this resolution be published in full once a week for three successive weeks in The Charleston Gazette and the Charleston Daily Mail, being two newspapers of opposite politics in Kanawha County, where the City of South Charleston is located, there being no newspaper published in the City of South

Charleston, all as required by law.

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

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

/s/ L.O. McIlwain
Mayor

/s/ Robert L. Reed
City Clerk

ORDINANCE NO. 1670

INTRODUCED IN COUNCIL

PASSED BY COUNCIL

June 4, 1987

INTRODUCED BY

REFERRED TO

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

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

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

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

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

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

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

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 thirty days prior to the general election. Any qualified person may become a candidate for any office in the primary election by filing therefor with the city clerk and paying to the said city clerk such filing fee as may be set out by the council and by completing and filing with said city clerk a statement in substantially the following form:

STATEMENT OF CANDIDATE

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

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

.....
Candidate

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

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

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

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

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

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

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

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

Richard A. Robb, Mayor

ATTEST:

Carles J. Atkinson, City Clerk

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

ORDINANCE NO. 1816

INTRODUCED IN COUNCIL
JUNE 3, 1993

PASSED BY COUNCIL
JULY 15, 1993

INTRODUCED BY
MAYOR ROBB

REFERRED TO

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

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

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

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

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

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

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

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

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

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

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

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

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

This Ordinance shall be effective immediately upon passage.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

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

ORDINANCE NO. 1878

INTRODUCED IN COUNCIL

July 20, 1995

PASSED BY COUNCIL

Sept. 7, 1995

INTRODUCED BY

Williams

REFERRED TO

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

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

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

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

SECTION 8.6 WHERE COMPETITIVE BIDDING REQUIRED.

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

SECTION 8.7 CONTRACTS FOR CAPITAL IMPROVEMENTS AND REPAIRS.

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

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

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

This ordinance shall take effect ten days after passage.

Richard A. Robb

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine

Jack Woolwine, City Clerk

This Ordinance was prepared by Carolyn Atkinson, City Attorney.

O A T H

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 judgement.

Richard A. Robinson

Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 19 95.

My Commission expires 1-26-2004.

Jack D. Woolwine

Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P O BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 judgement.

Jack D Woofum
Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 19 95.

My Commission expires Dec. 29, 2003.

Marsha G Smith
Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
MARSHA G. SMITH
CITY OF SOUTH CHARLESTON
4th AVE. & D STREET
SO. CHAS. WV 25303
My Commission Expires DEC. 29, 2003

O A T H

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 MAN _____ to the best of my skill and judgement.

Robert B. Snyder

Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 1995.

My Commission expires 1-26-2004.

Jack D. Woolwine

Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 judgement.

Charles Hagerman II
Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 19 95.

My Commission expires 1-26-2004.

Jack D. Woolwine
Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8587
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 _____ to the best of my skill and judgement.

Carlos W Wilson

Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 1995.

My Commission expires 1-26-2004.

Jack D Woolwine

Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 _____ to the best of my skill and judgement.

Warren M. Shingler Jr.
Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 19 95.

My Commission expires 1-26-2004.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

Jack D. Woolwine
Notary Public, Kanawha County
West Virginia

O A T H

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 Councilwoman _____ to the best of my skill and judgement.

Melissa A. Pucelz
Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 19 95.

My Commission expires 1-26-2004.

_____
Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 Councilwoman to the best of my skill and judgement.

Phyllis R. Fenwick
Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 1995.

My Commission expires 1-26-2004.

Jack D. Woolwine
Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 Councilman _____ to the best of my skill and judgement.

Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 19 95.

My Commission expires 1-26-2004.

Notary Public, Kanawha County
West Virginia

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

O A T H

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 Person _____ to the best of my skill and judgement.

Signature

Taken, subscribed and sworn to (or affirmed) before the undersigned authority this 1 day of July, 1995.

My Commission expires 1-26-2004.

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
JACK D. WOOLWINE
CITY OF SOUTH CHARLESTON
P. O. BOX 8537
SO. CHAS., WV 25303
My Commission Expires January 26, 2004

Notary Public, Kanawha County
West Virginia

P.S.C. W. Va. No. 5
Canceling P.S.C. W. Va. No. 4

SOUTH CHARLESTON SANITARY BOARD

OF

SOUTH CHARLESTON, WEST VIRGINIA

RATES, RULES AND REGULATIONS FOR FURNISHING

SEWERAGE AND SEWAGE DISPOSAL SERVICE

AT

South Charleston and environs, Kanawha County, West Virginia

Filed with THE PUBLIC SERVICE COMMISSION

of

WEST VIRGINIA

Issued June 11, 1998

Effective May 21, 1998
or as otherwise provided herein

Issued by authority of orders of
The Public Service Commission of West Virginia
in Case No. 97-1141-S-MA dated
May 21, 1998 and June 9, 1998 or
as otherwise provided herein

Issued by South Charleston Sanitary Board

By Richard H. Polk

Chairman
Title

RULES AND REGULATIONS

I. Rules and Regulations for the Government of Sewerage Utilities, adopted by the Public Service Commission of West Virginia, and now in effect, and all amendments thereto and modifications thereof hereafter made by said Commission.

(N) APPLICABILITY

Applicable to all the territory and where extended

(N) AVAILABILITY

Available for sanitary sewer service

Domestic, Commercial, and Industrial Service
(Municipal Ordinance Section #932.4)

RATE (Based on water consumption or metered waste placed in the sewer system)

(A)	First	2,000 gallons used per month	$5.56	(minimum bill)
(D)	All over	2,000 gallons used per month	$2.66	

(C) DISCONNECT FOR NON-PAYMENT

Service shall be discontinued for non-payment of sewer bill as provided by Rule 4.05 of the Rules and Regulations for the Government of Sewer Utilities.

(C) WATER DISCONNECT - RECONNECT FEES (#932.17)

Whenever water service has been disconnected for nonpayment of sewer bills, a disconnection fee of $25.00 shall be charged.

Whenever water service which has been previously disconnected or otherwise withheld for non-payment of sewer bills is reconnected, a fee of $25.00 shall be charged.

(C) BAD CHECKS - RETURNED CHECKS (#932.7)

The utility may not collect any fee greater than that charged to it by a banking institution and under no circumstances shall the fee collected by the District exceed $15.00.

(A) Indicates increase in rates
(N) Indicates new
(C) Indicates change in text
(R) Indicates reduction in rates

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. 4961B adopted by the City Council of The City of South Charleston, West Virginia, on January 21, 1955, duly filed and of record in the office of the City Clerk of the City of South Charleston, West Virginia.

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

(SEAL)

Carles J. Atkinson
City Clerk

ORDINANCE NO. 1859

INTRODUCED IN COUNCIL

AUGUST 18, 1994

PASSED BY COUNCIL

9-1-94

INTRODUCED BY

MAYOR ROBB

REFERRED TO

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

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

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

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

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

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

ARTICLE 931
Sewers and Sewage Disposal

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

GENERAL REGULATIONS

931.01 PURPOSE AND POLICY: CITY SANITARY SEWER SYSTEM USE.

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

931.02 APPLICATION OF STATE CODE.

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

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

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

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

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

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

931.04 SANITARY BOARD COMPENSATION AND BOND.

(a) Compensation.

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

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

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

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

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

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

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

931.06 CONNECTION REQUIRED; INDIVIDUAL PUMP STATIONS.

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

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

931.07 DISCHARGE OF UNPOLLUTED WATERS.

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

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

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

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

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

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

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

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

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

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

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

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

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

931.10 STATE PLUMBING CODE.

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

931.11 PROPERTY OWNER MAINTENANCE RESPONSIBILITIES; BOARD REPAIRS.

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

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

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

931.12 CLEAN OUT REQUIRED.

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

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

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

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

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

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

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

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

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

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

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

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

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

931.16 LIMITATION ON CITY DAMAGE LIABILITY; EMERGENCY RESTRICTIONS.

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

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

931.96 PUBLIC NUISANCES.

A violation of any provision of this ordinance may be declared a public nuisance by the South Charleston Health Board, to be corrected or abated as directed by that Board. Any person(s) creating a public nuisance may be subject to the provisions of South Charleston City Code Article 153 governing such nuisances, including reimbursing the South Charleston Health Board for any costs incurred in removing, abating, or remedying said nuisance.

931.97 PENALTY.

Whoever violates any provision of this Part Nine--Articles 930-932 for which no other penalty is provided shall be fined not more than five hundred dollars ($500), or imprisoned not more than thirty days, or both. Each day such violation continues shall constitute a separate offense.

931.98 APPEALS

If anyone is aggrieved by an action or decision of the General Manager relative to implementation of this article, he may, upon written request, be heard by the Sanitary Board. The Board, after the hearing, may either affirm or reverse the decision of the General Manager.

Anyone aggrieved by the action of the Board shall have the right to file a complaint with the West Virginia Public Service Commission or seek relief in a court of competent jurisdiction, as may be appropriate.

931.99 SEVERABILITY

If any provision of this ordinance is invalidated by any court of competent jurisdiction, the remaining provisions shall not be affected and shall continue in full force and effect, and to this end the provisions of this article are declared to be severable.

This ordinance shall take effect immediately upon passage.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

This Ordinance was prepared by Carolyn Atkinson, City Attorney.

JOURNAL OF THE COUNCIL
CITY OF SOUTH CHARLESTON

The council met in its chambers in City Hall on October 17, 1996 at 7:30 p.m., EDT for the second regular meeting and was called to order by Mayor Robb.

Jack Woolwine, City Clerk, called the roll and the following members were present:

Carless Williams
Dayton Griffith
Warren Shirkey, Sr.
Phyllis Fenwick
Jim Triplett
Charles Hagerman
Melissa Nicely
Bob Snyder
Mayor Robb

*****

PRAYER

Offered by Mr. Griffith.

*****

PLEDGE OF ALLEGIANCE

Led by Jack Woolwine.

*****

ALSO IN ATTENDANCE WERE:

Jack Woolwine, City Clerk
Carlton Lee, Recreation Department
C. W. Sigman, Fire Chief
Jim Miller, Police Chief/Director of Public Safety
Frank Mullens, Director of Public Works/Engineering
Marsha Smith, City Treasurer
Paul Rogers, Sanitary Board Manager
Carolyn Atkinson, City Attorney

*****

MINUTES OF PREVIOUS MEETING

Mr. Hagerman moved to approve the minutes of the October 3, 1996 council meeting as circulated; seconded by Ms. Nicely and passed by a unanimous voice vote.

AN ORDINANCE TO APPROVE EMPLOYEE SUBSTANCE ABUSE POLICY BY AMENDING ARTICLE 167, SECTION 167.64 TITLED, "DRUG FREE WORK PLACE (FIRST READING) (WILLIAMS)

Mr. Williams moved to pass the ordinance to a second reading; seconded by Mrs. Fenwick and passed by a unanimous voice vote.

*****

BIDS

1. 25 YARD PACKER TRUCK FOR PUBLIC WORKS DEPARTMENT

Mr. Snyder moved to award the bid to West Virginia Tractor in the amount of $100,575.00; seconded by Mr. Griffith and passed by a unanimous roll call vote.

2. MOVE RADIO TOWER FOR POLICE DEPARTMENT

Mr. Snyder moved to have the police chief put out for bids to move the tower; seconded by Mr. Hagerman and passed by a unanimous roll call vote.

3. POLICE DEPARTMENT VEHICLE

Mr. Snyder authorized the police chief to spend up to $10,000 for a vehicle for the police department; seconded by Mr. Griffith and passed by a unanimous roll call vote.

4. BLAZER FOR FIRE DEPARTMENT VOLUNTEERS

Mr. Snyder moved to give the volunteer firemen a blazer; seconded by Mr. Griffith and passed by a unanimous roll call vote.

5. FUND FOR THE ARTS

Mr. Snyder announced the city would give $1200.00 to the Fund for the Arts.

*****

REPORT OF CITY ATTORNEY - No written report.

REPORT OF DIRECTOR OF PUBLIC WORKS/ENGINEERING - No written report.

NEW BUSINESS

INSTALL STREET LIGHTS FROM 100 BLOCK TO 400 BLOCK OF FIRST AVENUE AT RAILROAD SIDE AND 150 FEET APART (GRIFFITH)

Mr. Griffith moved to install these lights; seconded by Mr. Williams and passed by a unanimous voice vote.

*****

MISCELLANEOUS BUSINESS

None.

*****

ADJOURNMENT

Mr. Hagerman moved to adjourn the meeting; seconded by Mr. Snyder and passed by a unanimous voice vote.

Mayor Robb adjourned the meeting at 8:50 p.m.

*****

APPROVAL

Approved this 7 day of November, 1996.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

OFFICIAL OATH

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as MEMBER for The City of South Charleston Sanitary Board in said county and state to the best of my skill and judgment: SO HELP ME GOD.

Term to expire: 7/1/2003.

Richard A. Bolden
Signature

Subscribed and sworn to before me in my said county and state this the 15 day of July, 1999.

Joyce Bullman
Secretary

OFFICIAL OATH

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as MEMBER for The City of South Charleston Sanitary Board in said county and state to the best of my skill and judgment: SO HELP ME GOD.

Term to expire: DECEMBER 31, 1999.

Signature

Subscribed and sworn to before me in my said county and state this the 26 day of MAY, 1999.

Secretary

OFFICIAL OATH

STATE OF WEST VIRGINIA,

COUNTY OF KANAWHA:

I do solemnly swear that I will support the Constitution of the United States and the Constitution of the State of West Virginia, and that I will faithfully discharge the duties as MEMBER for The City of South Charleston Sanitary Board in said county and state to the best of my skill and judgment: SO HELP ME GOD.

Term to expire: OCTOBER 17, 1999.

Signature

Subscribed and sworn to before me in my said county and state this the 26 day of MAY, 1999.

Secretary

PETITION OF THE SANITARY BOARD

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 (the "Sanitary Board") of The City of South Charleston, West Virginia (the "City"), hereby petitions the Council to enact an ordinance (the "Ordinance") which shall:

(a) set forth a brief and general description of extensions, improvements and betterments to the sewerage system of the City, more fully set forth in Exhibit A hereto (the "Project"), in accordance with plans and specifications prepared and filed by Howard K. Bell, Consulting Engineers, Inc., the engineers chosen by the Sanitary Board (the "Consulting Engineers");

(b) set forth the Cost of the Project estimated by the Consulting Engineers, being approximately $650,000;

(c) order the construction and acquisition of the Project;

(d) authorize the issuance of Sewer Revenue Bonds in an amount not to exceed $650,000; and

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

The Sanitary Board respectfully represents to the Council that, during the construction of the Project, one of the persons appointed to the Sanitary Board by the Council has been, is and must be a registered professional engineer.

This petition was duly authorized at the meeting of the Sanitary Board duly called and held on the 8th day of March, 1999.

WITNESS our signatures on this 8th day of March, 1999.

SANITARY BOARD OF THE CITY OF
SOUTH CHARLESTON, WEST VIRGINIA

By Richard A. Robb
Mayor of the City and Ex-Officio
Chairman

Member

Member

Engineer-Member

CHASFS3:140947

EXHIBIT A

Project Description

The Project consists of certain sanitary sewer system improvements at the Old Charleston Naval Ordnance Plant, including the installation of approximately 2,293 linear feet of 15-inch PVC gravity sewer pipe, 1,361 linear feet of 10-inch PVC gravity sewer pipe, 3 flow-monitoring manholes/assemblies and other miscellaneous accessories.

JOURNAL OF THE COUNCIL
CITY OF SOUTH CHARLESTON

The council met in its chambers in City Hall on March 18, 1999 at 7:30 p.m., ET for the second regular meeting and was called to order by Mayor Robb.

Margie Spence, Deputy City Clerk, called the roll and the following members were present:

Carless Williams	Charles Hagerman
Bob Snyder	Phyllis Fenwick
Dayton Griffith	Warren Shirkey, Sr.
Jim Triplett	Mayor Robb

Melissa Nicely-Held absent.

*****

PRAYER

Offered by Dayton Griffith.

*****

PLEDGE OF ALLEGIANCE

Led by Margie Spence.

*****

ALSO IN ATTENDANCE:

Margie Spence, Deputy City Clerk
C. W. Sigman, Fire Chief/Fire Marshall
Kay West, Police Department
Amy Haynie, City Attorney
Marsha Smith, City Treasurer
Jean Riffe, Recreation Director
Carlton Lee, Manager, Sanitary Board

*****

MINUTES OF PREVIOUS MEETING

Mr. Hagerman moved to approve the minutes of the March 4, 1999 council meeting; seconded by Mrs. Fenwick and passed by a unanimous voice vote.

*****

A RESOLUTION AUTHORIZING THE MAYOR TO REQUEST SIGNS FOR AREA MOTELS FROM THE DEPARTMENT OF TRANSPORTATION (MAYOR ROBB)

It was moved by Mr. Snyder; seconded by Mr. Shirkey to adopt the resolution. This passed by a unanimous voice vote.

AN ORDINANCE TO AMEND AND READOPT CITY CODE SECTION 737.14 THROUGH 737.17 RELATING TO B & O TAXES (FIRST READING) (SNYDER)

It was moved by Mr. Snyder; seconded by Mr. Shirkey to pass the ordinance on to second reading. This passed by a unanimous voice vote.

AN ORDINANCE RELATING TO THE CITY OF SOUTH CHARLESTON SEWER REVENUE BONDS (FIRST READING) (MAYOR ROBB)

It was moved by Mr. Shirkey; seconded by Mr. Hagerman to pass the ordinance on to second reading. This passed by a unanimous voice vote.

Sammy Gee of Jackson and Kelly and Bill McDonald of Howard K. Bell appeared before council to explain the ordinance and answer any questions.

*****

BIDS

SALT SPREADER FOR PUBLIC WORKS

Mr. Snyder moved to award the bid to WV Tractor in the amount of $8100.00; seconded by Mr. Hagerman and passed by a unanimous roll call vote.

*****

REPORT OF CITY ATTORNEY - No written report.

REPORT OF PUBLIC WORKS DIRECTOR - No written report.

REPORT OF POLICE CHIEF/DIRECTOR OF PUBLIC SAFETY - No written report.

Council asked the police department to monitor the alley behind the Chevron Station because of backing up of traffic entering the car wash.

REPORT OF FIRE CHIEF/FIRE MARSHALL - Chief Sigman submitted a written report.

REPORT OF RECREATION DIRECTOR - Jean Riffe submitted a written report.

Mr. Snyder asked that Mrs. Riffe submit a report for repairs of the South Charleston Community Center.

REPORT OF CITY TREASURER - Marsha Smith submitted a written report.

ADJOURNMENT

Mr. Snyder moved to adjourn the meeting; seconded by Mr. Hagerman and passed by a unanimous voice vote.

Mayor Robb adjourned the meeting at 8:48 p.m.

*****

APPROVAL

Approved this 1 day of APRIL, 1999.

Richard A. Robb, Mayor

ATTEST:

Margie Spence, Deputy City Clerk

THE CITY OF SOUTH CHARLESTON

BOND ORDINANCE

THE CITY OF SOUTH CHARLESTON

BOND ORDINANCE

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CHASFS3:141474

Introduced before the City Council
on the 18th day of March, 1999

Introduced by the
Honorable Richard A. Robb, Mayor

Passed by the City Council
on the ___ day of _____, 1999

An Ordinance authorizing the acquisition and construction of certain additions, extensions, betterments and improvements to the existing sewerage collection and treatment system of The City of South Charleston; authorizing the issuance of one or more series of Sewerage System Revenue Bonds of The City of South Charleston in aggregate principal amount not to exceed $650,000 to be used, along with other funds and moneys of, or available to, The City of South Charleston which may be lawfully expended for such purposes, to finance the cost of such acquisition and construction and to pay other costs in connection therewith; providing for the rights and remedies of and security for the owners of such bonds; authorizing execution and delivery of all documents relating to the issuance of such bonds; approving, ratifying and confirming a loan agreement relating to such bonds; and adopting other provisions related thereto.

Be It Ordained by the City Council of The City of South Charleston, West Virginia:

ARTICLE I

STATUTORY AUTHORITY, DEFINITIONS AND FINDINGS

Section 1.01. Authority of this Ordinance. This Ordinance is enacted pursuant to the provisions of Chapter 16, Article 13, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and other applicable provisions of law.

Section 1.02. Definitions. The following terms shall have the following meanings in this Ordinance unless the context expressly requires otherwise.

"Act" shall mean collectively Chapter 16, Article 13, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended and in effect on the date of enactment of this Ordinance.

"Authority" shall mean the West Virginia Water Development Authority, which is expected to be the original purchaser of the Bonds on behalf of the Program, or any other agency of the State of West Virginia that succeeds to the function of the Authority.

"Board" shall mean the Sanitary Board of the City, as created and appointed pursuant to the provisions of Section 18 of the hereinafter-defined Bond Act, and any successor thereto.

"Bond Act" means Chapter 16, Article 13 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Ordinance.

"Bond Construction Trust Fund" shall mean the fund created by Section 6.01 hereof.

"Bondholder" or "Holder" or "Owner of the Bonds" or "Registered Owners" or any similar term shall mean any person who shall be the registered owner of any Outstanding Bond as hereinafter defined.

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

"Bonds" shall mean the Original Bonds and any pari passu additional Bonds hereafter issued within the terms, restrictions and conditions contained in this Ordinance.

"Certificate of Authentication and Registration" means the certificate of authentication and registration on the Bonds in substantially the form set forth in Section 3.08 hereof.

"City" shall mean The City of South Charleston, a municipal corporation of the State of West Virginia, and, when appropriate, also means the City Council thereof and any department, board, organization or institution thereof in control of the management and operation of the System, as hereinafter defined.

"City Clerk" shall mean the City Clerk of the City.

"City Council" shall mean the governning body of the City as set forth in its Charter.

"Closing Date" shall mean the date upon which there is an exchange of the Bonds for the proceeds or a portion of the proceeds representing the purchase of the Bonds by the Authority.

"Code" shall mean the Internal Revenue Code of 1986, as amended, including the rules and regulations promulgated pursuant thereto or any predecessors or successors thereto.

"Commission" shall mean the West Virginia Municipal Bond Commission or any other agency of the State of West Virginia which succeeds to the functions of the Commission.

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

"Consulting Engineers" shall mean Howard K. Bell Consulting Engineers, Scott Depot, West Virginia, or any engineer or firm of engineers which shall at any time hereafter be retained by the City as Consulting Engineers for the System.

"Cost of Project" or "Costs" shall mean those costs described in Section 1.04(H) hereof to be a part of the cost of the acquisition and construction of the Project, as the case may be, as hereinafter defined.

"Debt Service" shall mean the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

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

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

"Event of Default" shall mean any event or occurrence specified in Section 9.01 hereof.

"Excess Investment Earnings" shall mean an amount equal to the sum of:

(A) The excess of

(i) The aggregate amount earned from the Closing Date on all Nonpurpose Investments in which Gross Proceeds of the Bonds are invested [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment Earnings], over

(ii) The amount that would have been earned if the Yield on such Nonpurpose Investments [other than amounts attributable to an excess described in this clause (A) of this definition of Excess Investment earnings] had been equal to the Yield on the Bonds, plus

(B) Any income attributable to the excess described in clause (A) of this definition of Excess Investment Earnings.

"Fiscal Year" shall mean each twelve month period beginning on July 1 and ending on the succeeding June 30.

"First Lien Bonds" shall mean the City's Sewer Revenue Bonds, Series 1961, dated February 16, 1961 and issued in the aggregate principal amount of $8,000,000.

"Fund" shall mean the "West Virginia Water Pollution Control Revolving Fund" established by the State, administered by the DEP and funded by capitalization grants awarded to the State pursuant to the federal Clean Water Act, as amended, for the purpose of establishing and maintaining a permanent perpetual fund for the construction, acquisition and improvement of wastewater treatment facilities.

"Government Obligations" means direct obligations of, or obligations the timely payment of the principal of and interest on which is guaranteed by, the United States of America, including (i) such obligations which have been stripped from their unmatured interest coupons, interest coupons stripped from such obligations and receipts or certificates evidencing payments from such obligations or interest coupons stripped from such obligations, (ii) evidences of ownership of a proportionate interest in specified direct obligations of, or specified obligations which are unconditionally and fully guaranteed by, the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian and (iii) obligations, the sole source of the payment of the principal of and interest on which are obligations of the nature of those described in clause (i), which are irrevocably pledged for such purposes.

"Gross Proceeds" means the sum of the following amounts:

(i) Original proceeds, namely, net amounts received by or for the Issuer as a result of the sale of the Original Bonds, excluding original proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Original Bonds;

(ii) Investment proceeds, namely, amounts received at any time by or for the Issuer, such as interest and dividends, resulting from the investment of any original proceeds (as referenced in clause (i) above) or investment proceeds (as referenced in this clause (ii)) in Nonpurpose Investments, increased by any profits and decreased (if necessary, below zero) by any losses on such investments, excluding investment proceeds which become transferred proceeds (determined in accordance with applicable Regulations) of obligations issued to refund in whole or in part the Original Bonds;

(iii) Transferred proceeds, namely, original proceeds of any prior obligations, and interest earnings and profits less losses resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any prior obligations and which are deemed to become proceeds of the Original Bonds ratably as original proceeds of the Original Bonds, and interest earnings and profits resulting from investment of such original proceeds in Nonpurpose Investments, which are used to discharge the outstanding principal of any such prior obligations, all on the date of such ratable discharge;

(iv) Sinking fund proceeds, namely, amounts, other than original proceeds, investment proceeds or transferred proceeds [as referenced in clauses (i) through (iii) above] of the Original Bonds, which are held in any fund to the extent that the Issuer reasonably expects to use such other fund to pay Debt Service;

(v) Amounts in the Original Bonds and in any other fund established as a reasonably required reserve or replacement fund;

(vi) Investment Property pledged as security for payment of Debt Service on the Original Bonds by the Issuer;

(vii) Amounts, other than as specified in this definition, used to pay Debt Service on the Original Bonds; and

(viii) Amounts received as a result of investing amounts described in this definition.

"Gross Revenues" shall mean the aggregate gross operating and non-operating revenues of the System determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided, that "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined) or any Tap Fees, as hereinafter defined, and for the furnishing by the City of miscellaneous services.

"Independent Accountants" shall mean Grigoraci, Trainer, Wright & Paterno, Certified Public Accountants and Consultants, Charleston, West Virginia, or any certified public accountant or firm of certified public accountants which shall be retained by the City as independent accountants for the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

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

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

"Loan Agreement" shall mean the loan agreement entered into by and among the City, the DEP and the Authority providing for the purchase of the Original Bonds from the City by the Authority.

"Mayor" shall mean the Mayor of the City.

"Net Proceeds" means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds deposited in the Series 1999 A Reserve Account. For purposes of the Private Business Use limitations set forth herein, the term Net Proceeds shall include any amounts resulting from the investment of proceeds of the Bonds, without regard to whether or not such investment is made in tax-exempt obligations.

"Net Revenues" shall mean the balance of the Gross Revenues remaining after deduction of Operating Expenses, as hereafter defined.

"Nonpurpose Investment" shall mean any Investment Property which is acquired with the Gross Proceeds of the Bonds and is not acquired in order to carry out the governmental purpose of the Bonds.

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

"Ordinance" or "this Ordinance" shall mean this Ordinance, in its present form or as hereafter amended or supplemented.

"Original Bonds" or "Bonds originally authorized hereby" or similar phrases shall mean the not more than $650,000 Subordinate Sewer Revenue Bonds, Series 1999 A, to be issued for the purpose of paying a portion of the Costs of the acquisition and construction of the Project and for such other purposes permitted hereby and authorized by a resolution supplemental hereto.

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

"Parity Bonds" shall mean additional Bonds issued under the provisions and within the limitations prescribed by Section 7.08 hereof, payable from Net Revenues on a parity with the Original Bonds.

"Paying Agent" shall mean the West Virginia Municipal Bond Commission or such other entity or authority as may be designated as a paying agent by the City.

"Prior Bonds" shall mean the First Lien Bonds, the Subordinate Bonds and the Supplemental Bonds.

"Prior Ordinances" shall mean the 1961 Ordinance and the 1986 Ordinance.

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

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

"Project" shall mean the acquisition and construction of the System, a description of which is attached hereto as Exhibit A and incorporated herein by reference, and any extensions, additions, betterments and improvements to the System.

"Purchase Price," for the purpose of computation of the Yield of the Bonds, shall have the same meaning as the term "Issue Price" in Sections 1273(b) and 1274 of the Code and, in general, means the initial offering price of the Bonds to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters or wholesalers) at which price a substantial amount of the Bonds of each maturity is sold or, if the Bonds are privately placed, the price paid by the first buyer of the Bonds or the acquisition costs of the first buyer. Purchase Price for purposes of computing Yield of Nonpurpose Investments means the fair market value of the Nonpurpose Investments on the date of use of Gross Proceeds of the Bonds for acquisition thereof or, if later, on the date that Investment Property constituting a Nonpurpose Investment becomes a Nonpurpose Investment of the Bonds.

"Qualified Investments" shall mean and include any of the following:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e), above, with banks or national banking associations

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

(h) The "consolidated fund" (or any distinct portion thereof) managed by the West Virginia Investment Management Board pursuant to Article 6, Chapter 12 of the Code of West Virginia, 1931, as amended; and

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

"Rebate Fund" shall mean the separate fund created by Section 8.03(A) hereof.

"Registrar" or "Bond Registrar" shall mean the bank or other entity to be designated as such in the Supplemental Resolution and its successors and assigns.

"Regulations" shall mean the regulations promulgated under the Code.

"Renewal and Replacement Fund" shall mean the fund created by Section 5.01(2) hereof.

"Revenue Fund" shall mean the fund created or continued by Section 5.01(1) hereof.

"SRF Administrative Fee" shall mean any administrative fee required to be paid pursuant to the Loan Agreement.

"SRF Act" shall mean Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended, and in effect on the date of the enactment of this Ordinance.

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

"Series 1999 A Reserve Account" shall mean the reserve account established in the Series 1999 A Sinking Fund created in Section 5.02(1)(a) hereof.

"Series 1999 A Reserve Requirement" shall mean as of any date of calculation, the maximum amount of principal and interest, if any, which will become due on each series of the Bonds in the then current or any succeeding Fiscal Year.

"Series 1999 A Sinking Fund" shall mean the sinking fund established for the Bonds and created in Section 5.02(1) hereof.

"State" shall mean the State of West Virginia.

"Subordinate Bonds" shall mean the City's Subordinate Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of $761,015.

"Supplemental Bonds" shall mean the City's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of $378,985.

"Supplemental Resolution" shall mean any resolution, ordinance or order of the City supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolutions authorizing the sale of the Original Bonds; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Original Bonds and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" shall mean the net revenues not required by this Ordinance to be set aside and held for the payment of or security for the Bonds, including the reserve accounts and the Renewal and Replacement Fund.

"System" shall mean the existing sanitary sewerage collection and treatment system, both within and without said City, to be owned by the City, and shall include any extensions, additions, betterments and improvements thereto.

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

"Yield" means that yield which, when used in computing the present worth of all payments of principal and interest (or other payments in the case of Nonpurpose Investments which require payments in a form not characterized as principal and interest) on a Nonpurpose Investment or on the Bonds, produces an amount equal to the Purchase Price of such Nonpurpose Investment or the Bonds, all computed as prescribed in applicable Regulations.

"1961 Ordinance" shall mean the ordinance authorizing the issuance of the First Lien Bonds.

"1986 Ordinance" shall mean the ordinance authorizing the issuance of the Subordinate Bonds and the Supplemental Bonds.

Words importing singular number shall include the plural number in each case and vice versa, and words importing persons shall include firms and corporations. Words importing the masculine gender include all other genders.

Additional terms and phrases are defined in this Ordinance as they are used. Accounting terms not specifically defined herein shall be given meaning in accordance with general accepted accounting principles.

The terms "herein," "hereunder," "hereby," "hereto," "hereof" and any similar terms refer to this Ordinance; and the term "hereafter" means after the date of the enactment of this Ordinance.

Articles, sections and subsections mentioned by number only are the respective articles, sections and subsections of this Ordinance so numbered.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bonds and any other bonds authorized to be issued hereunder by those who shall own the same from time to time, this Ordinance shall be deemed to be and shall constitute a contract between the City and such Bondholders, and the covenants and agreements herein set forth to be performed by said City shall be for the equal benefit, protection and security of the legal owners of any and all of such Bonds, all of which shall be of equal rank and without preference, priority or distinction between any one Bond and any other Bonds by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Findings. It is hereby found, determined and declared as follows:

A. The City is a municipal corporation and political subdivision of the State in Kanawha County of said State. Currently, the City operates a sanitary sewerage collection and treatment system (the "System"). The City deems it necessary and convenient that certain additions, extensions, betterments and improvements to the System be acquired and constructed (the "Project"). A general description of the Project is set forth in Exhibit A hereto. The Project will replace a sanitary sewer system with a gravity sewer system designed to serve certain existing industrial customers of the System. The City has entered into an "Agreement for Payment of Gravity Sewer System" with FMC Corporation, Clearon Corporation, Park Corporation, Cambridge Career Products, and First Principal Partnership (collectively, the "Industrial Users") dated July 22, 1998 under which the Industrial Users have contracted to pay the City an assessment in addition to their regular monthly sewer fees. The amount of the assessment will be calculated to repay over a twenty-year period the prinicpal of, interest on and other fees associated with the Bonds described below.

B. In accordance with Section 3 of the Bond Act, the System is under the supervision and control of the Sanitary Board of the City (the "Board"). The Board has

presented a petition to the City Council, requesting that the City Council construct the Project and enact this Ordinance.

C. The City derives Net Revenues from the System. The Net Revenues are encumbered by three series of sewer revenue bonds of the City. The City's Sewer Revenue Bonds, Series 1961, dated February 16, 1961 and issued in the aggregate principal amount of $8,000,000 (the "First Lien Bonds"), are secured by a first lien on the net revenues of the System, as set forth in the ordinance authorizing the issuance of the First Lien Bonds (the "1961 Ordinance"). The City's Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of 761,015 (the "Subordinate Bonds"), are secured by a lien on the net revenues of the System that is (i) junior and subordinate to the lien of the First Lien Bonds, as set forth in the ordinance authorizing the issuance of the Subordinate Bonds and the Supplemental Bonds defined below (the "1986 Ordinance"), and (ii) senior and prior to the lien of the Supplemental Bonds defined below. The City's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, dated August 29, 1986 and issued in the aggregate principal amount of 378,985 (the "Supplemental Bonds," and together with the First Lien Bonds and the Subordinate Bonds, the "Prior Bonds") are secured by a lien on the net revenues of the System that is junior and subordinate to the liens of the First Lien Bonds and the Subordinate Bonds, as set forth in the 1986 Ordinance.

D. The City is unable to meet the test set forth in Section 16 of the 1961 Ordinance for the issuance of bonds on a parity with the lien of the First Lien Bonds.

E. Section 6.08 of the 1986 Ordinance provides that no bonds on a parity as to the lien on and source of and security for the Subordinate Bonds shall be issued (i) so long as any Supplemental Bonds (as defined herein) are outstanding and (ii) unless the net revenues actually derived (subject to certain adjustments provided therein) from the System during any twelve consecutive months within the eighteen months immediately preceding the date of issuance of such parity bonds, plus the estimated average annual net revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such parity bonds, shall not be less than one hundred fifteen percent (115%) of the maximum annual debt service in any succeeding year on the 1961 Bonds (as defined herein), the Subordinate Bonds (as defined herein), any additional parity bonds previously issued pursuant to the 1986 Ordinance, and the parity bonds then proposed to be issued. The parity test described in clause (ii) of the preceding sentence incorporates the definition of "Net Revenues" in the 1986 Ordinance, which in turn relies on a definition of "Operating Expenses" in the 1986 Ordinance that does not specifically exclude charges for depreciation. The City's ability to meet the parity test described above depends upon the exclusion from the term "operating expenses" as used in Section 6.08 of the 1986 Ordinance (and the consequent inclusion in the term "net revenues" as used in that section) of the additional cash flow generated from the calculation of charges for depreciation.

F. The City has secured the consent of the West Virginia Water Development Authority (the "Authority"), the registered owner of the Subordinate Bonds and the Supplemental Bonds: (i) to the waiver of the restriction against the issuance of bonds on

a parity with the Subordinate Bonds so long as any Supplemental Bonds are Outstanding; (ii) to the modification by the City of the definition of "operating expenses" set forth in Section 1.04(W) of the 1986 Ordinance to exclude "charges for depreciation"; and (iii) to the issuance of the Bonds on a parity with the Subordinate Bonds and senior and prior to the Supplemental Bonds.

G. The estimated revenues to be derived in each year after the enactment of this Ordinance from the operation of said System, including the assessments paid by the Industrial Users described above, will be sufficient to pay all the costs of the operation and maintenance of said System, the principal of and interest on the Bonds and the Prior Bonds, and all sinking fund and other payments provided for in this Ordinance, the 1961 Ordinance and the 1986 Ordinance.

H. It is deemed necessary for the City to issue its Original Bonds in the aggregate principal amount of not more than $650,000 to finance the costs of the acquisition and construction of the Project herein described through the Program. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor; interest on the Original Bonds prior to and during construction or acquisition and for six months after completion of construction of the Project, if any; engineering, fiscal and legal expenses; expenses for estimates of cost and revenue; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense, any fees or expenses of the Authority and DEP, commitment fees, discount, initial fees for the service of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Original Bonds, and such other expenses as may be necessary or incidental to the financing herein authorized, the construction or acquisition of the Project and the placing of the same in operation, and the performance of the things herein required or permitted, in connection with any thereof; provided, that reimbursement to the City for any amounts expended by it for allowable costs prior to the issuance of the Original Bonds or the repayment of the indebtedness incurred by the City for such purposes shall be deemed part of the Cost of the Project.

I. The Infrastructure Council has approved the Project.

J. It is in the best interests of the City that the Original Bonds be sold to the Authority pursuant to the terms and provisions of the Loan Agreement.

K. The City has complied with all requirements of West Virginia law relating to authorization of the construction, acquisition and operation of the Project and issuance of the Original Bonds, or will have so complied prior to the issuance of any thereof, including, among other things, the obtaining of a letter from the Public Service Commission of West Virginia stating that a Certificate of Convenience and Necessity is not necessary for the acquisition and construction of the Project.

L. The Code provides exceptions from the rebate provisions for issues of small governmental units meeting certain requirements. It is in the best interest of the City and its inhabitants to qualify for the small governmental unit exception from the rebate provisions for the Original Bonds. Accordingly, it is hereby found and determined:

(1) The City is a governmental unit with general taxing powers.

(2) The Original Bonds are not private activity bonds as defined by the Code.

(3) Ninety-five percent (95%) or more of the net proceeds (as defined with respect to the Code) of the Original Bonds will be used for local governmental activities of the City.

(4) The City reasonably expects that the aggregate face amount of all tax-exempt bonds (other than private activity bonds) issued by the City and all subordinate entities thereof during the calendar year in which the Original Bonds will be issued will not exceed $5,000,000.

M. The City will not permit, at any time, any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code.

N. The City will file all statements, instruments and returns necessary to assure the tax-exempt status of the Bonds.

O. The Bonds will not be federally guaranteed within the meaning of the Code.

P. It is reasonably anticipated that all proceeds of the Original Bonds will be spent within three years from the date of issuance.

ARTICLE II

AUTHORIZATION OF EXTENSIONS, ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO SYSTEM

Section 2.01. Authorization of Extensions, Additions, Betterments and Improvements. There is hereby authorized the acquisition and construction of the Project in accordance with plans and specifications prepared by the Consulting Engineers, approved by DEP and the City, and on file in the office of the Board.

The City has received or will receive bids for the construction of the Project that are compatible with the financing plan submitted to the Program. The City will enter into contracts for the acquisition and construction of the Project within ninety days of its issuance of the Bonds.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION AND REGISTRATION OF BONDS

Section 3.01. Authorization and Terms of Original Bonds. For the purposes of paying costs of issuance, financing a portion of the costs of the acquisition and construction of the Project not otherwise provided for, funding reserve accounts therefor or any one or more of such items, there shall be issued the Original Bonds of the City. The Original Bonds shall be issued in one or more series, designated "Subordinate Sewer Revenue Bonds, Series 1999 A," and so on, in an aggregate principal amount of not more than $650,000. Each series of Original Bonds shall be dated as of the date of delivery thereof, shall bear such interest not to exceed two percent per annum, shall mature at such times, not exceeding twenty (20) years after the date of issuance, and in such amount or amounts as shall be set forth in the Loan Agreement and in the Supplemental Resolution. The Original Bonds shall not bear interest, if any, during the construction period but interest shall commence accruing on the Completion Date as defined in the SRF Regulations, provided that the annual repayment of principal and payment of interest, if any, on the Bonds shall begin not later than one (1) year after the Completion Date. The Original Bonds shall be subject to the SRF Administrative Fee. The repayment of principal and interest, if any, on the Original Bonds shall be as set forth on Schedule Y to the respective Loan Agreements. The Original Bonds shall contain such other terms, provisions, conditions and limitations, all as provided by this Ordinance and the Loan Agreement and as the City Council of the City shall prescribe by resolution (or by supplemental or amendatory ordinance of said City Council as said City Council shall determine) adopted in connection with the sale of such Original Bonds.

The Bonds shall be payable as to principal at the principal office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest on the Bonds, if any, shall be paid by check or draft mailed to the registered owner thereof at the address as it appears on the books of the Bond Registrar, provided, that so long as the Authority is the owner thereof, interest on the Original Bonds may be paid by wire transfer or other methods satisfactory to the City, the Paying Agent and the Authority.

Unless otherwise provided by the Supplemental Resolution, the Original Bonds shall be issued in the form of a single bond for each series, fully registered to the Authority, with a record of advances and a payment record attached, representing the aggregate principal amount, and shall mature in principal installments, all as provided in the Loan Agreement and said Supplemental Resolution. Bonds shall be exchangeable at the option and expense of the Bondholder for other fully registered Bonds in aggregate principal amount equal to the amount of said Bonds then Outstanding, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of

said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

Subsequent series of Bonds may be issued in fully registered form, in the denomination of $5,000 or any integral multiple thereof, all as determined by a Supplemental Resolution. Said Bonds shall be dated as of the date specified in said Supplemental Resolution and shall bear interest from such date.

Section 3.02. Execution of Bonds. Said Bonds shall be executed in the name of the City by the Mayor and attested by the City Clerk, and the seal of the City shall be affixed thereto or imprinted thereon. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer of the City before the Bonds so signed and sealed have been sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Bonds may be signed and sealed on behalf of the City by such person as, at the actual time of the execution of such Bonds, shall hold the proper office in the City, although at the date of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.03. Authentication and Registration. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Ordinance unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.08, shall have been duly manually executed by the Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Ordinance. The Certificate of Authentication and Registration on any Bond shall be deemed to have been executed by the Registrar if manually signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.04. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Bonds shall be, and have all of the qualities and incidents of, negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner, in accepting any of said Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive owner shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value in the manner provided hereinafter in the form of said Bonds.

So long as any of the Bonds remain Outstanding, the City, through the Registrar, shall keep and maintain books for the registration and transfer of the Bonds.

Bonds shall be transferable only upon the books of the Registrar, by the registered Owner thereof in person or by the Owner's attorney duly authorized in writing,

upon surrender thereto together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered Owner or the Owner's duly authorized attorney.

In all cases in which the privilege of exchanging Bonds or transferring Bonds is exercised, Bonds shall be delivered in accordance with the provisions of this Ordinance. All Bonds surrendered in any such exchanges or transfers shall forthwith be canceled by the Registrar. For every such exchange or transfer of Bonds, the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Registrar incurred in connection therewith, which sum or sums shall be paid by the City. The Registrar shall not be obliged to make any such exchange or transfer of Bonds during the 15 days preceding an interest payment date on the Bonds, or, in the case of any proposed redemption of Bonds, next preceding the date of the selection of Bonds to be redeemed.

Section 3.05. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated or be destroyed, stolen or lost, the City may, in its discretion, issue and deliver a new Bond in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Owner's furnishing the City proof of ownership thereof and satisfactory indemnity and complying with such other reasonable regulations and conditions as the City may prescribe and paying such expenses as the City may incur and the Registrar shall authenticate the new Bond. All Bonds so surrendered shall be canceled by the Registrar and held for the account of the City. If such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the City may pay the same, upon being indemnified as aforesaid, and, if such Bond be lost, stolen, or destroyed, without surrender therefor.

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

Section 3.06. Bonds not to be Indebtedness of the City. The Bonds shall not, in any event, be or constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Owner or Owners of any of the Bonds shall ever have the right to compel the exercise of the taxing power of the City to pay the Bonds or any interest thereon.

Section 3.07. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of all the Original Bonds shall be secured forthwith equally and ratably with each other and with the Subordinate Bonds by a second lien on the Net Revenues derived from the System. The lien on the Net Revenues of the System of the Original Bonds and the

Subordinate Bonds shall be junior and subordinate to the lien of the First Lien Bonds for so long as the First Lien Bonds are Outstanding. The lien on the Net Revenues of the System of the Original Bonds and the Subordinate Bonds shall be senior and prior to the lien of the Supplemental Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Bonds and the Prior Bonds and to make the payments into the sinking funds, reserve accounts, and renewal and replacement or depreciation accounts established or continued by this Ordinance and the Prior Ordinances are hereby irrevocably pledged to the payment of the principal of and interest, if any, on the Bonds and the Prior Bonds as the same become due.

Section 3.08. Form of Original Bonds. The text of each series of Original Bonds shall be of substantially the following tenor, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted by this Ordinance or any subsequent resolution or ordinance adopted or enacted prior to the issuance thereof.

[Remainder of this page intentionally left blank]

[FORM OF THE ORIGINAL BOND]

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority "), or registered assigns, the sum of ___ _____ ($_____), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, ___, as set forth on the "Schedule of Debt Service" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter-described Bond Ordinance) shall also be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1, ____, as set forth on Exhibit B attached hereto.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning ____, 200_, at the rate of _____ percent (__%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated _____, 199__, among the Authority, the West Virginia Division of Environmental Protection and the City.

This Bond is issued (i) to pay costs of acquisition and construction of a certain additions, extensions, betterments and improvements to the existing wastewater treatment and collection facilities of the City (the "Project"), [(ii) to fund a reserve account therefor,] and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on _____, 1999, and a Supplemental Resolution adopted by the City on the _____, 1999 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

THIS BOND RANKS EQUALLY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,015 (THE "SUBORDINATE BONDS"); JUNIOR AND SUBORDINATE AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SEWER REVENUE BONDS, SERIES 1961, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $8,000,000 (THE "FIRST LIEN BONDS"); AND SENIOR AND PRIOR AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,985 (THE "SUPPLEMENTAL BONDS," AND TOGETHER WITH THE SUBORDINATE BONDS AND THE FIRST LIEN BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a lien on the Net Revenues, on a parity with the lien of the Subordinate Bonds and junior and subordinate to the lien of the First Lien Bonds, to be derived from the operation of the System, moneys in the Series 1999 A Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds payable from such Net Revenues, and on the Supplemental Bonds, provided however, that so long as there exists in the Series 1999 A Reserve Account an amount equal to the maximum amount of principal and interest which will become due on

the Bonds and any bonds senior to or on a parity therewith, in any succeeding fiscal year, an amount equal to the requirement therefor, and so long as there exists in the reserve accounts established for the Prior Bonds are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of _____, _____, (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or its attorney duly authorized in writing, upon the surrender of this Bond together, with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

All provisions of the Ordinance, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond, to the same extent as if written fully herein.

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, The City of South Charleston has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated the __ day of _____, 199_.

[SEAL]

_____
Mayor

ATTEST:

_____
City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

_____,
as Registrar

By _____
Its Authorized Officer

Dated: _____

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) $		(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

[Form of Assignment]

FOR VALUE RECEIVED the undersigned sells, assigns, and transfers unto

_____

_____

_____

_____

_____

the within Bond and does hereby irrevocably constitute and appoint _____, Attorney to transfer the said Bond on the books kept for registration of the within Bond of the said City, with full power of substitution in the premises.

Dated: _____, ___.

_____

In the presence of:

_____

Section 3.09. Sale of Original Bonds; Ratification and Execution of Loan Agreement. The Original Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Loan Agreements. As a ratification of the resolution of City Council authorizing execution of the Loan Agreement, the Mayor is specifically authorized and directed to execute the Loan Agreement and the City Clerk is directed to affix the seal of the City, attest the same and deliver the Loan Agreement to the Authority. The Loan Agreement is specifically incorporated into this Ordinance.

Section 3.10. Certificate of Consulting Engineers. Prior to the issuance of the Original Bonds, the City must obtain the certificate of the Consulting Engineers, in the form attached to the Loan Agreement, to the effect that the Project has been designed as provided in the Program application and will be constructed in accordance with the approved plans, specifications and design as submitted to the DEP and the Authority, that the Project will be adequate for the purposes for which it was designed, and the funding plan as submitted to the DEP and the Authority is sufficient to pay the costs of the acquisition and construction of the Project.

Section 3.11. Amended Schedule A Filing. Within 60 days following the Completion Date, the City will file with the Authority its schedule, in substantially the form of "Amended Schedule A" to the Loan Agreement, setting forth the actual costs of the Project and sources of funds used therefor.

ARTICLE IV

[Reserved]

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01. Establishment of Funds and Accounts with Depository Bank. The following special funds or accounts are continued by or created with and shall be held by the Depository Bank:

(1) Revenue Fund;

(2) Renewal and Replacement Fund; and

(3) Bond Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby established with the Commission:

(1) the Series 1999 A Sinking Fund;

(a) Within the Series 1999 A Sinking Fund, the Series 1999 A Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. As long as the First Lien Bonds are outstanding, the entire Gross Revenues derived from the operation of the System shall be deposited in the Sewer Revenue Fund pursuant to the terms of Section 11 of the 1961 Ordinance, with such additional deposits into the Renewal and Replacement Fund established in the 1961 Ordinance as are necessary to pay the principal of and interest on the Subordinate Bonds, the Bonds and the Supplemental Bonds, and to make the required deposits into the reserve accounts established for the Subordinate Bonds, the Bonds and the Supplemental Bonds, all as set forth and with the priorities established in subdivisions (2) through (6), inclusive, of this Section 5.03A. When the First Lien Bonds are no longer outstanding, the entire Gross Revenues derived from the operation of the System shall be deposited in the Revenue Fund established by the 1986 Ordinance and continued hereby. The Revenue Fund shall constitute a trust fund for the purposes provided in this Ordinance and shall be kept separate and distinct from all other funds of the City and the Depository Bank and used only for the purposes and in the manner therein and herein provided.

When the First Lien Bonds are no longer outstanding, the City shall make the following transfers from the Revenue Fund:

(1) The City shall, each month, transfer from the Revenue Fund an amount sufficient to pay current Operating Expenses of the System.

(2) The City shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) transfer to the Commission the amounts required by the 1986 Ordinance to be deposited in the sinking fund for the Subordinate Bonds for the payment of the principal and interest on the Subordinate Bonds; (ii) commencing 4 months prior to the first date of payment of interest, if any, on the Bonds for which interest has not been capitalized, remit to the Commission, for deposit in the Series 1999 A Sinking Fund, a sum equal to 1/3rd of the amount of interest which will become due on the Bonds on the next ensuing quarterly interest payment date; provided, that, in the event the period to elapse between the date of such initial deposit in the Series 1999 A Sinking Fund and the next quarterly interest payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly interest payment date, the required amount of interest coming due on such date; and (iii) on the first day of each month, commencing 4 months prior to the first date of payment of principal on the Bonds, remit to the Commission, for deposit in the Series 1999 A Sinking Fund, a sum equal to 1/3rd of the amount of principal which will mature and become due on the Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 1999 A Sinking Fund and the next quarterly principal payment date is less than 4 months, then such monthly payments shall be increased proportionately to provide, one month prior to the next quarterly principal payment date, the required amount of principal coming due on such date. When additional series of Original Bonds are issued, the payment of interest and principal on said bonds shall be made simultaneously with the payments described in this Section 5.03A(2) and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds and any Subordinate Bonds then Outstanding.

(3) The City shall next, on the first day of each month, transfer from the Revenue Fund and, simultaneously, (i) transfer to the Commission the amount required by the 1986 Ordinance, if any, to make up any deficiency in the reserve account established by the 1986 Ordinance for the Subordinate Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Bonds, transfer to the Commission for deposit in the Series 1999 A Reserve Account, if not fully funded upon issuance of the Bonds, an amount equal to 1/120 of the Series 1999 A Reserve Requirement; provided, that no further payments shall be made into the Series 1999 A Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 1999 A Reserve Requirement. When additional series of Original Bonds are issued, the deposits into the reserve accounts established for such additional series of Original Bonds shall be made simultaneously with the payments described in this Section 5.03A(3), and to the extent that Revenues are insufficient to make all of the payments, such payments shall be made, pro rata, among each series of Bonds and any Subordinate Bonds then Outstanding.

(4) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month, transfer to the Renewal and Replacement Fund a sum equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of the reserve accounts established for the Bonds, the Subordinate Bonds, and any additional

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $650,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority "), or registered assigns, the sum of Six Hundred Fifty Thousand Dollars ($650,000), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning June 1, 2000, as set forth on the "Schedule of Debt Service" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter-described Bond Ordinance) shall also be payable quarterly on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning June 1, 2000, as set forth on Exhibit B attached hereto.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning June 1, 2000, at the rate of two percent (2%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month

preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated May 10, 1999, among the City, the West Virginia Division of Environmental Protection and the West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of a certain additions, extensions, betterments and improvements to the existing wastewater treatment and collection facilities of the City (the "Project"), (ii) to fund a reserve account therefor, and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on April 1, 1999, effective April 15, 1999, a Supplemental Resolution adopted by the City on April 15, 1999, and a Second Supplemental Resolution adopted by the City on May 20, 1999 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

THIS BOND RANKS EQUALLY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,015 (THE "SUBORDINATE BONDS"); JUNIOR AND SUBORDINATE AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SEWER REVENUE BONDS, SERIES 1961, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $8,000,000 (THE "FIRST LIEN BONDS"); AND SENIOR AND PRIOR AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,985 (THE "SUPPLEMENTAL BONDS," AND TOGETHER WITH THE SUBORDINATE BONDS AND THE FIRST LIEN BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a lien on the Net Revenues, on a parity with the lien of the Subordinate Bonds and junior and subordinate to the lien of the First Lien Bonds, to be derived from the operation of the System, moneys in the Series 1999 A Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal

to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds payable from such Net Revenues, and on the Supplemental Bonds, provided however, that so long as there exists in the Series 1999 A Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds senior to or on a parity therewith, in any succeeding fiscal year, an amount equal to the requirement therefor, and so long as there exists in the reserve accounts established for the Prior Bonds are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of United National Bank, 500 Virginia Street, East, Charleston, West Virginia (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or its attorney duly authorized in writing, upon the surrender of this Bond together, with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

All provisions of the Ordinance, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond, to the same extent as if written fully herein.

NUMBER

AR-1

IN WITNESS WHEREOF, The City of South Charleston has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated the 25th day of May, 1999.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

UNITED NATIONAL BANK,
as Registrar

By _____
Its Authorized Officer

Dated: May 25th 1999

EXHIBIT A

RECORD OF ADVANCES

"SPECIMEN"

Amount	Date	Amount	Date
(1) $49,459	May 25, 1999	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Date	Principal	Coupon	Interest	Total P+I
6/01/1999	-	-	-	-
9/01/1999	-	-	-	-
12/01/1999	-	-	-	-
3/01/2000	-	-	-	-
6/01/2000	6,628.00	2.000%	3,250.00	9,878.00
9/01/2000	6,661.00	2.000%	3,216.86	9,877.86
12/01/2000	6,694.00	2.000%	3,183.56	9,877.56
3/01/2001	6,728.00	2.000%	3,150.09	9,878.09
6/01/2001	6,762.00	2.000%	3,116.45	9,878.45
9/01/2001	6,795.00	2.000%	3,082.64	9,877.64
12/01/2001	6,829.00	2.000%	3,048.66	9,877.66
3/01/2002	6,864.00	2.000%	3,014.52	9,878.52
6/01/2002	6,898.00	2.000%	2,980.20	9,878.20
9/01/2002	6,932.00	2.000%	2,945.71	9,877.71
12/01/2002	6,967.00	2.000%	2,911.05	9,878.05
3/01/2003	7,002.00	2.000%	2,876.21	9,878.21
6/01/2003	7,037.00	2.000%	2,841.20	9,878.20
9/01/2003	7,072.00	2.000%	2,806.02	9,878.02
12/01/2003	7,107.00	2.000%	2,770.66	9,877.66
3/01/2004	7,143.00	2.000%	2,735.12	9,878.12
6/01/2004	7,179.00	2.000%	2,699.41	9,878.41
9/01/2004	7,215.00	2.000%	2,663.51	9,878.51
12/01/2004	7,251.00	2.000%	2,627.44	9,878.44
3/01/2005	7,287.00	2.000%	2,591.18	9,878.18
6/01/2005	7,323.00	2.000%	2,554.75	9,877.75
9/01/2005	7,360.00	2.000%	2,518.13	9,878.13
12/01/2005	7,397.00	2.000%	2,481.33	9,878.33
3/01/2006	7,434.00	2.000%	2,444.35	9,878.35
6/01/2006	7,471.00	2.000%	2,407.18	9,878.18
9/01/2006	7,508.00	2.000%	2,369.82	9,877.82
12/01/2006	7,546.00	2.000%	2,332.28	9,878.28
3/01/2007	7,584.00	2.000%	2,294.55	9,878.55
6/01/2007	7,621.00	2.000%	2,256.63	9,877.63
9/01/2007	7,660.00	2.000%	2,218.53	9,878.53
12/01/2007	7,698.00	2.000%	2,180.23	9,878.23
3/01/2008	7,736.00	2.000%	2,141.74	9,877.74
6/01/2008	7,775.00	2.000%	2,103.06	9,878.06
9/01/2008	7,814.00	2.000%	2,064.18	9,878.18
12/01/2008	7,853.00	2.000%	2,025.11	9,878.11
3/01/2009	7,892.00	2.000%	1,985.85	9,877.85
6/01/2009	7,932.00	2.000%	1,946.39	9,878.39
9/01/2009	7,971.00	2.000%	1,906.73	9,877.73
12/01/2009	8,011.00	2.000%	1,866.87	9,877.87
3/01/2010	8,051.00	2.000%	1,826.82	9,877.82
6/01/2010	8,091.00	2.000%	1,786.56	9,877.56
9/01/2010	8,132.00	2.000%	1,746.11	9,878.11
12/01/2010	8,173.00	2.000%	1,705.45	9,878.45

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Date	Principal	Coupon	Interest	Total P+I
3/01/2011	8,213.00	2.000%	1,664.58	9,877.58
6/01/2011	8,255.00	2.000%	1,623.52	9,878.52
9/01/2011	8,296.00	2.000%	1,582.24	9,878.24
12/01/2011	8,337.00	2.000%	1,540.76	9,877.76
3/01/2012	8,379.00	2.000%	1,499.08	9,878.08
6/01/2012	8,421.00	2.000%	1,457.18	9,878.18
9/01/2012	8,463.00	2.000%	1,415.08	9,878.08
12/01/2012	8,505.00	2.000%	1,372.76	9,877.76
3/01/2013	8,548.00	2.000%	1,330.24	9,878.24
6/01/2013	8,591.00	2.000%	1,287.50	9,878.50
9/01/2013	8,634.00	2.000%	1,244.54	9,878.54
12/01/2013	8,677.00	2.000%	1,201.37	9,878.37
3/01/2014	8,720.00	2.000%	1,157.99	9,877.99
6/01/2014	8,764.00	2.000%	1,114.39	9,878.39
9/01/2014	8,807.00	2.000%	1,070.57	9,877.57
12/01/2014	8,852.00	2.000%	1,026.53	9,878.53
3/01/2015	8,896.00	2.000%	982.27	9,878.27
6/01/2015	8,940.00	2.000%	937.79	9,877.79
9/01/2015	8,985.00	2.000%	893.09	9,878.09
12/01/2015	9,030.00	2.000%	848.17	9,878.17
3/01/2016	9,075.00	2.000%	803.02	9,878.02
6/01/2016	9,120.00	2.000%	757.64	9,877.64
9/01/2016	9,166.00	2.000%	712.04	9,878.04
12/01/2016	9,212.00	2.000%	666.21	9,878.21
3/01/2017	9,258.00	2.000%	620.15	9,878.15
6/01/2017	9,304.00	2.000%	573.86	9,877.86
9/01/2017	9,351.00	2.000%	527.34	9,878.34
12/01/2017	9,397.00	2.000%	480.59	9,877.59
3/01/2018	9,444.00	2.000%	433.60	9,877.60
6/01/2018	9,492.00	2.000%	386.38	9,878.38
9/01/2018	9,539.00	2.000%	338.92	9,877.92
12/01/2018	9,587.00	2.000%	291.23	9,878.23
3/01/2019	9,635.00	2.000%	243.29	9,878.29
6/01/2019	9,683.00	2.000%	195.12	9,878.12
9/01/2019	9,731.00	2.000%	146.70	9,877.70
12/01/2019	9,780.00	2.000%	98.05	9,878.05
3/01/2020	9,829.00	2.000%	49.15	9,878.15
Total	**650,000.00**	-	**140,246.08**	**790,246.08** *

*Plus $938.83 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $75,106.40.

[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:

_____

series of Original Bonds issued hereunder. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the City or of the Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, emergency repairs, improvements or extensions to the System; provided, that any deficiencies in any reserve account (except to the extent such deficiency exists because the required payments into such account have not, as of the date of determination of a deficiency, funded such account to the maximum extent required hereof) shall be promptly eliminated with moneys from the Renewal and Replacement Fund.

Moneys in the Series 1999 A Sinking Fund shall be used only for the purposes of paying principal of and interest on the Bonds as the same shall become due. Moneys in the Series 1999 A Reserve Account shall be used only for the purpose of paying principal of or interest on the Bonds, as the same shall come due, when other moneys in the Series 1999 A Sinking Fund are insufficient therefor, and for no other purpose. Except for the funds required to be deposited in the Rebate Fund, all investment earnings on moneys in the Series 1999 A Reserve Account shall be transferred, not less than once each year, to the Bond Construction Trust Fund prior to completion of the Project and thereafter, pro rata, to the Series 1999 A Sinking Fund.

Any withdrawals from the Series 1999 A Reserve Account which result in a reduction in the balance of the Series 1999 A Reserve Account to an amount below the Series 1999 A Reserve Requirement shall be subsequently restored, on a pro rata basis with any deposits required to be made to restore a reduction in the balance in the reserve account established for the Subordinate Bonds, from the first Net Revenues available after all required payments to the sinking funds for payment of debt service on the Bonds and the Subordinate Bonds have been made in full.

(5) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month for as long as the Supplemental Bonds are Outstanding, transfer to the Commission the amounts required by Section 4.03(A)(9) of the 1986 Ordinance for payment of the principal of the Supplemental Bonds.

(6) The City shall next, from the moneys remaining in the Revenue Fund, on the first day of each month for as long as the Supplemental Bonds are Outstanding, transfer to the Commission the amount required by Section 4.03(A)(10) of the 1986 Ordinance, if any, to make up any deficiency in the reserve account established by the 1986 Ordinance for the Supplemental Bonds.

B. As and when additional Bonds ranking on a parity with the Original Bonds are issued, provision shall be made for additional payments into the Series 1999 A Sinking Fund sufficient to pay any interest on such additional Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the Series 1999 A Reserve Account in an amount equal to the Series 1999 A Reserve Requirement.

The Commission is hereby designated as the fiscal agent for the administration of the Series 1999 A Sinking Fund created hereunder, and all amounts required for the Series 1999 A Sinking Fund shall be remitted to the Commission from the Revenue Fund by the City at the times provided herein.

The payments into the Series 1999 A Sinking Fund shall be made on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday then such payments shall be made on the next succeeding business day, and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Ordinance.

Moneys in the Series 1999 A Reserve Account shall be invested and reinvested by the Commission in accordance with Article VIII hereof.

The Series 1999 A Sinking Fund, including the Series 1999 A Reserve Account therein, shall be used solely and only for, and is hereby pledged for, the purpose of servicing the Bonds and any additional Bonds ranking on a parity with them that may be issued and Outstanding under the conditions and restrictions hereinafter set forth.

C. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinabove provided, are current and there remains in said Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into the Series 1999 A Sinking Fund and the sinking funds established for the Subordinate Bonds and the Supplemental Bonds then Outstanding, including the reserve accounts therein, and the Renewal and Replacement Fund during the following month or such longer period as shall be required by the Act, such excess shall be considered as surplus revenues (the "Surplus Revenues"). Surplus Revenues may be used for any lawful purpose of the System.

D. The City shall remit from the Revenue Fund to the Commission or the Depository Bank, on such dates as the Commission or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay any Depository Bank's charges then due.

Simultaneously with the deposits made to the Commission pursuant to Section 5.03A(2) and (3) the City shall remit to the Commission the SRF Administrative Fee.

The City shall complete the "monthly payment form," which form is attached to the Loan Agreement as Exhibit F, and submit a copy of said form along with a copy of its payment check to the Authority by the fifth day of each calendar month.

E. The moneys in excess of the maximum amounts insured by FDIC in the Revenue Fund and the Renewal and Replacement Fund shall at all times be secured, to the full extent thereof in excess of such insured sum, by Qualified Investments as shall be eligible as security for deposits of state and municipal funds under the laws of the State.

F. If, on any monthly payment date, the revenues are insufficient to place the required amount in any of the funds and accounts as hereinabove provided, the deficiency shall be made up in the subsequent payments, in addition to the payments which would otherwise be required to be made into the funds and accounts on the subsequent payment dates.

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

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

Section 5.04. Excess Bond Proceeds. Upon completion of construction of the Project, as certified by the Consulting Engineers, and after all costs have been paid, any remaining proceeds of the Bonds shall be used as directed in writing by the Authority and the DEP.

ARTICLE VI

APPLICATION OF ORIGINAL BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 6.01. Application of Original Bond Proceeds. From the moneys received from time to time from the sale of any or all of the Original Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Bonds, there shall be deposited with the Commission in the Series 1999 A Reserve Account the sum, if any, set forth in the Supplemental Resolution.

B. The remaining moneys derived from the sale of the Original Bonds shall be deposited by the City, as received from time to time, in the Bond Construction Trust Fund hereinafter established.

C. There is hereby created and established with the Depository Bank a special fund, designated the "Bond Construction Trust Fund". The Depository Bank shall act as a trustee and fiduciary for the Bondholder with respect to the Bond Construction Trust Fund and shall comply with all requirements with respect to the disposition of the Bond Construction Trust Fund set forth in this Ordinance. Except with respect to any transfers to the Rebate Fund, moneys in the Bond Construction Trust Fund shall be used solely to pay Costs of the Project and until so transferred or expended, are hereby pledged as additional security for the Bonds.

Section 6.02. Disbursements From the Bond Construction Trust Fund.

A. On or before the Closing Date, the City shall have delivered to the Authority a report listing the specific purposes for which the proceeds of the Bonds will be expended and the disbursement procedures for such proceeds, including an estimated monthly draw schedule.

Except as provided in Section 6.01 hereof, disbursements from the Bond Construction Trust Fund (except for the cost of issuance of the Original Bonds which shall be made upon request of the City) shall be made only after submission to, and approval from, the Authority and the DEP of the following:

(1) A "Payment Requisition Form," attached to the Loan Agreement, and

(2) a certificate, signed by the Chairman and the Consulting Engineers, stating:

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

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

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

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

B. In case any contract provides for the retention of a portion of the contract price, the Depository Bank shall disburse from the Bond Construction Trust Fund only the net amount remaining after deduction of any such portion. All payments made from the Bond Construction Trust Fund shall be presumed by the Depository Bank to be made for the purposes set forth in said certificate, and the Depository Bank shall not be required to monitor the application of disbursements from the Bond Construction Trust Fund. The Consulting Engineers shall, from time to time, file with the Depository Bank written statements advising the Depository Bank of its then authorized representative.

Pending such application, moneys in the Bond Construction Trust Fund, including any accounts therein, shall be invested and reinvested in Qualified Investments at the written direction of the City.

ARTICLE VII

ADDITIONAL COVENANTS OF THE CITY

Section 7.01. General Covenants of the City. All the covenants, agreements and provisions set forth in this Ordinance shall be and constitute valid and legally binding covenants of the City and shall be enforceable in any court of competent jurisdiction by any owner or owners of the Bonds. In addition to the other covenants, agreements and provisions of this Ordinance, the City hereby covenants and agrees with the owners of the Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of said Bonds, or the interest thereon, is Outstanding and unpaid.

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

Section 7.03. Bonds Secured by Pledge of Net Revenues. The payment of the debt service of the Original Bonds issued hereunder shall be secured forthwith, equally and ratably, by a lien on the Net Revenues derived from the operation of the System that is junior and subordinate to the lien of the First Lien Bonds, equal to and on a parity with the lien of the Subordinate Bonds, and senior and prior to the lien of the Supplemental Bonds. The revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bonds herein authorized and the Prior Bonds and to make the payments into the reserve accounts established herein for the Series 1999 A Bonds and the reserve accounts established by the Prior Ordinances for the Prior Bonds, and all other payments provided for in this Ordinance, are hereby irrevocably pledged, in the manner provided herein, to the payment of the principal of and interest on the Bonds and the Prior Bonds and for the other purposes provided in the Ordinance.

Section 7.04. Rates. Prior to issuance of the Original Bonds, equitable rates or charges for the use of and service rendered by the System will be established in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the City Clerk, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from said System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder and under the Prior Ordinances. Such schedule of rates and charges shall be changed and readjusted, whenever necessary, so that the aggregate of the rates and charges will be sufficient for such purposes. The City shall take the necessary actions with respect to the imposition of rates, at such times and with such provisions with respect to interest rate and maturity of the Bonds, to finance the issuance of

the Bonds as the purchasers thereof shall require. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the City hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient (i) to provide for all reasonable expenses of operation, repair and maintenance of the System and (ii) to leave a balance each Fiscal Year equal to at least 115% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and the Prior Bonds then Outstanding; provided that, in the event that amounts at least equal to or in excess of the reserve requirements established for the Bonds and the Prior Bonds are on deposit in the respective reserve accounts for the Bonds and the Prior Bonds, such balance each Fiscal Year need only equal at least 110% of the maximum amount required in any succeeding Fiscal Year for payment of principal of and interest on the Bonds and the Prior Bonds.

Section 7.05. Completion, Operation and Maintenance; Schedule of Cost. The City will expeditiously complete the Project and will maintain the System in good condition and will operate the same as a revenue-producing enterprise in an efficient and economical manner, making such expenditures, for equipment and for renewal, repair and replacement as may be proper for the economical operation and maintenance thereof, from the revenues of said System, in the manner provided in the Ordinance.

Upon completion of the Project, the City shall file with the Authority a schedule, in substantially the form of Amended Schedule A to the Program loan application, setting forth the actual costs of the Project and sources of funds therefor.

Section 7.06. Sale of the System. The System may be sold, mortgaged, leased or otherwise disposed of only as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient fully to pay or redeem at or prior to maturity all the Bonds and Prior Bonds then Outstanding. The proceeds from such sale, mortgage, lease or other disposition of the System shall immediately be remitted to the Commission for deposit in the appropriate sinking funds, and the City shall direct the Commission to apply such proceeds to the payment of principal and any interest at maturity of Bonds and Prior Bonds about to mature and to the redemption prior to maturity, at the earliest date permitted hereby and at the redemption price, of all other Outstanding Bonds and Prior Bonds. Any balance remaining after the redemption or payment of all the Bonds and Prior Bonds and interest thereon shall be remitted to the City by the Commission, unless necessary for the payment of other obligations of the City payable out of the revenues of the System.

The foregoing provision notwithstanding, the City shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. The City Council may then, if it be so advised, as evidenced by certificates of the Consulting Engineers, by resolution duly adopted, approve and concur in such finding and provide for the sale of such property if the amount to be received therefor is not in excess of ten thousand dollars ($10,000), or

authorize such sale, lease or other disposition of such property, upon public bidding, if the amount to be received therefor is in excess of ten thousand dollars ($10,000) but not in excess of fifty thousand dollars ($50,000). The proceeds of any such sale, lease or other disposition of such property, not in excess of $10,000, shall be deposited in the Renewal and Replacement Fund. The proceeds derived from any such sale, lease or other disposition of such property, in excess of $10,000 and not in excess of $50,000, shall be remitted by the City to the Commission for deposit in the appropriate sinking funds and shall be applied only to the redemption of Bonds or Prior Bonds of the last maturities then Outstanding or to the purchase of Bonds or Prior Bonds of the last maturities then Outstanding at prices not greater than the redemption price of such Bonds or Prior Bonds. Such payments of such proceeds into the sinking funds or the renewal and replacement funds therein shall not reduce the amounts required to be paid into said funds by other provisions of this Ordinance and the Prior Ordinances.

No sale, lease or other disposition of the properties of the System shall be made by the City if the proceeds to be derived therefrom shall be in excess of fifty thousand dollars ($50,000) and be insufficient to pay or redeem, prior to maturity, all the Bonds and Prior Bonds then Outstanding, without the prior approval and consent in writing of the owners, or their duly authorized representatives, of sixty-six and two-thirds percent (66-2/3%) in amount of the Bonds and Prior Bonds then Outstanding. The City shall prepare the form of such approval and consent for execution by the then owners of the Bonds and Prior Bonds, for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.07. Issuance of Other Obligations Payable out of Revenues and General Covenant Against Encumbrances. The City shall not issue any other obligations whatsoever, except pari passu additional Bonds provided for in Section 7.08 hereof, payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Bonds; provided, however, that additional Parity Bonds may be issued as provided in Section 7.08 hereafter. All obligations hereafter issued by the City payable from the revenues of the System, except such additional Parity Bonds, shall contain an express statement that such obligations are junior and subordinate as to lien on and source of and security for payment from such revenues and in all other respects to the Bonds to the extent such are Outstanding; provided, that no such subordinate obligations shall be issued unless all payments required to be made into the Series 1999 A Reserve Account and the Renewal and Replacement Fund, at the time of the issuance of such subordinate obligations, have been made and are current.

Except as provided above, the City shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or, except with respect to said pari passu additional Bonds, being on a parity with the lien of the Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Bonds and the interest thereon in this Ordinance or upon the System or any part thereof.

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

Section 7.08. Parity Bonds. No Parity Bonds payable out of the revenues of the System shall be issued after the issuance of any Bonds pursuant to this Ordinance, except under the conditions and in the manner herein provided and with the prior written consent of DEP and the Authority.

No Parity Bonds shall be issued, except for the purpose of financing the costs of the acquisition or construction of extensions, additions, betterments or improvements to the System or refunding the entirety of one or more issues or series of bonds or both such purposes.

No Parity Bonds shall be issued at any time, however, unless and until there has been procured and filed with the City Clerk a written statement by Independent Accountants, based upon the necessary investigation and certification by the Consulting Engineers, reciting the conclusion that the net revenues actually derived, subject to the adjustments hereinafter provided, from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual net revenues to be received in each of the three (3) succeeding years after the completion of the improvements to be financed by such additional Parity Bonds, shall not be less than one hundred fifteen percent (115%) of the maximum debt service in any succeeding year on the following:

(1) The Prior Bonds then Outstanding;

(2) Each series of Original Bonds then Outstanding;

(2) Any Parity Bonds theretofore issued pursuant to the provisions contained in this Ordinance then Outstanding; and

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

The "estimated average increased annual net revenues to be received in each of the three (3) succeeding years," as that term is used in the computation provided in the above paragraph, shall refer only to the increased net revenues estimated to be derived from any increase in rates enacted by the City, the time for appeal of which shall have expired prior to the date of delivery of such Parity Bonds, and shall not exceed the amount to be stated in a certificate of the Consulting Engineers, which shall be filed in the office of the City Clerk prior to the issuance of such additional Parity Bonds.

The Net Revenues actually derived from the System during the twelve (12) consecutive month period hereinabove referred to may be adjusted by adding to such net revenues such additional net revenues which would have been received, in the opinion of the Consulting Engineers and the Independent Accountants as stated in a certificate jointly made and signed by the Consulting Engineers and the Independent Accountants, on account of increased rates, rentals, fees and charges for the System enacted by the City, the time for appeal of which shall have expired prior to issuance of such Parity Bonds.

Not later than simultaneously with the delivery of such Parity Bonds, the City shall have entered into written contracts for the immediate acquisition or construction of such extensions, additions, betterments or improvements to the System which are to be financed by such Parity Bonds.

All the covenants and other provisions of this Ordinance (except as to details of such Parity Bonds inconsistent herewith) shall be for the equal benefit, protection and security of the owners of the Original Bonds and the owners of any Parity Bonds subsequently issued, from time to time, within the limitations of and in compliance with this Section. All the Bonds, regardless of the time or times of their issuance shall rank equally with respect to their respective liens on the revenues of the System, and their respective sources of and security for payment from said revenues, without preference of any Bond over any other. The City shall comply fully with all the increased payments into the various funds created in this Ordinance required for and on account of such additional Bonds, in addition to the payments required for Bonds theretofore issued pursuant to this Ordinance.

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

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

Section 7.09. Insurance and Construction Bonds. The City will carry such insurance and in such amounts as is customarily carried with respect to works and properties similar to the System, with a reputable insurance carrier or carriers, against loss or damage by fire, explosion, hurricane, earthquake, cyclone, occupancy or other hazards and risks. The City will require that each of its contractors and all subcontractors maintain, during the life of the construction contract, workers' compensation coverage, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms

satisfactory to the Authority and the DEP, so long as the Authority is the Owner of the Bonds. The City will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, to protect the interests of the City, the Authority, the prime contractor and all subcontractors as their interests may appear, in accordance with the Loan Agreement, during construction of the Project in the full insurable value thereof. In time of war, the City shall also carry in said amount such insurance as may be available against loss or damage by the risks and hazards of war. The proceeds of all such insurance policies shall be disposed of as provided in the Ordinance and otherwise shall be placed in the Renewal and Replacement Fund and used only for the repair and restoration of the damaged or destroyed properties or for the other purposes provided herein for said Renewal and Replacement Fund. The City shall also carry liability insurance for damage or injury to persons or property in amounts adequate for such purposes and customarily carried with respect to works and properties similar to the System. The City shall carry such other insurance as is required by the Authority and DEP and as set forth in the Loan Agreement, including but not limited to flood insurance and business interruption insurance, to the extent available at reasonable cost to the City.

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

Section 7.10. Consulting Engineers. The City shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers. Such resident engineer shall certify to the Authority, the DEP and the City, at the completion of construction, that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The City shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The City shall notify the DEP in writing of such receipt. The City shall submit a Performance Certificate, the form of which is attached as Exhibit A to the Loan Agreement and is incorporated herein by reference, to the DEP within 60 days of the end of the first year after the Project is completed.

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

to operate the System during the entire term of the Loan Agreement. The City shall notify the DEP in writing of the certified operator employed at the 25% completion stage.

The City agrees that qualified operating personnel, properly certified by the State, will be retained to operate the System during the entire term of the Loan Agreement.

Section 7.11. Compliance With Loan Agreement, Rules and Regulations. The City hereby covenants and agrees to perform and satisfy all terms and conditions of the Loan Agreement and to comply with all applicable laws, rules and regulations issued by the Authority and DEP or other State, federal or local bodies in regard to the construction of the Project and operation, maintenance and use of the System. Notwithstanding anything herein to the contrary, the City will provide the DEP with copies of all documents submitted to the Authority.

Section 7.12. No Free Services. The City will not render or cause to be rendered any free services, of any nature, by its System; and, in the event the City or any department, agency, instrumentality, officer or employee of the City shall avail itself or himself or herself of the facilities or services provided by the System or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the City and any such department, agency, instrumentality, officer or employee. Such charges shall be paid as they accrue, and the City shall transfer from its general funds sufficient sums to pay such charges for service to any of its departments or properties. The revenues so received shall be deemed to be revenues derived from the operation of the System and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.13. Enforcement of Collections. The City will diligently enforce and collect all fees, rates, rentals or other charges for the services and facilities of the System and take all steps, actions and proceedings for the enforcement and collection of such fees, rates, rentals or other charges that shall become delinquent to the full extent permitted or authorized by the laws of the State. All such rates and charges, if not paid when due, shall become a lien on the premises served by the System.

Whenever any rates, rentals or charges for the services or facilities of the System, or of the waterworks system, if any, or the sewerage system constituting a part thereof, shall remain unpaid for a period of thirty (30) days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. The City further covenants and agrees that it will, to the full extent permitted by law, and any rules and regulations promulgated by the Public Service Commission of West Virginia applicable thereto, discontinue and shut off both the water, if any, and the sewerage services and facilities of the System to all delinquent users of the services and facilities of the System, or of the waterworks system or sewerage system constituting a part thereof, and will not restore either water or sewerage services of the System until all delinquent charges for the service and facilities of the System, or of the waterworks system or sewerage system

constituting a part thereof, plus reasonable interest penalty charges for the restoration of service, have been fully paid.

Section 7.14. No Competing Franchise. To the extent allowable by law, the City will not grant or cause, consent to or allow the granting of, any franchise or permit to any person, firm, corporation or body, or agency or instrumentality whatsoever for the providing of any services which would compete with services provided by the System.

Section 7.15. Books, Records and Facilities. The City shall keep complete and accurate records of the cost of acquiring the Project site and the costs of acquiring, constructing and installing the Project. The City shall permit the Authority and the DEP, or their agents and representatives, to inspect all books, documents, papers and records relating to the Project and the System, at all reasonable times, for the purpose of audit and examination. The City shall submit to the Authority and the DEP such documents and information as they may reasonably require in connection with the acquisition, construction and installation of the Project, the operation and maintenance of the System and the administration of the Loan Agreements or other sources of financing for the Project.

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

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

The accounting system for the System shall follow currently accepted accounting practices in accordance with the rules and regulations of the West Virginia Public Service Commission and the Bond Act. Separate control accounting records shall be maintained by the City. Subsidiary records as may be required shall be kept in the manner, on the forms, in the books, and along with other bookkeeping records as prescribed by the City.

The City shall file with the Consulting Engineers and the Authority and DEP, and shall mail in each year to any owner or owners of Bonds requesting the same, an annual report containing the following:

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

(B) A balance sheet statement showing all deposits in all the funds and accounts provided for in this Ordinance with respect to said Bonds and the status of all said funds and accounts.

(C) The amount of any Bonds or other obligations Outstanding and secured by a lien on the Net Revenues of the System.

The City shall also, at least once a year, cause the books, records and accounts of the System to be completely audited by Independent Accountants in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto, to the extent legally required, and shall mail upon request, and make available generally, the report of said Independent Accountants, or a summary thereof, to any owner or owners of Bonds issued pursuant to this Ordinance, and shall submit said report to the Authority and the DEP. The report of said audit shall include a statement that the City is in compliance with the terms and provisions of the Act and the Loan Agreement and that the City's revenues are adequate to meet its operation and maintenance expenses and debt service requirements.

The City shall, commencing on the date contracts are executed for the construction of the Project and for two years following the completion of the Project, each month complete a Monthly Financial Report and forward a copy by the 10th of each month to the Authority and the DEP.

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

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

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

Section 7.16. Operating Budget. The Board shall, annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the Authority and the DEP within thirty days of the adoption thereof. No expenditures for

the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by the Consulting Engineers, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Board shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made, except upon the further certificate of the Consulting Engineers that such increased expenditures are necessary for the continued operation of the System. The City shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance to the Authority and to any Holder of any Bonds who shall file his address with the City and request in writing that copies of all such budgets and resolutions be furnished him and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to any Holder of any Bonds or anyone acting for and in behalf of such Holder of any Bonds.

Section 7.17. Mandatory Connection. The mandatory use of the System is essential and necessary to protect and preserve the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the City and to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the State Bureau of Public Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matter from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the State Bureau of Public Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant or occupant shall, after a 30 day notice of the availability of the System, pay the rates and charges established therefor.

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

Section 7.18. Statutory Mortgage Lien. For the further protection of the Bondholders, a statutory mortgage lien upon the System is granted and created by the Bond Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon delivery of the Bonds and shall be for the benefit of all Owners of the Bonds.

Section 7.19. PSC Matters. The City has received a letter from the Public Service Commission of West Virginia stating that the City is not required to seek or obtain a Certificate of Convenience and Necessity to acquire and construct the Project. To the extent this finding is ever successfully challenged, the City will take all necessary steps to secure a Certificate of Convenience and Necessity for the Project.

Section 7.20. Covenant to Amend Ordinance. The City retains the right to make any amendments to or insertions or deletions from this Ordinance by a further amendatory ordinance or by the Supplemental Resolution as the City deems necessary prior to the issuance of the Bonds to meet the requirements of the Authority and the DEP.

Section 7.21. Tax Covenants. The City hereby further covenants and agrees as follows:

A. PUBLIC PURPOSE BONDS. The City shall use the proceeds of the Bonds solely for the Project and as otherwise set forth herein, and the Project will be solely operated as a public purpose and as local governmental activity of the City.

B. PRIVATE ACTIVITY BOND COVENANT. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Code by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code in order to assure the tax-exempt status of the Bonds.

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

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

E. INFORMATION RETURN. The City will file all statements, instruments and returns necessary to assure the tax exempt status of the Bonds, including, without limitation, the information return required under Section 149(e) of the Code.

F. FURTHER ACTIONS. The City will take any and all actions that may be required of it (including those deemed necessary by the Authority) so that the interest on the Bonds will be and remain excludible from gross income for federal income tax purposes, and will not take any actions, or fail to take any actions (including those determined by the Authority) which would adversely affect such exclusion.

ARTICLE VIII

INVESTMENT OF FUNDS; NON-ARBITRAGE

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

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

Section 8.02. Arbitrage. The City covenants that (i) it will restrict the use of the proceeds of the Bonds in such manner and to such extent as may be necessary, in view of the City's reasonable expectations at the time of issuance of the Bonds, so that the Bonds will not constitute "arbitrage bonds" under Section 148 of the Code, and (ii) it will take all actions that may be required of it (including, without implied limitation, the timely filing of a federal information return with respect to the Bonds so that the interest on the Bonds will be and remain excluded from gross income for federal income tax purposes, and will not take any actions which would adversely affect such exclusion.

Section 8.03. Small Issuer Exception from Rebate of Excess Investment Earnings to the United States. In accordance with Section 148(f)(4)(D) of the Code, the City covenants that it is a governmental unit with general taxing powers; that no part of the Bonds are private activity bonds; that 95% or more of the Net Proceeds of the Bonds are to be used for local governmental activities of the City (or of a governmental unity the jurisdiction of which is entirely within the jurisdiction of the City); and that the aggregate face amount of all tax-exempt obligations (other than private activity bonds) issued by the City during the calendar year in which the Bonds are issued does not and will not exceed $5,000,000,

determined in accordance with Section 148(f)(4)(D) of the Code and the Regulations from time to time in effect as applicable to the Bonds. For purposes of the first paragraph of Section 8.03 and for purposes of applying Section 148(f)(4)D) of the Code, the City and all entities that issue obligation on behalf of the City shall be treated as one issuer; all obligations issued by a governmental unit to make loans to other governmental units with general taxing powers not subordinate to such unit shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code, be treated as not issued by such unit; all obligations issued by a subordinate entity shall, for purposes of applying this first paragraph of Section 8.03 and Section 148(f)(4)(D) of the Code to each other entity to which such entity is subordinate, be treated as issued by such other entity; and an entity formed (or, to the extent provided by the Secretary, as set forth in the Code, availed of) to avoid the purposes of such Section 148(f)(4)(D) of the Code and all other entities benefitting thereby shall be treated as one issuer.

If it is determined that the City does not quality for an exception to Section 148 of the Code or the City is otherwise subject to rebate in connection with the Bonds, the City shall calculate, annually, the rebatable arbitrage, determined in accordance with Section 148(f) of the Code. Upon completion of each such annual calculation, unless otherwise agreed by the Authority, the City shall deposit, or cause to be deposited, with the Depository Bank in a separate fund designated the Rebate Fund, such sums as are necessary to cause the aggregate amount on deposit in the Rebate Fund to equal the sum determined to be subject to rebate to the United States, which, notwithstanding anything herein to the contrary, shall be paid from investment earnings on the underlying fund or account established hereunder and on which such rebatable arbitrage was earned or from other lawfully available sources. Notwithstanding anything herein to the contrary, the Rebate Fund shall be held free and clear of any lien or pledge hereunder, if any, and used only for payment of rebatable arbitrage to the United States. The City shall pay, or cause to be paid, to the United States, from the Rebate Fund, the rebatable arbitrage in accordance with Section 148(f) of the Code and such Regulations. In the event that there are any amounts remaining in the Rebate Fund following all such payments required by the preceding sentence, the Depository Bank shall pay said amounts to the City to be used for any lawful purpose of the System. The City shall remit payments to the United States in the time and at the address prescribed by the regulations as the same may be from time to time in effect with such reports and statements as may be prescribed by such regulations. In the event that, for any reason, amounts in the Rebate Fund are insufficient to make the payments to the United States which are required, the City shall assure that such payments are made by the City to the United States, on a timely basis, from any funds lawfully available therefor. In addition, the City shall cooperate with the Authority in preparing rebate calculations and in all other respects in connection with rebates and hereby consents to the performance of all matters in connection with such rebates by the Authority at the expense of the City. To the extent not so performed by the Authority, the City and the Depository Bank (at the expense of the City) may provide for the employment of independent attorneys, accountants or consultants compensated on such reasonable basis as the City or the Depository Bank may deem appropriate in order to assure compliance with this Section 9.03. The City shall keep and retain, or cause to be kept and retained, records of the determinations made pursuant to

this Section 9.03 in accordance with the requirements of Section 148(f) of the Code. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and other amounts, from lawfully available sources, and obtain a waiver from the Internal Revenue Service, if necessary, in order to maintain the exclusion of interest on the Bonds from gross income for federal income tax purposes.

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

The City shall furnish to the Authority, annually, at such time as it is required to perform its rebate calculations under the Code, a certificate with respect to its rebate calculations and, at any time, any additional information relating thereto as may be requested by the Authority and shall furnish to the Authority such information with respect to earnings on all funds constituting "gross proceeds" of the Bonds (as that term is defined in the Code) from time to time as the Authority may request.

Section 8.04. Restriction of Yield and Bond Proceeds. If required, the City shall comply with the yield restriction on Bond proceeds as set forth in Section 148 of the Code.

ARTICLE IX

DEFAULT AND REMEDIES

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

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

(B) If default occurs in the City's observance of any of the covenants, agreements or conditions on its part relating to such Bonds set forth in this Ordinance, any supplemental resolution, or in such Bonds, and such default shall have continued for a period of 30 days after the City shall have been given written notice of such default by any bank or banking association holding any fund or account hereunder or an owner of such Bonds; or

(C) If the City files a petition seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America.

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

Section 9.03. Appointment of Receiver. Any Bondholder may, by proper legal action, compel the performance of the duties of the City under the Ordinance and the Act, including the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any default in the payment of interest on any Bonds when the same shall become due, or in the payment of the principal of any Bond or Bonds, either at the specified date of maturity thereof or at a date set for redemption thereof, or otherwise in the performance of any covenant contained in the Ordinance other than as to such payment and such default shall continue for a period of thirty (30) days after written notice to the City of such default, any Bondholder shall, in addition to all other remedies or rights, have the right, by appropriate legal proceedings, to obtain the appointment of a receiver to administer the System on behalf

of the City, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of the Bonds and any interest thereon, the deposits into the funds and accounts hereby established as herein provided and the payment of Operating Expenses of the System and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of the Ordinance and the Act.

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

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

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

Any receiver appointed as provided herein shall hold and operate the System in the name of the City and for the joint protection and benefit of the City and Owners of Bonds issued pursuant to the Ordinance. Such receiver shall have no power to sell, assign, mortgage or otherwise dispose of any assets of any kind or character belonging or pertaining to the System, but the authority of such receiver shall be limited to the possession, operation and maintenance of the System, for the sole purpose of the protection of both the City and Bondholders, and the curing and making good of any default under the provisions of the Ordinance, and the title to and ownership of said System shall remain in the City, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

DEFEASANCE

Section 10.01. Defeasance of Bonds. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Bonds the principal thereof, and redemption premium, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Ordinance, then the pledge of Net Revenues and any other moneys and securities pledged under this Ordinance and all covenants, agreements and other obligations of the City to the Bondholders shall thereupon cease, terminate and become void and be discharged and satisfied.

Bonds for the payment of which either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with the moneys, if any, deposited with the Paying Agent at the same or earlier time, shall be sufficient to pay, as and when due, the principal of and interest on the Bonds shall be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this Section. All Bonds shall, prior to the maturity thereof, be deemed to have been paid within the meaning and with the effect expressed in the first paragraph of this section if there shall have been deposited with the Commission or its agents, either moneys in an amount which shall be sufficient, or securities the principal of and the interest on which, when due, will provide moneys which, together with other moneys, if any, deposited with the Commission at the same time, shall be sufficient to pay when due the principal installments and interest due and to become due on said Bonds on and prior to the maturity dates thereof. Neither securities nor moneys deposited with the Commission pursuant to this Section nor principal or interest payments on any such securities shall be withdrawn or used for any purposes other than, and shall be held in trust for, the payment of the principal of and redemption premium, if applicable, on and interest on said Bonds; provided, that any cash received from such principal or interest payments on such securities deposited with the Commission, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities maturing at times and in amounts sufficient to pay when due the principal of and redemption premium, if applicable, on and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to the City, as received by the Commission, free and clear of any trust, lien or pledge. For the purpose of this Section, securities shall mean and include only Government Obligations.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Modification or Amendment. No material modification or amendment of this Ordinance or of any ordinance or Ordinanceamendatory hereof or supplemental hereto which would materially and adversely affect the rights of Bondholders shall be made without the consent in writing of the owners of two-thirds (2/3) or more in principal amount of the Bonds then Outstanding and to be affected by said modification; provided, however, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest thereon, or in the principal amount thereof, or affecting the unconditional promise of the City to pay such principal and interest out of the revenues of the System without the consent of the owner thereof. No amendment or modification shall be made which would reduce the percentage of the principal amount of Bonds required for consent to the above permitted amendments or modifications.

Section 11.02. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, such invalidity shall not affect any of the remaining provisions of this Ordinance.

Section 11.03. Repeal of Conflicting Ordinances. All ordinances, resolutions and orders, or parts thereof, in conflict with this Ordinance are, to the extent of such conflict, repealed.

Section 11.04. Covenant of Due Procedure. The City covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed or to be taken precedent to and in the final enactment and passage of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, the City Clerk and members of City Council were at all times when any actions in connection with this Ordinance occurred, and are, duly in office and duly qualified for such office.

Section 11.05. Abstract of Ordinance and Notice of Public Hearing. Upon adoption hereof, the abstract of this Ordinance in the form set forth in Exhibit B attached hereto and incorporated herein by reference, shall be published once a week for two successive weeks, with at least six full days intervening between each publication, in The Charleston Gazette and The Daily Mail, newspapers of general circulation in the City, together with a notice stating that this Ordinance has been adopted and that the City contemplates the issuance of the Bonds, and that any person interested may appear before the City upon a certain date, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the City for review by interested persons during office hours of the City. The City Council hereby determines that the Abstract

contains sufficient information as to give notice of the contents hereof. At such hearing, all objections and suggestions shall be heard and the City shall take such action as it shall deem proper in the premises.

Section 11.06. Effective Date. This Ordinance shall take effect after passage, public hearing and otherwise in the manner prescribed by law.

First Reading: March 18, 1999

Second Reading
and Passage: April 1, 1999

Public Hearing: April 15, 1999

This Ordinance was placed into effect following the public hearing held on April 15, 1999.

(SEAL)

City Clerk

Mayor

EXHIBIT A

Project Description

The Project consists of certain sanitary sewer system improvements at the Old Charleston Naval Ordnance Plant, including the installation of approximately 2,293 linear feet of 15-inch PVC gravity sewer pipe, 1,361 linear feet of 10-inch PVC gravity sewer pipe, 3 flow-monitoring manholes/assemblies and other miscellaneous accessories.

EXHIBIT B

THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA

NOTICE OF PUBLIC HEARING and ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on April 1, 1999, the City Council of The City of South Charleston, West Virginia (the "City") enacted an ordinance which:

1. Authorized the acquisition and construction of certain additions, extensions, betterments and improvements (the "Project") to the City's existing wastewater collection and treatment system of the City (the "System") and the financing of the permanent cost, not otherwise provided, thereof through the issuance of not more than $650,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, with series designations to be set forth in the Supplemental Resolution (the "Bonds").

2. Directed that the Bonds be issued and in the form of one bond, fully registered with a payment record attached; that interest on the Bonds shall be not more than two percentum (0%) per annum, that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the City Clerk; that such Bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development Authority as the Original Purchaser on behalf of the West Virginia Division of Environmental Protection.

3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a reserve account for the Bonds and the continuation of a Renewal and Replacement Fund; and provided for the use of excess funds of the System.

4. Provided for the disbursement of Bond proceeds and created a Bond Construction Trust Fund.

5. Pledged to payment of the Bonds the Net Revenues of the System and established the rights of the holders of the Bonds to the Net Revenues of the System.

6. Provided upon certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the Project; provided that the City will render no free service; provided for the enforcement of collection of fees, rates, rentals or other charges for service.

8. Established the terms for defaults and the remedies of the Bondholders.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the City Council of The City of South Charleston at a regular meeting thereof at 7:30 p.m., prevailing time, on April 15, 1999, in the City Council Chambers, 4th Avenue and D Street, South Charleston, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the City Council of City, is on file with the City Clerk for review by interested persons during the regular hours at the address listed above, to-wit: 9:00 a.m. to 4:30 p.m., Monday through Friday.

_____

City Clerk - The City of South Charleston,
West Virginia

CERTIFICATE OF TRUTH AND ACCURACY

I, the undersigned, as City Clerk of The City of South Charleston, Kanawha County, West Virginia, do hereby certify that the foregoing document is a true and accurate copy of the official record of The City of South Charleston, and that the action taken by the City Council in the foregoing document remains in full force and effect and has not been amended.

Dated this 25th day of May, 1999.

City Clerk

[SEAL]

CHASFS3:141474

JOURNAL OF THE COUNCIL
CITY OF SOUTH CHARLESTON

The council met in its chambers in City Hall on April 1, 1999 at 7:30 p.m., ET for the first regular meeting and was called to order by Mayor Robb.

Jack Woolwine, City Clerk, called the roll and the following members were present:

Carless Williams
Bob Snyder
Dayton Griffith
Jim Triplett
Phyllis Fenwick
Warren Shirkey, Sr.
Mayor Robb

Melissa Nicely-Held and Charles Hagerman ill.

*****

PRAYER

Offered by Dayton Griffith.

*****

PLEDGE OF ALLEGIANCE

Led by Jack Woolwine.

*****

ALSO IN ATTENDANCE:

Jack Woolwine, City Clerk
C. W. Sigman, Fire Chief/Fire Marshall
Jim Miller, Police Chief/Director of Public Safety
Amy Haynie, City Attorney
Marsha Smith, City Treasurer
Jean Riffe, Recreation Director
Carlton Lee, Manager, Sanitary Board
Frank Mullens, Director of Public Works

*****

MINUTES OF PREVIOUS MEETING

Mr. Snyder moved to approve the minutes of the March 18, 1999 council meeting; seconded by Mrs. Fenwick and passed by a unanimous voice vote.

*****

FINANCIAL REPORT

Mr. Snyder moved to receive and file the report as circulated; seconded by Mrs. Fenwick and passed by a unanimous voice vote.

*****

PETITIONS, COMMUNICATIONS AND PUBLIC HEARINGS

AN ORDINANCE TO AMEND AND READOPT CITY CODE BY ADDING ARTICLE 361 SECTION 361.24 TITLED, "IMMOBILIZATION: NOTICE; RELEASE" (SECOND READING) (PUBLIC HEARING) (MAYOR ROBB)

Mr. Williams moved to adopt the ordinance; seconded by Mr. Shirkey.

Mayor Robb opened the floor to a public hearing. As no one appeared the Mayor closed the public hearing and the council passed the ordinance by a unanimous roll call vote.

AN ORDINANCE TO AMEND AND READOPT CITY CODE SECTION 737.14 THROUGH 737.17 RELATING TO B & O TAXES (SECOND READING) (PUBLIC HEARING) (SNYDER)

Mr. Snyder moved to adopt the ordinance; seconded by Mr. Triplett.

Mayor Robb opened the floor to a Public Hearing. As no one appeared Mayor Robb closed the public hearing and the council passed the ordinance by a unanimous roll call vote.

AN ORDINANCE RELATING TO THE CITY OF SOUTH CHARLESTON SEWER REVENUE BONDS (SECOND READING) (MAYOR ROBB)

It was moved by Mr. Snyder; seconded by Mr. Griffith to pass the ordinance on to another reading. This passed by a unanimous roll call vote.

AN ORDINANCE AMENDING THE CITY CHARTER WHICH WOULD CHANGE THE DAY SET FOR PRIMARY ELECTIONS (FIRST READING) (FENWICK)

Mrs. Fenwick moved to pass the ordinance to a second reading; seconded by Mr. Shirkey and passed by a unanimous voice vote.

*****

BIDS

None.

*****

REPORT OF CITY ATTORNEY - No written report.

REPORT OF PUBLIC WORKS DIRECTOR - No written report.

REPORT OF POLICE CHIEF/DIRECTOR OF PUBLIC SAFETY - No written report.

REPORT OF FIRE CHIEF/FIRE MARSHALL - No written report.

REPORT OF RECREATION DIRECTOR - Jean Riffe submitted a written report.

REPORT OF CITY TREASURER - Marsha Smith submitted a written report.

REPORT OF SANITARY BOARD MANAGER - No written report.

*****

COMMITTEE REPORTS

Mr. Snyder reported on the court system.

Chief Miller reported that a traffic light will be put in on Corridor G at the South Charleston exit.

INSURANCE

Mr. Triplett gave a report on insurance for elected officials.

*****

OLD BUSINESS

None.

*****

NEW BUSINESS

MOUND AREA PARKING (GRIFFITH)

Mr. Griffith gave a report on parking buildings in the downtown area.

Mr. Griffith moved to create parking spaces for 20 cars on 7th Avenue at a cost of $9400.00; seconded by Mr. Williams and passed by a unanimous roll call vote.

*****

MISCELLANEOUS BUSINESS

None.

*****

ADJOURNMENT

Mr. Snyder moved to adjourn the meeting; seconded by Mr. Griffith and passed by a unanimous voice vote.

Mayor Robb adjourned the meeting at 8:20 p.m.

*****

APPROVAL

Approved this ____ day of _____, 1999.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

Resolution NO. 1661

INTRODUCED IN COUNCIL | PASSED BY COUNCIL

April 15,1999 | ~~April 15,~~ 1999

BEFORE THE COMMON COUNCIL OF THE
CITY OF SOUTH CHARLESTON, WEST VIRGINIA

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITIES, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT SCHEDULE, SALE PRICES AND OTHER TERMS OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; SPECIFYING A CONTRIBUTION OF THE CITY OF SOUTH CHARLESTON TO THE PROJECT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Common Council (the "Governing Body") of The City of South Charleston (the "City"), has duly and officially adopted a Bond Ordinance on March 18, 1999, effective April 1, 1999 (the "Bond Ordinance"), entitled:

AN ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF CERTAIN ADDITIONS, EXTENSIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING SEWERAGE COLLECTION AND TREATMENT SYSTEM OF THE CITY OF SOUTH CHARLESTON; AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF SEWERAGE SYSTEM REVENUE BONDS OF THE CITY OF SOUTH CHARLESTON IN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $650,000 TO BE USED, ALONG WITH OTHER FUNDS AND MONEYS OF, OR AVAILABLE TO, THE CITY OF SOUTH CHARLESTON WHICH MAY BE LAWFULLY EXPENDED FOR SUCH PURPOSES, TO FINANCE THE COST OF SUCH ACQUISITION AND CONSTRUCTION AND TO PAY OTHER COSTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A LOAN AGREEMENT RELATING TO SUCH BONDS; AND ADOPTING OTHER PROVISIONS RELATED THERETO.

WHEREAS, the Bond Ordinance provided for the issuance of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City (the "Bonds"), in the aggregate principal amount not to exceed $650,000, and authorized the execution and delivery of a loan agreement relating to the Bonds, including all amendments and supplements (collectively, the "Loan Agreement"), by and between the City and the West Virginia Water Development Authority (the "Authority") on behalf of the West Virginia Division of Environmental Protection ("DEP"), all in accordance with Chapter 22C, Article 2, and Chapter 16, Article 13, of the West Virginia Code of 1991, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the exact principal amount, maturity dates, interest rate, interest and principal payment date, sale price and other terms of the Bonds should be established by a supplemental resolution pertaining to the Bonds; and that other matters relating to the Bonds be herein provided for;

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

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

Section 1. Pursuant to the Bond Ordinance and the Act, this Supplemental Resolution is adopted and there are hereby authorized and ordered to be issued:

The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City, originally represented by a single Bond, numbered AR-1, in the original principal amount of $650,000. The Bonds shall be dated the date of delivery thereof, shall finally mature December 1, 2019, and shall bear interest at the rate of two percent (2%) per annum. Principal of and interest on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing March 1, 2000. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal and interest in the amounts as set forth in "Schedule Y," attached thereto and to the Loan Agreement and incorporated herein by reference. The City shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement.

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

Section 3. The execution and delivery by the Mayor of the Loan Agreement, and the performance of the obligations contained therein, on behalf of the City are hereby authorized, directed, ratified and approved. The City hereby affirms all covenants and

representations made in the Loan Agreement and in the Application to the DEP. The price of the Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds will be advanced from time to time as requisitioned by the City.

Section 4. The City does hereby appoint and designate United National Bank, Charleston, West Virginia, as Registrar (the "Registrar") for the Bonds and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Bonds, by and between the City and the Registrar, in substantially the form attached hereto, and the execution and delivery by the Mayor of the Registrar's Agreement, and the performance of the obligations contained therein, on behalf of the City are hereby authorized, approved and directed.

Section 5. The City does hereby appoint and direct the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Bonds.

Section 6. The City does hereby appoint United National Bank, South Charleston, West Virginia, as Depository Bank under the Bond Ordinance.

Section 7. The City has created a Series 1999 A Reserve Account which will be funded from the proceeds of the Bonds in the amount not to exceed $45,000, and being an amount equal to the Series 1999 A Reserve Requirement. Moneys in the Reserve Account and the Sinking Fund (established for the annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

Section 8. The proceeds of the Bonds, as advanced from time to time, shall be deposited in or credited to the Bond Construction Trust Fund, as received from time to time for payment of Costs of the Project, including costs of issuance of the Bonds.

Section 9. The Mayor and Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about May 10, 1999, to the Authority pursuant to the Loan Agreement.

Section 10. The financing of the Project in part with proceeds of the Bonds is in the public interest, serves a public purpose of the City and will promote the health, welfare and safety of the residents of the City.

Section 11. The City hereby determines to invest all moneys in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in money market accounts secured by a pledge of Government Obligations, and therefore, the City hereby directs the Depository Bank to take such actions as may be necessary to cause such moneys to be invested in such money market accounts until further directed in

writing by the City. Moneys in the Sinking Fund, including the Series 1999 A Reserve Account therein, shall be invested by the Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 12. The City shall not permit at any time or times any of the proceeds of the Bonds or any other funds of the City to be used directly or indirectly in a manner which would result in the exclusion of the Bonds from the treatment afforded by Section 103(a) of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder or under any predecessor thereto (the "Code"), by reason of the classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions necessary to comply with the Code and Treasury Regulations to be promulgated thereunder.

Section 13. The City, through its Sanitary Board, has contributed $31,900 to the Cost of the Project in the form of amounts already expended on technical and fiscal services.

Section 14. This Supplemental Resolution shall be effective immediately following adoption hereof.

The foregoing Resolution was read and duly adopted at a regular meeting of the Common Council of The City of South Charleston held on the 15th day of April, 1999.

THE CITY OF SOUTH CHARLESTON

[SEAL]

Richard A. Robb
Mayor

ATTEST:

Clerk

CERTIFICATION

Certified a true copy of a Supplemental Resolution duly adopted by the Council of The City of South Charleston on the 15th day of April, 1999.

Dated: 15 APRIL, 1999.

Clerk

141081

JOURNAL OF THE COUNCIL
CITY OF SOUTH CHARLESTON

The council met in its chambers in City Hall on April 15, 1999 at 7:30 p.m., ET for the second regular meeting and was called to order by Mayor Robb.

Jack Woolwine, City Clerk, called the roll and the following members were present:

Carless Williams
Bob Snyder
Dayton Griffith
Jim Triplett
Charles Hagerman
Phyllis Fenwick
Warren Shirkey, Sr.
Melissa Nicely-Held
Mayor Robb

*****

PRAYER

Offered by Dayton Griffith.

*****

PLEDGE OF ALLEGIANCE

Led by Jack Woolwine.

*****

ALSO IN ATTENDANCE:

Jack Woolwine, City Clerk
C. W. Sigman, Fire Chief/Fire Marshall
Jim Miller, Police Chief/Director of Public Safety
Amy Haynie, City Attorney
Jean Riffe, Recreation Director
Frank Mullens, Director of Public Works

*****

MINUTES OF PREVIOUS MEETING

Mr. Hagerman moved to approve the minutes of the April 1, 1999 council meeting; seconded by Mr. Griffith and passed by a unanimous voice vote.

*****

FINANCIAL REPORT

Mr. Hagerman moved to receive and file the report as circulated; seconded by Mrs. Nicely-Held and passed by a unanimous voice vote.

*****

PETITIONS, COMMUNICATIONS AND PUBLIC HEARINGS

AN ORDINANCE RELATING TO THE CITY OF SOUTH CHARLESTON SEWER REVENUE BONDS (FINAL READING) (PUBLIC HEARING) (MAYOR ROBB)

The Ordinance was passed on April 1, 1999 and it requires a public hearing.

Mayor Robb opened the floor to a public hearing. As no one appeared Mayor Robb closed the public hearing.

A RESOLUTION AS A SUPPLEMENTAL PROVISION AS TO THE ORDINANCE AS PASSED ABOVE (MAYOR ROBB)

mr. Snyder moved to pass the resolution; seconded by Mr. Griffith and passed by a unanimous roll call vote.

AN ORDINANCE AMENDING THE CITY CHARTER WHICH WOULD CHANGE THE DAY SET FOR THE PRIMARY ELECTIONS (SECOND READING) (FENWICK)

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

Al Sahley was recognized and asked the city to remove the lane medians in Spring Hill and the left turn lane at Walnut Street in order for him to be able to rent his property on the south side of MacCorkle Avenue. Chief Miller was asked to work with Mr. Hagerman and Mr. Williams to try to remedy the problem.

SANITARY BOARD TREASURER'S REPORT FOR MONTHS OF FEBRUARY AND MARCH 1999 (MAYOR ROBB)

Mr. Snyder moved to receive and file the reports as circulated; seconded by Mr. Hagerman and passed by a unanimous voice vote.

AN ORDINANCE TO RATIFY PARTICIPATION WITH THE CORP OF ENGINEERS FOR CONSTRUCTION OF STREAM BANK PROTECTION (FIRST READING) (MAYOR ROBB)

Mr. Snyder moved to pass the ordinance to a second reading as the city would pay 35% of the cost; seconded by Mr. Hagerman and passed by a unanimous voice vote.

AN ORDINANCE TO ABOLISH HEALTH INSURANCE FOR ELECTED OFFICIALS (FIRST READING) (SNYDER)

Mr. Snyder moved to pass the ordinance to a second reading. At this point Mayor Robb ruled his ordinance out of order.

AN ORDINANCE DEALING WITH THE COST OF HEALTH INSURANCE FOR ELECTED OFFICIALS (FIRST READING) (SNYDER)

Mr. Snyder moved to pass the ordinance to a second reading; seconded by Mr. Hagerman and passed by a voice vote with Mr. Shirkey voting in the negative.

*****

BIDS

AIR CONDITIONING AT THE COMMUNITY CENTER

Mr. Snyder moved to award the bid to York Int. in the amount of $40,455.00; seconded by Mrs. Nicely-Held and passed by a unanimous roll call vote.

*****

REPORT OF CITY ATTORNEY - No written report.

REPORT OF PUBLIC WORKS DIRECTOR - No written report. Mr. Mullens stated the Department of Public Works will have their annual Spring Clean-Up on Saturday, April 17 in Spring Hill and on Saturday, April 24 in the South Charleston area.

REPORT OF POLICE CHIEF/DIRECTOR OF PUBLIC SAFETY - No written report.

REPORT OF FIRE CHIEF/FIRE MARSHALL - Chief Sigman submitted a written report.

REPORT OF RECREATION DIRECTOR - Jean Riffe submitted a written report.

REPORT OF CITY TREASURER - Marsha Smith submitted a written report.

REPORT OF SANITARY BOARD MANAGER - No written report.

*****

COMMITTEE REPORTS

FINANCE

Mr. Snyder reported that we would have a Special Council meeting on April 20, 1999 to Lay the Levy and Adopt the Budget for F/Y 99/2000.

MISCELLANEOUS BUSINESS

Mr. Williams asked about the boat dock at Riverwalk and how things were going with the seafood place. Mayor Robb said he would have Steve Weir to come to the next meeting on May 6, 1995 to give the council a report.

American Legion King for a Day for handicapped children is to be in South Charleston April 23 and 24.

PROCLAMATION DECLARING APRIL 24, 25 AND 26 KING FOR A DAY IN SOUTH CHARLESTON

Mrs. Nicely-Held moved that the Proclamation be declared in South Charleston; seconded by Mrs. Fenwick and passed by a unanimous voice vote.

Phyllis Fenwick reported that Richmond School had made their match of money for their playground equipment.

*****

OLD BUSINESS

None.

*****

NEW BUSINESS

None.

*****

ADJOURNMENT

Mr. Snyder moved to adjourn the meeting; seconded by Mr. Griffith and passed by a unanimous voice vote.

Mayor Robb adjourned the meeting at 9:05 p.m.

*****

APPROVAL

Approved this 6 day of MAY, 1999.

Richard A. Robb, Mayor

ATTEST:

Jack Woolwine, City Clerk

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State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, Sandra Kugg of
THE CHARLESTON GAZETTE, A DAILY DEMOCRATIC NEWSPAPER,
THE DAILY MAIL, A DAILY REPUBLICAN NEWSPAPER,
published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:
NOTICE, ABSTRACT
was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the 3RD day of APRIL 1999. Published during the following dates: 04/02/99-04/09/99
Subscribed and sworn to before me this 13 day of April
Printers fee $ 259.98

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LYNN R. FIELDER
3245 PUTNAM AVE.
HURRICANE, WV 25526
My Commission Expires December 11, 2006

Lynn R. Fielder
Notary Public of Kanawha County, West Virginia

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CHARLESTON WV 25322

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INVOICE DATE	04/12/99
ACCOUNT NBR	014243003
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ISSUE DATE	AD TYPE	PUB	DESCRIPTION REFERENCE NBR PURCHASE ORDER #	AD NUMBER	AD SIZE TOTAL RUN	RATE	GROSS AMOUNT	NET AMOUNT
04/02	LEGF	GZ	NOTICE, ABSTRACT 626819001	L454194	1X1200 12.00	6.19	74.28	
04/02	LEGF	DM	NOTICE, ABSTRACT 626819001	L454194	1X1200 12.00	6.19	74.28	148.56
04/09	LEGR	GZ	NOTICE, ABSTRACT 626819002		1X1200 12.00	6.19	74.28	
04/09	LEGR	DM	NOTICE, ABSTRACT 626819002		1X1200 12.00	6.19	74.28	

State of West Virginia, **AFFIDAVIT OF PUBLICATION**

I, _____ of

published in the city of Charleston, Kanawha County, West Virginia, do solemnly swear that the annexed notice of:

was duly published in said paper(s) during the dates listed below, and was posted at the front door of the court house of said Kanawha County, West Virginia, on the day of . Published during the following dates:
Subscribed and sworn to before me this_____day of_____.
Printers fee $

_____
Notary Public of Kanawha County, West Virginia

SOUTH CHARLESTON
WEST VIRGINIA

NOTICE OF PUBLIC HEARING and ABSTRACT OF BOND ORDINANCE

Notice is hereby given to any person interested that on April 1, 1999, the City Council of The City of South Charleston, West Virginia (the "City") enacted an ordinance which:

1. Authorized the acquisition and construction of certain additions, extensions, betterments and improvements (the "Project") to the City's existing wastewater collection and treatment system of the City (the "System") and the financing of the permanent cost, not otherwise provided, thereof through the issuance of not more than $650,000 in aggregate principal amount of Subordinate Sewer Revenue Bonds, with series designations to be set forth in the Supplemental Resolution (the "Bonds").

2. Directed that the Bonds be issued and in the form of one bond, fully registered with a payment record attached; that interest on the Bonds shall be not more that two percentum (0%) per annum, that said Bonds mature in not more than twenty years and that said Bonds be sold for the par value thereof; that the Bonds be executed in the name of the City by the Mayor, and the seal of the City be affixed thereto and attested to by the City Clerk; that such Bonds be duly authenticated by the Registrar and delivered to the West Virginia Water Development Authority as the Original Purchaser on behalf of the West Virginia Division of Environmental Protection.

3. Directed the continuation of the Revenue Fund and the disposition of the System revenues; provided for the payment of operating expenses; provided for the monthly payment of principal and interest when due; provided for the creation of a reserve account for the Bonds and the continuation of a Renewal and Replacement Fund; and provided for the use of excess funds of the System.

4. Provided for the disbursement of Bond proceeds and created a Bond Construction Trust Fund.

5. Pledged to payment of the Bonds the Net Revenues of the System and established the rights of the holders of the Bonds to the Net Revenues of the System.

6. Provided upon certain conditions for the issuance of additional bonds.

7. Provided for insurance coverage on the Project; provided that the City will render no free service; provided for the enforcement of collection of fees, rates, rentals or other charges for service.

8. Established the terms for defaults and the remedies of the Bondholders.

9. Provided for the modification or amendment of the Ordinance upon the terms and conditions set forth in the Ordinance.

The City contemplates the issuance of the Bonds described in, and under the conditions set forth in the Ordinance abstracted above. Any person interested may appear before the City Council of The City of South Charleston at a regular meeting thereof at 7:30 p.m., prevailing time, on April 15, 1999, in the City Council Chambers, 4th Avenue and D Street, South Charleston, West Virginia, and present objections and be heard as to whether the above described Ordinance shall be put into effect.

A certified copy of the Ordinance as adopted by the City Council of City, is on file with the City Clerk for review by interested persons during the regular hours at the address listed above, to-wit: 9:00 a.m. to 4:30 p.m. Monday through Friday.

Jack Woolwine
City Clerk
The City of
South Charleston
West Virginia

(454194)

SRF-LP-1
(August 1998)

LOAN AGREEMENT

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

CITY OF SOUTH CHARLESTON
(Local Government)

WITNESSETH:

WHEREAS, the United States Congress under Title VI of the federal Clean Water Act, as amended (the "Clean Water Act"), has provided for capitalization grants to be awarded to states for the express purpose of establishing and maintaining state water pollution control revolving funds for the planning, design, construction, acquisition and/or improvement of wastewater treatment facilities;

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

WHEREAS, under the Act the DEP is designated the instrumentality to enter into capitalization agreements with the United States Environmental Protection Agency ("EPA") to accept capitalization grant awards (U.S. General Services Administration; Catalog of Federal Domestic Assistance, 32nd Edition § 66.458 (1998)) and DEP has been awarded capitalization grants to partially fund the Program:

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

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

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

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

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

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

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

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

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

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

2.9 The Local Government shall provide and maintain competent and adequate resident engineering services satisfactory to the Authority and DEP covering the supervision and inspection of the development and construction of the Project and bearing the responsibility of assuring that construction conforms to the plans, specifications and designs prepared by the Consulting Engineers, which have been approved by all necessary governmental bodies. Such resident engineer shall certify to the Authority, DEP and the Local Government at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or amendments thereto, approved by all necessary governmental bodies. The Local Government shall require the Consulting Engineers to submit Recipient As-Built Plans, as defined in the SRF Regulations, to it within 60 days of the completion of the Project. The Local Government shall notify DEP in writing of such receipt. The Local Government shall submit a Performance Certificate, the form of which is attached hereto as Exhibit A, and being incorporated herein by reference, to DEP within 60 days of the end of the first year after the Project is completed.

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

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

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

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

ARTICLE III

Conditions to Loan; Issuance of Local Bonds

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

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

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

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

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

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

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

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

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

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

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

3.2 Subject to the terms and provisions of this Loan Agreement, the rules and regulations promulgated by the Authority and DEP, including the SRF Regulations, or any other appropriate State agency and any applicable rules, regulations and procedures promulgated from time to time by the federal government, it is hereby agreed that the Authority shall make the Loan to the Local Government and the Local Government shall accept the Loan from the Authority, and in furtherance thereof it is agreed that the Local Government shall sell to the Authority and the Authority shall make the Loan by purchasing the Local Bonds in the principal amount and at the price set forth in Schedule X hereto. The Local Bonds shall have such further terms and provisions as described in Article IV hereof.

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

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

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

Local Government further specifically recognizes that all loans will be originated in conjunction with the SRF Regulations and with the approval of DEP.

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

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

or making emergency repairs or replacements to the System or eliminating any deficiencies in the Reserve Account; and

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

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

(b) Covenants substantially as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(xx) That the Local Government shall, to the full extent permitted by applicable law and the rules and regulations of the West Virginia Public Service Commission, terminate the services of any water facility owned by it to any customer of the System who is delinquent in payment of charges for services provided by the System and will

not restore the services of the water facility until all delinquent charges for the services of the System have been fully paid or, if the water facility is not owned by the Local Government, then the Local Government shall enter into a termination agreement with the water provider.

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

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

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

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

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

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

ARTICLE V

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

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

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

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

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including without limitation the right to impose, enforce and collect directly charges upon users of the System.

ARTICLE VI

Other Agreements of the Local Government

6.1 The Local Government hereby acknowledges to the Authority and DEP its understanding of the provisions of the Act, vesting in the Authority and DEP certain powers, rights and privileges with respect to wastewater treatment projects in the event of default by local governments in the terms and covenants of loan agreements, and the Local Government hereby covenants and agrees that, if the Authority should hereafter have

recourse to said rights and powers, the Local Government shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Loan Agreement.

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

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

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

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

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

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

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

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

7.7 This Loan Agreement shall terminate upon the earlier of:

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

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

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

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

City of South Charleston

[Proper Name of Local Government]

(SEAL)

By: Carter U. Zoe

Its: Mayor Gen Mgr

Attest:

Date: 5/10/99

Margie Spence

Its Recorder

WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

By: Barbara J Fryfogle

Its: Chief

Date: 5/10/99

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

(SEAL)

By: Janice B. Hardesty

Its: Director

Attest:

Date: May 10, 1999

Barbara B Meadows

Secretary-Treasurer

EXHIBIT A

[Form of Performance Certificate]

[TO BE PROVIDED BY DEP]

EXHIBIT B

[Form of Monthly Financial Report]
[Name of Local Government]
[Name of Bond Issue]
Fiscal Year - __
Report Month: _____

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

Witnesseth my signature this __ day of ____, ____.

[Name of Local Government]

By: _____
Authorized Officer

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

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

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

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

acquisition of the Project as set forth in the Application, and (vii) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

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

_____

By _____

West Virginia License No. __

[SEAL]

EXHIBIT E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - The loan recipient that receives $300,000 or more in a fiscal year must obtain audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133 or any appropriate successor. Financial statement audits are required once all funds have been received by the loan recipient.

EXHIBIT F

[Monthly Payment Form]

West Virginia Water Development
Authority
180 Association Drive
Charleston WV 25311-1571

Re: [Name of bond issue]

Dear Sirs:

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

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

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

[Opinion of Bond Counsel for Local Government]

[To Be Dated as of Date of Loan Closing]

West Virginia Water Development Authority
180 Association Drive
Charleston WV 25311-1571

Gentlemen:

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

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

Year	Installment	Interest Rate

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

We have also examined the applicable provisions of _____ of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond _____ duly enacted by the Local Government on _____ (the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued, and the Loan Agreement that has been undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF BONDS

Principal Amount of Bonds	$ 650,000
Purchase Price of Bonds	$ 650,000

Interest on the Bonds shall be zero percent from the date of delivery to and including February 29, 2000. Principal and interest on the Bonds is payable quarterly, commencing June 1, 2000, at a rate of 2 % per annum. Quarterly payments will be made thereafter on each September 1, December 1, March 1 and June 1 as set forth on Schedule Y attached hereto and incorporated herein by reference. As of the date of this Loan Agreement, it is the Authority's and DEP's understanding that the Local Government has [other obligations outstanding which have a lien as to the source of and security for payment ~~equal to or~~ superior to the lien being granted by the Bonds] or [provide list of outstanding debt]. *See below.

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

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

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

*First-lien Bonds:	Sewer Revenue Bonds, Series 1961, issued in the aggregate principal amount of $8,000,000.
Second-lien Bonds:	Subordinate Sewer Revenue Bonds, Series 1986, issued in the aggregate principal amount of $761,015.
Third-lien Bonds:	Supplemental Subordinate Sewer Revenue Bonds, Series 1986, issued in the aggregate principal amount of $378,985.

City of South Charleston, West Virginia

Loan Agreement, $650,000

20 Years, 2% Interest Rate, 1% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
6/01/1999	-	-	-	-
9/01/1999	-	-	-	-
12/01/1999	-	-	-	-
3/01/2000	-	-	-	-
6/01/2000	6,628.00	2.000%	3,250.00	9,878.00
9/01/2000	6,661.00	2.000%	3,216.86	9,877.86
12/01/2000	6,694.00	2.000%	3,183.56	9,877.56
3/01/2001	6,728.00	2.000%	3,150.09	9,878.09
6/01/2001	6,762.00	2.000%	3,116.45	9,878.45
9/01/2001	6,795.00	2.000%	3,082.64	9,877.64
12/01/2001	6,829.00	2.000%	3,048.66	9,877.66
3/01/2002	6,864.00	2.000%	3,014.52	9,878.52
6/01/2002	6,898.00	2.000%	2,980.20	9,878.20
9/01/2002	6,932.00	2.000%	2,945.71	9,877.71
12/01/2002	6,967.00	2.000%	2,911.05	9,878.05
3/01/2003	7,002.00	2.000%	2,876.21	9,878.21
6/01/2003	7,037.00	2.000%	2,841.20	9,878.20
9/01/2003	7,072.00	2.000%	2,806.02	9,878.02
12/01/2003	7,107.00	2.000%	2,770.66	9,877.66
3/01/2004	7,143.00	2.000%	2,735.12	9,878.12
6/01/2004	7,179.00	2.000%	2,699.41	9,878.41
9/01/2004	7,215.00	2.000%	2,663.51	9,878.51
12/01/2004	7,251.00	2.000%	2,627.44	9,878.44
3/01/2005	7,287.00	2.000%	2,591.18	9,878.18
6/01/2005	7,323.00	2.000%	2,554.75	9,877.75
9/01/2005	7,360.00	2.000%	2,518.13	9,878.13
12/01/2005	7,397.00	2.000%	2,481.33	9,878.33
3/01/2006	7,434.00	2.000%	2,444.35	9,878.35
6/01/2006	7,471.00	2.000%	2,407.18	9,878.18
9/01/2006	7,508.00	2.000%	2,369.82	9,877.82
12/01/2006	7,546.00	2.000%	2,332.28	9,878.28
3/01/2007	7,584.00	2.000%	2,294.55	9,878.55
6/01/2007	7,621.00	2.000%	2,256.63	9,877.63
9/01/2007	7,660.00	2.000%	2,218.53	9,878.53
12/01/2007	7,698.00	2.000%	2,180.23	9,878.23
3/01/2008	7,736.00	2.000%	2,141.74	9,877.74
6/01/2008	7,775.00	2.000%	2,103.06	9,878.06
9/01/2008	7,814.00	2.000%	2,064.18	9,878.18
12/01/2008	7,853.00	2.000%	2,025.11	9,878.11
3/01/2009	7,892.00	2.000%	1,985.85	9,877.85
6/01/2009	7,932.00	2.000%	1,946.39	9,878.39
9/01/2009	7,971.00	2.000%	1,906.73	9,877.73
12/01/2009	8,011.00	2.000%	1,866.87	9,877.87
3/01/2010	8,051.00	2.000%	1,826.82	9,877.82
6/01/2010	8,091.00	2.000%	1,786.56	9,877.56
9/01/2010	8,132.00	2.000%	1,746.11	9,878.11
12/01/2010	8,173.00	2.000%	1,705.45	9,878.45

City of South Charleston, West Virginia

Loan Agreement, $650,000

20 Years, 2% Interest Rate, 1% Administrative Fee

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I
3/01/2011	8,213.00	2.000%	1,664.58	9,877.58
6/01/2011	8,255.00	2.000%	1,623.52	9,878.52
9/01/2011	8,296.00	2.000%	1,582.24	9,878.24
12/01/2011	8,337.00	2.000%	1,540.76	9,877.76
3/01/2012	8,379.00	2.000%	1,499.08	9,878.08
6/01/2012	8,421.00	2.000%	1,457.18	9,878.18
9/01/2012	8,463.00	2.000%	1,415.08	9,878.08
12/01/2012	8,505.00	2.000%	1,372.76	9,877.76
3/01/2013	8,548.00	2.000%	1,330.24	9,878.24
6/01/2013	8,591.00	2.000%	1,287.50	9,878.50
9/01/2013	8,634.00	2.000%	1,244.54	9,878.54
12/01/2013	8,677.00	2.000%	1,201.37	9,878.37
3/01/2014	8,720.00	2.000%	1,157.99	9,877.99
6/01/2014	8,764.00	2.000%	1,114.39	9,878.39
9/01/2014	8,807.00	2.000%	1,070.57	9,877.57
12/01/2014	8,852.00	2.000%	1,026.53	9,878.53
3/01/2015	8,896.00	2.000%	982.27	9,878.27
6/01/2015	8,940.00	2.000%	937.79	9,877.79
9/01/2015	8,985.00	2.000%	893.09	9,878.09
12/01/2015	9,030.00	2.000%	848.17	9,878.17
3/01/2016	9,075.00	2.000%	803.02	9,878.02
6/01/2016	9,120.00	2.000%	757.64	9,877.64
9/01/2016	9,166.00	2.000%	712.04	9,878.04
12/01/2016	9,212.00	2.000%	666.21	9,878.21
3/01/2017	9,258.00	2.000%	620.15	9,878.15
6/01/2017	9,304.00	2.000%	573.86	9,877.86
9/01/2017	9,351.00	2.000%	527.34	9,878.34
12/01/2017	9,397.00	2.000%	480.59	9,877.59
3/01/2018	9,444.00	2.000%	433.60	9,877.60
6/01/2018	9,492.00	2.000%	386.38	9,878.38
9/01/2018	9,539.00	2.000%	338.92	9,877.92
12/01/2018	9,587.00	2.000%	291.23	9,878.23
3/01/2019	9,635.00	2.000%	243.29	9,878.29
6/01/2019	9,683.00	2.000%	195.12	9,878.12
9/01/2019	9,731.00	2.000%	146.70	9,877.70
12/01/2019	9,780.00	2.000%	98.05	9,878.05
3/01/2020	9,829.00	2.000%	49.15	9,878.15
Total	**650,000.00**	-	**140,246.08**	**790,246.08** *

*Plus $938.83 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $75,106.40.

BEFORE THE COMMON COUNCIL OF THE
CITY OF SOUTH CHARLESTON, WEST VIRGINIA

SECOND SUPPLEMENTAL RESOLUTION AMENDING AND MODIFYING SUPPLEMENTAL RESOLUTION ADOPTED ON APRIL 15, 1999, AND PROVIDING AS TO INTEREST AND PRINCIPAL PAYMENT SCHEDULE AND DELIVERY DATE OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A.

WHEREAS, the Common Council (the "Governing Body") of The City of South Charleston (the "City"), has duly and officially adopted a Supplemental Resolution on April 15, 1999 (the "Supplemental Resolution"), entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNT, DATE, MATURITIES, INTEREST RATE, INTEREST AND PRINCIPAL PAYMENT SCHEDULE, SALE PRICES AND OTHER TERMS OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A; AUTHORIZING AND APPROVING THE SALE AND DELIVERY OF SUCH BONDS TO WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; SPECIFYING A CONTRIBUTION OF THE CITY OF SOUTH CHARLESTON TO THE PROJECT; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the Supplemental Resolution provided for the issuance of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City (the "Bonds"), and further provided, among other things, (i) that the Bonds would finally mature on December 1, 2019; (ii) that the payment of principal of and interest on the Bonds would commence on March 1, 2000; and (iii) that the Bonds would be delivered on or about May 10, 1999;

WHEREAS, during the course of preparations for the issuance of the Bonds, the final maturity date, the date for the commencement of payment of principal of and interest on the Bonds, and the date of the delivery of the Bonds has changed;

WHEREAS, the Governing Body deems it essential and desirable that the Supplemental Resolution be amended and modified to reflect these changes;

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

Section 1. Section 1 of the Supplemental Resolution is hereby amended and modified to read as follows:

"The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, of the City, originally represented by a single Bond, numbered AR-1, in the original principal amount of $650,000. The Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2020, and shall bear interest at the rate of two percent (2%) per annum. Principal of and interest on the Bonds is payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2000. The Bonds shall be subject to redemption upon the written consent of the Authority and the DEP, and upon payment of the interest and redemption premium, if any, and otherwise in compliance with the Loan Agreement, so long as the Authority shall be the registered owner of the Bonds, and shall be payable in installments of principal and interest in the amounts as set forth in "Schedule Y," attached thereto and to the Loan Agreement and incorporated herein by reference. The City shall pay the 1% SRF Administrative Fee as provided in the Loan Agreement."

Section 2. Section 9 of the Supplemental Resolution is hereby amended and modified to read as follows:

"The Mayor and Clerk are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Bonds may be delivered on or about May 25, 1999, to the Authority pursuant to the Loan Agreement."

Section 3. This Supplemental Resolution shall be effective immediately following adoption hereof.

The foregoing Resolution was read and duly adopted at a regular meeting of the Common Council of The City of South Charleston held on the 20th day of May, 1999.

THE CITY OF SOUTH CHARLESTON

[SEAL]

Richard H. Kohl
Mayor

ATTEST:

Jack Woofus
Clerk

CERTIFICATION

Certified a true copy of a Second Supplemental Resolution duly adopted by the Council of The City of South Charleston on the 20th day of May, 1999.

Dated: May 25, 1999.

Clerk

CHASFS3:145586

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

EXCERPT OF MINUTES ON
ADOPTION OF SECOND SUPPLEMENTAL RESOLUTION

I, Jack D. Woolwine, Clerk of The City of South Charleston (the "City"), hereby certify that the following is a true and correct excerpt of the minutes of a regular meeting of the Common Council of the City (the "Council"):

The Council met in a regular session pursuant to notice duly given, published and posted, copies of which are attached hereto and incorporated herein, at 7:00 p.m., prevailing time on the 20th day of May, 1999, at City Hall, 4th Avenue and D Street, South Charleston, West Virginia.

Present:	Richard A. Robb	Mayor;
	Jack K. Woolwine	Clerk;
	Carless Williams	Council Member;
	Phyllis Fenwick	Council Member;
	Melissa Nicely	Council Member;
	Dayton Griffith	Council Member;
	R.R. "Bob" Snyder	Council Member;
	Charles Hagerman	Council Member;
	Warren Shirkey, Sr.	Council Member; and
	Jim Triplett	Council Member.

Also present were Samme L. Gee, Esq. of Jackson & Kelly, Bond Counsel, and Amy J. Haynie, Counsel to The City.

Richard A. Robb, Mayor, presided and Jack D. Woolwine, served as City Clerk.

The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

Ms. Gee presented a Second Supplemental Resolution in writing entitled:

SECOND SUPPLEMENTAL RESOLUTION AMENDING AND MODIFYING SUPPLEMENTAL RESOLUTION ADOPTED ON APRIL 15, 1999, AND PROVIDING AS TO INTEREST AND PRINCIPAL PAYMENT SCHEDULE AND DELIVERY DATE OF THE CITY OF SOUTH CHARLESTON SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A.

Thereupon, on motion of R.R. "Bob" Snyder, seconded by Charles Hagerman, it was unanimously ordered that said Second Supplemental Resolution shall be adopted on and from the date hereof.

There being no further business to come before the meeting, on motion duly made and seconded, it was unanimously ordered that the meeting adjourn.

[The rest of this page is intentionally left blank.]

I hereby certify that the foregoing action of the City remains in full force and effect and has not been amended or appealed.

WITNESS my signature on this 20th day of May, 1999.

[SEAL]

Jack D. Woolwine, Clerk

CHASFS3:143472

AGREEMENT FOR PAYMENT OF GRAVITY SEWER SYSTEM

WHEREAS, the City of South Charleston, acting by and through its Sanitary Board (hereinafter, "South Charleston") will cause to be constructed a Gravity Sewer Collection System (hereinafter, "sewer") which will replace the sanitary sewer system that currently exists on the Clearon Corporation property and will add a new section of sewer pipe along Route 60 on Park Corporation property and along F Street in order to better serve certain industries: namely, FMC Corporation (hereinafter, "FMC"), Clearon Corporation (hereinafter, "Clearon"), Park Corporation (hereinafter "Park"), Cambridge Career Products (hereinafter, "Cambridge"), and First Principal Partnership (hereinafter, "First").

For and in consideration of the benefits that they will receive by reason of the construction of said sewer, FMC, Clearon, Park, Cambridge and First each and several, bind themselves, their heirs and assigns, to pay their proportional part of the same, which shall be allotted or assessed against them in the manner hereinafter specified. It will be the right of FMC, Clearon, Park, Cambridge, or First to transfer or assign this obligation to any new owner of these properties.

South Charleston will be responsible for obtaining 3% SRF funds for 20 years for FMC, Clearon, Park, Cambridge, and First to finance this sewer project. If it becomes necessary to replace the section of sewer pipe between manhole #27 and #31, South Charleston agrees to pursue 3% SRF financing for this section as well.

The repayment on this loan will be an assessment added to the monthly sewer bill's of FMC, Clearon, Park, Cambridge, and First over the following 20 years. FMC, Clearon, Park, Cambridge, and First agree to pay the principal, interest, and any other additional costs which may be assessed on the loan taken by South Charleston to construct the said sewer. Their

payments will be based upon the actual construction costs which may be more than or less than the requested loan amount of $470,500. In addition, FMC, Clearon, Park, Cambridge, and First agree to the same repayment conditions, as set forth in this paragraph, if additional financing becomes necessary to replace the sewer pipe between manhole #27 and #31. The exact monthly payment due on said loan will be determined at a later date.

FMC, Clearon, and Park will be given the right to review any of the bids or change orders which will be received on this project. A bid or change order will not be accepted unless South Charleston, FMC, Clearon and Park approve said bid or change order. Such approval shall not be unreasonably withheld by any party.

The cost of the project will be divided among FMC, Clearon, Park, Cambridge, and First with the following percentages: FMC-23.5%; Clearon-23.5%; Park-47%; Cambridge-4.5%; and First-1.5%. Other users who are permitted by South Charleston to be tied into this line shall pay their proportional share of the remaining balance of the debt.

It is agreed that South Charleston will be responsible for the maintenance and operation of this new sewer line and the metering stations which will be installed with this project.

The regular monthly sewer bills will be determined by South Charleston based on readings which they obtain from the metering stations. First and Cambridge's sewer bills will be based on their actual metered water usage. Clearon and FMC's sewer bills will be based on actual metered readings of their respective sewer flow. Park's sewer bill will be determined by the difference between the total sewer flow and the other four contributors to that total.

In the event that FMC, Clearon, Park, Cambridge, or First defaults on any installment,

such defaulting party shall be subject to the default clause in the loan agreement between South Charleston and the West Virginia Infrastructure and Jobs Development Council. In addition, a party who falls two payments behind will have their water service terminated. If such party remains in default, then South Charleston shall file a lien against their property for the past due amount.

In the event that FMC, Clearon, Park, Cambridge, or First files for bankruptcy, their parent corporation agrees to remain liable for the payments due on the loan. If the parent corporation of FMC, Clearon, Park, Cambridge, or First files for bankruptcy or for some other reason refuses to make the payments on said loan, South Charleston may declare same immediately due and payable, and take any action or commence or prosecute any available proceedings against the defaulting party.

IN WITNESS WHEREOF, South Charleston has caused this Agreement to be executed by its board chairman as authorized by a Resolution of its Board duly adopted and recorded at a meeting held on the _____ day of _____, 1998.

FMC CORPORATION

By _____

SOUTH CHARLESTON SANITARY BOARD

By _____

CLEARON CORPORATION

By _____

PARK CORPORATION

By _____

CAMBRIDGE CORPORATION

BY _____

FIRST PRINCIPAL PARTNERSHIP

By _____

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

I, Trina G Young, a Notary Public in and for said County, do hereby certify that Glendon Sprouse, Partner of First Principal Partnership, whose name(s) is/are signed to the foregoing writing, bearing date the 10th day of August, 1998, has/have this day acknowledged the same before me, in my said county.

Given under my hand this 10th day of August, 1998

My commission expires: October 8, 2007.

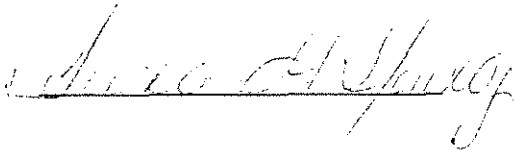
OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TRINA G. YOUNG
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SOUTH CHARLESTON, WV 25303
My Commission Expires October 8, 2007

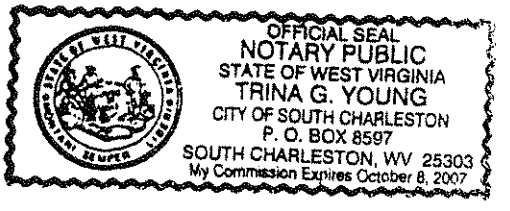
STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, TO-WIT:

I, Trina Young, a Notary Public in and for said County, do hereby certify that Steve Jones, President of Cambridge Career Products, whose name(s) is/are signed to the foregoing writing, bearing date the 5th day of August, 1998, has/have this day acknowledged the same before me, in my said county.

Given under my hand this 5th day of August, 1998.

My commission expires: October 8, 2007.





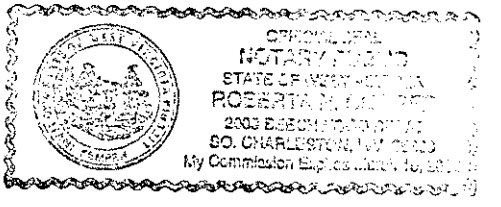
STATE OF WEST VIRGINIA,
COUNTY OF KANAWHA, TO-WIT:

I, _____, a Notary Public in and for said County, do hereby certify that _____, _____ of the FMC Corporation, whose name(s) is/are signed to the foregoing writing, bearing date the _____ day of _____, 19__, has/have this day acknowledged the same before me, in my said county.

Given under my hand this _____ day of _____, 19__.

My commission expires: _____.

_____



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

I, Sandra Offenberg, a Notary Public in and for said County, do hereby certify that Scott Johnson, VP Mfg. of the Clearon Corporation, whose name(s) is/are signed to the foregoing writing, bearing date the 22nd day of July, 1998, has/have this day acknowledged the same before me, in my said county.

Given under my hand this 27th day of July, 1998.

My commission expires: Nov. 21, 2005.

Sandra Offenberg

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
SANDRA D. OFFENBERG
CLEARON CORP
95 MacCORKLE AVE., SW
SOUTH CHARLESTON, WV 25303
My Commission Expires NOV. 21, 2005

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

I, Imogene S. Hoofield a Notary Public in and for said County, do hereby certify that John Kilburg, Gen. Mgr. of the Park Corporation, whose name(s) is/are signed to the foregoing writing, bearing date the 22nd day of July, 1998, has/have this day acknowledged the same before me, in my said county.

Given under my hand this 22nd day of July, 1998.

My commission expires: 11/2/05.

Imogene S. Hoofield

OFFICIAL NOTARY
STATE OF WEST VIRGINIA
IMOGENE

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

I, Trina G. Young, a Notary Public in and for said County, do hereby certify that Richard A. Robb, Chairman of the South Charleston Sanitary Board, whose name(s) is/are signed to the foregoing writing, bearing date the 22nd day of July, 1998, has/have this day acknowledged the same before me, in my said county.

Given under my hand this 22nd day of July, 1998

My commission expires: October 8, 2007.

Trina G. Young

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
TRINA G. YOUNG
CITY OF SOUTH CHARLESTON
P. O. BOX 8597
SOUTH CHARLESTON, WV 25303
My Commission Expires October 8, 2007

This instrument was prepared by:
Amy J. Haynie, attorney at law, P.O. Box 8597, South Charleston WV 25303.

West Virginia Infrastructure & Jobs Development Council

Public Members:
James D. Williams, Chairman
St. Albans
James L. Harrison, Sr., Vice Chairman
Princeton
Lloyd P. Adams, P.E.
Wheeling
Sheirl L. Fletcher
Morgantown

980 One Valley Square
Charleston, West Virginia 25301
Telephone: (304) 558-4607
Facsimile: (304) 558-4609

Susan J. Riggs, Esquire
Executive Secretary

June 5, 1998

Carlton Lee, General Manager
South Charleston Sanitary Board
P. O. Box 8336
South Charleston, WV 25309

Re: Wastewater System Project **98S-397**

Dear Mr. Lee:

The West Virginia Infrastructure and Jobs Development Council (Council) has reviewed the South Charleston Sanitary Board's (Board) preliminary application regarding the Board's proposed project to eliminate a lift station and install a new gravity collection system (Project). Based on the findings of the Sewer Technical Review Committee, the Council has determined that the Project is technically feasible within the guidelines of the Infrastructure and Jobs Development Act. The Board should carefully review the enclosed comments of the Sewer Technical Review Committee. The Board may need to address certain issues raised in said comments as it proceeds with the Project.

Pursuant to its review of the preliminary application, the Council determined that the Board should pursue a Clean Water State Revolving Fund loan of $600,000 to finance the Project. Please contact the Division of Environmental Protection at 558-0641 for specific information on the steps the Board needs to follow to apply for this funding. **Please note that this letter does not constitute funding approval from the Division of Environmental Protection.**

If you have any questions regarding this matter, please contact Susan J. Riggs at the above telephone number.

Sincerely,

James D. Williams

JDW/bh
Enclosure
cc: Mike Johnson, P.E.
John L. Romano

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

CONSENT TO THE ISSUANCE OF PARITY BONDS
AND TO THE MODIFICATION OF THE 1986 ORDINANCE

The undersigned, Daniel B. Yonkosky, Director of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority and in connection with the issuance by The City of South Charleston, West Virginia (the "City") of the above-referenced bonds (the "Bonds"), states as follows:

1. The Authority is the registered owner of the aggregate principal amount of the City's $761,015 Subordinate Sewer Revenue Bonds, Series 1986 (the "1986 Subordinate Bonds") and $378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (the "1986 Supplemental Bonds"). The 1986 Bonds were authorized and issued pursuant to an ordinance of the City enacted on August 14, 1986 (the "1986 Ordinance").

2. The Authority consents to the issuance of the Bonds (i) on a parity with the 1986 Subordinate Bonds as to liens on and sources and security for payment and (ii) senior and prior to the 1986 Supplemental Bonds as to liens on and sources and security for payment.

3. The Authority recognizes that the City's ability to meet the test for the issuance of additional bonds set forth in Section 6.08 of the 1986 Ordinance depends upon the inclusion in term "net revenues," as that term is used in Section 6.08, of the additional cash flow generated from the calculation of charges for depreciation. The Authority hereby consents to the modification by the City of the definition of "Operating Expenses" set forth in Section 1.04(W) of the 1986 Ordinance to exclude "charges for depreciation."

4. Section 6.08 of the 1986 Ordinance provides that no bonds on a parity with the 1986 Subordinate Bonds shall be issued so long as any 1986 Supplemental Bonds are outstanding. To permit the City to issue Bonds on a parity with the 1986 Subordinate Bonds, the Authority hereby waives this provisions of the 1986 Ordinance.

IN WITNESS WHEREOF, Daniel B. Yonkosky duly signed and delivered this consent on behalf of the West Virginia Water Development Authority on May 25, 1999.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By Daniel B. Yonkosky
Director

CHASFS3:136312

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

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; RATES
7. INCUMBENCY AND OFFICIAL NAME
8. LAND AND RIGHTS-OF-WAY
9. MEETINGS
10. INSURANCE
11. LOAN AGREEMENT
12. TRUTH AND ACCURACY
13. SPECIMEN BONDS
14. BOND PROCEEDS
15. PRIVATE USE OF FACILITIES
16. NO FEDERAL GUARANTY
17. IRS INFORMATION RETURN
18. CONFLICT OF INTEREST
19. CLEAN WATER ACT
20. YEAR 2000 COMPLIANCE
21. COUNTERPARTS

We, the undersigned MAYOR and the undersigned 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 fully registered The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, numbered AR-1, dated the date hereof, in the principal amount of $650,000, bearing interest at a rate of two percent (2%) per annum, and subject to an SRF Administrative Fee of one percent (1%) (the "Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this Certificate and not otherwise defined shall have the same meaning as in the Bond Ordinance duly passed by the Council (the "Council") of the City on April 1, 1999, effective April 15, 1999, and the Supplemental Resolution adopted April 15, 1999, relating to the Bonds (collectively, the "Ordinance"), the Loan Agreement entered into among the City, the Division of

Environmental Protection ("DEP") and the West Virginia Water Development Authority (the "Authority"), dated May 10, 1999, for the Bonds (the "Loan Agreement").

2. NO LITIGATION: No controversy or litigation of any nature is now pending, or, to the knowledge of any of the undersigned, threatened, restraining, enjoining or affecting the issuance and delivery of the Bonds; nor questioning the proceedings and authority by which the Council of the City 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 or of the Prior Bonds; 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 acquisition and construction of certain extensions, improvements or betterments to the existing sewerage system of the City financed in part by the proceeds of sale of the Bonds (herein called the "Project"), nor operation by the City of the Project (the Project and any further extensions, additions, improvements or betterments thereto, herein collectively called the "System"), nor challenging the collection or use of the revenues of the System or the pledge of the revenues to the Bonds.

3. GOVERNMENTAL APPROVALS AND BIDDING: All applicable approvals and certificates required by law for the 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 since May 10, 1999.

Other than the Prior Bonds, there are no other bonds, notes or other obligations of the City which are secured by a lien on the revenues of the system. The Bonds are being issued for the purpose of paying costs of construction of improvements and betterments to the existing sewerage system of the City. The Bonds are being issued on a parity as to lien on and source of and security for payment with the Subordinate Bonds, junior and subordinate as to lien on and source of and security for payment with the First Lien Bonds, and senior and prior as to lien on and source of and security for payment with the Supplemental Bonds.

5. SIGNATURES: The undersigned Mayor and 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; RATES: The undersigned Counsel hereby certifies that the City has received a letter dated September 24, 1998 from

General Counsel to the Public Service Commission (the "PSC") indicating that the City and the Sanitary Board does not need a certificate of convenience and necessity to construct the Project. In City of South Charleston v. West Virginia Public Service Commission, No. 25333 (W. Va., March 12, 1999), the Supreme Court of Appeals of West Virginia affirmed a Commission Order in three consolidated cases (Case Nos. 97-1141-S-MA, 97-1140-PSD-S-C, and 97-1085-PSD-S-C) in which the PSC established rates and charges for sanitary sewer service. The City has implemented these rates and they are in full force and effect.

7. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the City is "The City of South Charleston", and it is a municipal corporation of the State of West Virginia in Kanawha County of said State. The governing body of the City is its Common Council, consisting of eight Council members and the Mayor. The Clerk is the ex-officio Clerk of the Common Council. The names and dates of commencement and termination of terms of office for all such officials during these Bond proceedings, including current terms, are listed below:

Office	Name	Date Of Commencement Of Office	Date Of Termination Of Office
Mayor	Richard A. Robb	7/1/95	6/30/99
Clerk	Jack D. Woolwine	7/1/95	6/30/99
Council Member	Carless Williams	7/1/95	6/30/99
Council Member	Phyllis Fenwick	7/1/95	6/30/99
Council Member	Melissa Nicely	7/1/95	6/30/99
Council Member	Dayton Griffith	7/1/95	6/30/99
Council Member	R.R. "Bob" Snyder	7/1/95	6/30/99
Council Member	Charles Hagerman	7/1/95	6/30/99
Council Member	Warren Shirkey, Sr.	7/1/95	6/30/99
Council Member	Jim Triplett	7/1/95	6/30/99

Sanitary Board

Richard A. Robb	Ex-Officio Member
W. "Pat" Patterson	Member
Charles Gannon	Member

The duly appointed and acting City Attorney is Amy J. Haynie, Esquire, South Charleston, West Virginia. Prior to the construction phase of the Project, the City will ensure that one member of the Sanitary Board will be a registered professional engineer.

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, adopted and entered into by or on behalf of the City in any way connected with the construction, operation and financing of the Project were authorized or adopted at meetings of the Council duly and regularly or specifically 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. All notices required to be posted and/or published were so posted and/or published.

10. INSURANCE: The City will maintain or, as appropriate, will require all contractors to maintain Worker's Compensation, public liability and property damage insurance, standard hazard insurance, builder's risk insurance, flood insurance and business interruption insurance, where applicable, in accordance with the Ordinance.

11. 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 statements of material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the City has occurred since May 10, 1999, which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading; and (iv) the City is in compliance with the Loan Agreement.

12. TRUTH AND ACCURACY: As of the date hereof, Richard A. Robb, Mayor and Jack D. Woolwine, City Clerk hereby certify that the copies of documents previously or on the date hereof certified by them as being true and accurate are true and accurate as of the date hereof and that none of such documents has been repealed, rescinded, amended or otherwise modified.

13. SPECIMEN BONDS: Attached hereto as Exhibit A is a specimen of the Bond which, except as to execution and authentication, are identical in all respects with such Bond this day delivered to the Authority and being substantially in the form prescribed in the Ordinance.

14. BOND PROCEEDS: On the date hereof, the City received $49,459 from the Authority and the DEP, being a portion of the principal amount of the Series 1999 A Bonds, and more than a de minimus amount of the proceeds of each series of Bonds. The balance of the principal amount of each series of Bonds will be advanced to the City from time to time as acquisition and construction of the Project progresses.

15. PRIVATE USE OF FACILITIES: The City shall at all times take, and refrain from taking, and shall not fail to take, any and all actions necessary in order to assure the initial and continued tax-exempt status of the Bonds and the interest thereon. Less than 10% of the proceeds of the Bonds will be used, directly or indirectly, for any private business use, and less than 10% of the payment of principal of, or the interest on, such issue, under the terms of such issue or any underlying arrangement, is, directly or indirectly, secured by any interest in property used or to be used for a private business use, payments in respect of such property, or to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a private business use. None of the proceeds of the Bonds will be used, directly or indirectly, for any private business use which is not related to the governmental use of the proceeds of the Bonds, including the disproportionate related business use of the proceeds of the Bonds, and none of the payment of principal on, or the interest on, such issue, under the terms of any underlying arrangement, is, directly or indirectly, secured by any interest in property used, or to be used for a private business use, payments in respect of such property or to be derived from payments (whether or not to the City) in respect of property, or borrowed money, used or to be used for a private business use with respect to such private business use, which is not related to any government use of such proceeds, including the disproportionate business use of the issue of the Bonds. None of the proceeds of the issue of the Bonds will be used, directly or indirectly, to make or finance loans to persons other than governmental units. For purposes of this paragraph, private business use means use, directly or indirectly, in a trade or business carried on by any person, including related persons, other than a governmental unit or other than use as a member of the general public. All of the foregoing shall be determined in accordance with and within the meaning of the Internal Revenue Code of 1986, as amended, including any successor provisions and rules and regulations thereunder (the "Code").

16. NO FEDERAL GUARANTY: The Bonds are not and will not be, in whole or part, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

17. IRS INFORMATION RETURN: On the date hereof, the undersigned Mayor did officially sign a properly completed IRS Form 8038-G and will cause each such executed Form 8038-G to be filed in a timely manner with the Internal Revenue Service Center, Philadelphia, Pennsylvania.

18. CONFLICT OF INTEREST: No officer or employee of the City has a substantial financial interest, direct, indirect or by reason of ownership of stock in any

corporation, in any contract with the City or in the sale of any land, materials, supplies or services to the City or to any contractor supplying the City, relating to the Bonds, the Ordinance, and/or the Project, including, without limitation, with respect to the Depository Bank. For purposes of this paragraph, a "substantial financial interest" shall include, without limitation, an interest amounting to more than 5% of the particular business enterprise or contract.

19. CLEAN WATER ACT: The project as described in the Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

20. YEAR 2000 COMPLIANCE: The City represents that it has undertaken or will undertake an investigation to determine whether the operations of the System, including but not limited to any billing, collection and inventory computer programs of the System and any electronic or mechanical components of the System's wastewater collection and treatment facilities, are Year 2000 Compliant. The City further represents that if it determines as a result of this investigation that any Mission-Critical Component of the System is not Year 2000 Compliant, the City (i) will take timely and affirmative action to repair or replace any such component, and (ii) will perform adequate testing to ensure the sound operation and Year 2000 Compliant status of the repaired or replaced component. For purpose of this paragraph, "Year 2000 Compliant" means, with respect to the information technology the City uses or will use in the operation of the System (including any date-sensitive microprocessors embedded in electronic or mechanical components of the System), the information technology is designed to be used prior to, during and after calendar Year 2000 A.D., and the information technology used during each such time period will accurately receive, provide and process data-time data (including, but not limited to, calculating, comparing and sequencing) from, into and between the twentieth and twenty-first centuries, including the years 1999 and 2000, and leap-year calculations, and will not malfunction, cease to function, or provide invalid or incorrect results as a result of date-time data. For purposes of this paragraph, "Mission-Critical Component" means any component of the System that would be critical to (a) the System's continued operation after January 1, 2000; (b) the City's ability to continue to bill its customers and collect amounts billed from those customers after January 1, 2000; or (c) the City's ability to make all principal and interest payments for the Bonds contemplated by the Ordinance as and when they become due.

21. COUNTERPARTS: This Certificate may be executed in counterpart and such parts shall be deemed to be the Certificate.

WITNESS our signatures and the official corporate seal of The City of South Charleston, West Virginia on this 25th day of May, 1999.

[SEAL]

Signature	Official Title
Richard A. Bolin	Mayor
Jack Worfolk	City Clerk
Timothy J. Haynie	Attorney

141093

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
COUNTY OF KANAWHA
THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $650,000

KNOW ALL MEN BY THESE PRESENTS: That THE CITY OF SOUTH CHARLESTON, a municipal corporation of the State of West Virginia, in Kanawha County of said State (the "City"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority "), or registered assigns, the sum of Six Hundred Fifty Thousand Dollars ($650,000), or such lesser amount as is set forth on the Record of Advances attached hereto as Exhibit A and incorporated herein by reference, in quarterly installments on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning June 1, 2000, as set forth on the "Schedule of Debt Service" attached as Exhibit B hereto and incorporated herein by reference. The SRF Administrative Fee (as defined in the hereinafter-described Bond Ordinance) shall also be payable quarterly on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning June 1, 2000, as set forth on Exhibit B attached hereto.

Interest on this Bond shall be zero (0%) percent from the date hereof until the Date of Completion of the Project, and after such date, interest shall be payable on the 1st day of March, the 1st day of June, the 1st day of September and the 1st day of December in each year beginning June 1, 2000, at the rate of two percent (2%) per annum. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of principal, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the Paying Agent. The interest on this Bond is payable by check or draft mailed to the Authority at the address as it appears on the books of the Registrar on the 15th day of the month

preceding an interest payment date or by such other method as shall be mutually agreeable, so long as the Authority is the registered owner hereof.

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and as otherwise provided by the Loan Agreement dated May 10, 1999, among the City, the West Virginia Division of Environmental Protection and the West Virginia Water Development Authority.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of a certain additions, extensions, betterments and improvements to the existing wastewater treatment and collection facilities of the City (the "Project"), (ii) to fund a reserve account therefor, and (iii) to pay certain costs of issuance hereof and related costs. This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), an Ordinance duly enacted by the City on April 1, 1999, effective April 15, 1999, a Supplemental Resolution adopted by the City on April 15, 1999, and a Second Supplemental Resolution adopted by the City on May 20, 1999 (collectively, the "Ordinance"), and is subject to all the terms and conditions thereof. The Ordinance provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Ordinance.

THIS BOND RANKS EQUALLY AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $761,015 (THE "SUBORDINATE BONDS"); JUNIOR AND SUBORDINATE AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SEWER REVENUE BONDS, SERIES 1961, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $8,000,000 (THE "FIRST LIEN BONDS"); AND SENIOR AND PRIOR AS TO LIEN ON AND SOURCE OF AND SECURITY FOR PAYMENT WITH THE CITY'S SUPPLEMENTAL SUBORDINATE SEWER REVENUE BONDS, SERIES 1986, ISSUED IN THE AGGREGATE PRINCIPAL AMOUNT OF $378,985 (THE "SUPPLEMENTAL BONDS," AND TOGETHER WITH THE SUBORDINATE BONDS AND THE FIRST LIEN BONDS, THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of a lien on the Net Revenues, on a parity with the lien of the Subordinate Bonds and junior and subordinate to the lien of the First Lien Bonds, to be derived from the operation of the System, moneys in the Series 1999 A Reserve Account created under the Ordinance and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, nor shall the City be obligated to pay the same or the interest thereon except from said special fund provided from the Net Revenues, the moneys in the Series 1999 A Reserve Account and unexpended Bond proceeds. Pursuant to the Ordinance, the City has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal

to at least 115% of the amount required to pay the maximum amount due in any ensuing fiscal year of principal of and interest on all obligations on a parity with or prior to the Bonds payable from such Net Revenues, and on the Supplemental Bonds, provided however, that so long as there exists in the Series 1999 A Reserve Account an amount equal to the maximum amount of principal and interest which will become due on the Bonds and any bonds senior to or on a parity therewith, in any succeeding fiscal year, an amount equal to the requirement therefor, and so long as there exists in the reserve accounts established for the Prior Bonds are funded at the respective requirements therefor, such percentage may be reduced to 110%. The City has entered into certain further covenants with the registered owners of the Bonds, for the terms of which, reference is made to the Ordinance. Remedies provided the registered owners of the Bonds are exclusively as provided in the Ordinance, to which reference is here made for a detailed description thereof.

This Bond is transferable, as provided in the Ordinance, only upon the books of United National Bank, 500 Virginia Street, East, Charleston, West Virginia (the "Registrar"), kept for that purpose at the office of the Registrar, by the registered owner or its attorney duly authorized in writing, upon the surrender of this Bond together, with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

This Bond, under the provision of the Act is, and has provided all the qualities and incidents of, a negotiable instrument under the Uniform Commercial Code of the State of West Virginia.

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

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in due time, form and manner as required by law, and that the amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or statutes of the State of West Virginia and that a sufficient amount of the revenues of the System has been pledged to and will be set aside into said special fund by the City for the prompt payment of the principal of and interest on this Bond.

All provisions of the Ordinance, resolutions and statutes under which this Bond is issued shall be deemed to be a part of the contract evidenced by this Bond, to the same extent as if written fully herein.

NUMBER

AR-1

IN WITNESS WHEREOF, The City of South Charleston has caused this Bond to be signed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, and has caused this Bond to be dated the 25th day of May, 1999.

[SEAL]

Mayor

ATTEST:

City Clerk

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Original Bonds described in the within-mentioned Ordinance and has been duly registered in the name of the registered owner set forth above.

UNITED NATIONAL BANK,
as Registrar

By _____
Its Authorized Officer

Dated: May 25th 1999

EXHIBIT A

RECORD OF ADVANCES

Amount	Date	Amount	Date
(1) $49,459	May 25, 1999	(7) $	
(2) $		(8) $	
(3) $		(9) $	
(4) $		(10) $	
(5) $		(11) $	
(6) $		(12) $	

Total $_____

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Date	Principal	Coupon	Interest	Total P+I
6/01/1999	-	-	-	-
9/01/1999	-	-	-	-
12/01/1999	-	-	-	-
3/01/2000	-	-	-	-
6/01/2000	6,628.00	2.000%	3,250.00	9,878.00
9/01/2000	6,661.00	2.000%	3,216.86	9,877.86
12/01/2000	6,694.00	2.000%	3,183.56	9,877.56
3/01/2001	6,728.00	2.000%	3,150.09	9,878.09
6/01/2001	6,762.00	2.000%	3,116.45	9,878.45
9/01/2001	6,795.00	2.000%	3,082.64	9,877.64
12/01/2001	6,829.00	2.000%	3,048.66	9,877.66
3/01/2002	6,864.00	2.000%	3,014.52	9,878.52
6/01/2002	6,898.00	2.000%	2,980.20	9,878.20
9/01/2002	6,932.00	2.000%	2,945.71	9,877.71
12/01/2002	6,967.00	2.000%	2,911.05	9,878.05
3/01/2003	7,002.00	2.000%	2,876.21	9,878.21
6/01/2003	7,037.00	2.000%	2,841.20	9,878.20
9/01/2003	7,072.00	2.000%	2,806.02	9,878.02
12/01/2003	7,107.00	2.000%	2,770.66	9,877.66
3/01/2004	7,143.00	2.000%	2,735.12	9,878.12
6/01/2004	7,179.00	2.000%	2,699.41	9,878.41
9/01/2004	7,215.00	2.000%	2,663.51	9,878.51
12/01/2004	7,251.00	2.000%	2,627.44	9,878.44
3/01/2005	7,287.00	2.000%	2,591.18	9,878.18
6/01/2005	7,323.00	2.000%	2,554.75	9,877.75
9/01/2005	7,360.00	2.000%	2,518.13	9,878.13
12/01/2005	7,397.00	2.000%	2,481.33	9,878.33
3/01/2006	7,434.00	2.000%	2,444.35	9,878.35
6/01/2006	7,471.00	2.000%	2,407.18	9,878.18
9/01/2006	7,508.00	2.000%	2,369.82	9,877.82
12/01/2006	7,546.00	2.000%	2,332.28	9,878.28
3/01/2007	7,584.00	2.000%	2,294.55	9,878.55
6/01/2007	7,621.00	2.000%	2,256.63	9,877.63
9/01/2007	7,660.00	2.000%	2,218.53	9,878.53
12/01/2007	7,698.00	2.000%	2,180.23	9,878.23
3/01/2008	7,736.00	2.000%	2,141.74	9,877.74
6/01/2008	7,775.00	2.000%	2,103.06	9,878.06
9/01/2008	7,814.00	2.000%	2,064.18	9,878.18
12/01/2008	7,853.00	2.000%	2,025.11	9,878.11
3/01/2009	7,892.00	2.000%	1,985.85	9,877.85
6/01/2009	7,932.00	2.000%	1,946.39	9,878.39
9/01/2009	7,971.00	2.000%	1,906.73	9,877.73
12/01/2009	8,011.00	2.000%	1,866.87	9,877.87
3/01/2010	8,051.00	2.000%	1,826.82	9,877.82
6/01/2010	8,091.00	2.000%	1,786.56	9,877.56
9/01/2010	8,132.00	2.000%	1,746.11	9,878.11
12/01/2010	8,173.00	2.000%	1,705.45	9,878.45

EXHIBIT B

SCHEDULE OF ANNUAL DEBT SERVICE

Date	Principal	Coupon	Interest	Total P+I
3/01/2011	8,213.00	2.000%	1,664.58	9,877.58
6/01/2011	8,255.00	2.000%	1,623.52	9,878.52
9/01/2011	8,296.00	2.000%	1,582.24	9,878.24
12/01/2011	8,337.00	2.000%	1,540.76	9,877.76
3/01/2012	8,379.00	2.000%	1,499.08	9,878.08
6/01/2012	8,421.00	2.000%	1,457.18	9,878.18
9/01/2012	8,463.00	2.000%	1,415.08	9,878.08
12/01/2012	8,505.00	2.000%	1,372.76	9,877.76
3/01/2013	8,548.00	2.000%	1,330.24	9,878.24
6/01/2013	8,591.00	2.000%	1,287.50	9,878.50
9/01/2013	8,634.00	2.000%	1,244.54	9,878.54
12/01/2013	8,677.00	2.000%	1,201.37	9,878.37
3/01/2014	8,720.00	2.000%	1,157.99	9,877.99
6/01/2014	8,764.00	2.000%	1,114.39	9,878.39
9/01/2014	8,807.00	2.000%	1,070.57	9,877.57
12/01/2014	8,852.00	2.000%	1,026.53	9,878.53
3/01/2015	8,896.00	2.000%	982.27	9,878.27
6/01/2015	8,940.00	2.000%	937.79	9,877.79
9/01/2015	8,985.00	2.000%	893.09	9,878.09
12/01/2015	9,030.00	2.000%	848.17	9,878.17
3/01/2016	9,075.00	2.000%	803.02	9,878.02
6/01/2016	9,120.00	2.000%	757.64	9,877.64
9/01/2016	9,166.00	2.000%	712.04	9,878.04
12/01/2016	9,212.00	2.000%	666.21	9,878.21
3/01/2017	9,258.00	2.000%	620.15	9,878.15
6/01/2017	9,304.00	2.000%	573.86	9,877.86
9/01/2017	9,351.00	2.000%	527.34	9,878.34
12/01/2017	9,397.00	2.000%	480.59	9,877.59
3/01/2018	9,444.00	2.000%	433.60	9,877.60
6/01/2018	9,492.00	2.000%	386.38	9,878.38
9/01/2018	9,539.00	2.000%	338.92	9,877.92
12/01/2018	9,587.00	2.000%	291.23	9,878.23
3/01/2019	9,635.00	2.000%	243.29	9,878.29
6/01/2019	9,683.00	2.000%	195.12	9,878.12
9/01/2019	9,731.00	2.000%	146.70	9,877.70
12/01/2019	9,780.00	2.000%	98.05	9,878.05
3/01/2020	9,829.00	2.000%	49.15	9,878.15
Total	650,000.00	-	140,246.08	790,246.08 *

*Plus $938.83 one-percent administrative fee paid quarterly. Total fee paid over the life of the loan is $75,106.40.

[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:

_____

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

CERTIFICATE OF CITY CLERK
AS TO TRUTH AND ACCURACY OF DOCUMENTS DELIVERED

I, the undersigned Jack D. Woolwine, 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 $650,000 in principal amount of the City of South Charleston, West Virginia, Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds") are, as of the date hereof, true and accurate copies of the originals of those documents maintained on file with the City, that said documents have been duly adopted, enacted or entered by the Council of said City, and that said documents are still in full force and effect as of the date hereof and have not been repealed, rescinded, superseded, amended or modified in any way unless the document effecting such repeal, amendment or modification is also listed below:

1. Charter of City.

2. Oaths of Office of Mayor, Recorder and Council Members.

3. Rate Ordinance.

4. Minutes of the March 18, 1999, regular meeting of the Council of the City, wherein the Bond Ordinance (the "Ordinance") was introduced.

5. Minutes of the April 1, 1999, regular meeting of the Council of the City, wherein the Ordinance was adopted.

6. Minutes of the April 15, 1999 regular meeting at the Council of the City, wherein a public hearing on the Ordinance was held and the Supplemental Resolution was adopted.

7. The Ordinance enacted by the Council of the City on April 1, 1999.

8. The Supplemental Resolution adopted by the Council of the City on April 15, 1999, putting the Ordinance into effect; awarding the City's Subordinate Sewer Revenue Bonds, Series 1999 A, in the aggregate principal amount of $650,000; fixing the rate of interest thereon; and fixing other matters.

9. Second Supplemental Resolution adopted by the Council on May 20, 1999.

10. Excerpt of minutes of the regular meeting held by the Council on May 20, 1999, in which the Second Supplemental Resolution was adopted.

11. A letter from the General Counsel to the Public Service Commission dated September 24, 1998, stating that the City and the Sanitary Board do not need to seek and obtain a certificate of convenience and necessity to acquire and construct the Project.

WITNESS my signature and the official seal of the City of South Charleston, West Virginia, as of the 25th day of May, 1999.

City Clerk, City of South Charleston

(SEAL)

CHASFS3:143464

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

CERTIFICATE AS TO NON-ARBITRAGE

I, Richard A. Robb, Mayor of The City of South Charleston, West Virginia (the "City"), being one of the officials of the City duly charged with the responsibility for the issuance of $650,000 aggregate principal amount of Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds") of the City, dated May 25, 1999 (the "Bonds"), hereby certify as follows:

1. This certificate is being executed and delivered pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and applicable regulations (the "Code"). I am one of the officers of the City charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and am duly authorized to execute and deliver this certificate on behalf of the City.

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

3. 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.

4. This certificate is based upon facts, circumstances, estimates and expectations of the City in existence on May 25, 1999, the date on which the Bonds are to be physically delivered in exchange for more than a de minimus portion of the issue price thereof, and to the best of my knowledge and belief, the expectations of the City set forth herein are reasonable.

5. In the Bond Ordinance (the "Ordinance") pursuant to which the Bonds are issued, the City has covenanted to make no use of the proceeds of the Bonds which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

6. The Bonds were sold on May 25, 1999, to the West Virginia Water Development Authority (the "Authority") pursuant to a loan agreement dated May 10, 1999, by and among the City, the Authority and the West Virginia Division of Environmental Protection (the "DEP"). The Bonds bear interest at a rate of two percent (2%) per annum.

7. The Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs, not otherwise provided, of the construction of certain improvements and betterments to the existing

sewerage system of the City (the "Project"); (ii) funding a Reserve Account; and (iii) paying costs of issuance and other costs in connection therewith.

8. The City shall, within 30 days following delivery of the Bonds, enter into agreements which require the City to expend in excess of five percent (5%) of the proceeds of the Bonds on the Project, constituting a substantial binding commitment, or has already done so. Construction and equipping of the Project will proceed with due diligence to completion, and all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, with the exception of the reserve account deposit, will be expended for payment of Costs of the Project on or before December 31, 1999. The proceeds of the Bonds will be advanced to the City, from time to time, as costs are incurred and payments are due. The City, upon receipt of the advanced proceeds of the Bonds, will immediately pay the approved costs. The City does not reasonably anticipate receipt of any substantial earnings on the proceeds of the Bonds.

9. The total cost of the Project is $681,900. Sources and uses of funds for the Project are as follows:

SOURCES	
Bond Proceeds	$650,000
City Contribution	$ 31,900
Total Sources	$681,900
USES	
Construction	$571,785
Technical Services	$ 30,000
Legal and Fiscal	$ 1,900
Funding of Reserve Account	$ 39,459
Contingency	$ 28,756
Costs of Issuance	$ 10,000
Total Uses	$681,900

The amount of Project costs is estimated to be at least equal to the gross proceeds of the Bonds and the City's Contribution. Except for the proceeds of the Bonds and as otherwise provided in the Ordinance and set forth above, 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.

10. Pursuant to Article V of the Ordinance, the following special funds or accounts have been continued or created:

(1) Revenue Fund;

(2) Renewal and Replacement Fund;

(3) Bond Construction Trust Fund;

(4) Sinking Fund; and

(a) Within the Sinking Fund, the Reserve Account.

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

(1) Proceeds of the Bonds in the amount of $39,459 shall be deposited with the Commission in the Reserve Account.

(2) The remaining moneys derived from the sale of the Bonds shall be deposited by the City, as received from time to time, in the Bond Construction Trust Fund and applied solely to payment of Costs of the Project including but not limited to payment of cost of issuance.

Except for "preliminary expenditures" as defined in Treas. Reg. 1.150-2(f)(2), none of the proceeds of the Bonds will be used to reimburse the City for costs of the Project previously incurred and paid by the City with its own or other funds.

12. Moneys held in the Sinking Fund will be used solely to pay principal of and interest on the 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 and interest on the Bonds, as the same shall become due, when other moneys in the Sinking Fund are insufficient therefor, and for no other purpose. All investment earnings on moneys in the Sinking Fund and 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 into the Revenue Fund.

13. Except for the Sinking Fund and the Reserve Account, 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 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. The City does not expect that moneys in the Renewal and Replacement Fund will be used or needed for payments upon the Bonds. Except as provided herein, no funds which have been or will be used to acquire directly or indirectly securities, obligations, annuity contracts or other investment-type property

producing a yield in excess of the yield on the Bonds, have been or will be pledged to payment of the Bonds. Less than 10% of the proceeds of the Bonds will be deposited in the Reserve Account or any other reserve or replacement fund. The amounts deposited in the Reserve Account from time to time by the City will not exceed the maximum annual principal and interest on the Bonds and will not exceed 125% of average annual principal and interest on the Bonds. Amounts in the Reserve Account, not to exceed 10% of the proceeds of the Bonds, if invested, will be invested without yield limitation. The establishment of the Reserve Account is required by the Authority, is vital to its purchase of the Bonds and is reasonably required to assure payments of debt service on the Bonds.

14. The City expects to enter into a contract within 1 month of the date hereof or has already entered into such a contract for the construction of the Project, and the amount to be expended pursuant to such contract exceeds the lesser of 2 1/2% of the estimated total Project cost financed with proceeds from the sale of the Bonds or $100,000.

15. Work with respect to the construction of the Project will proceed with due diligence to completion. Construction is expected to be completed within three months.

16. The City will comply with the provisions of the Code, for which the effective date precedes the date of delivery of its Bonds to the Authority.

17. Except for proceeds of the Bonds deposited in the Reserve Account, all of the proceeds of the Bonds will be expended on the Project within three years from the date of issuance thereof.

18. Any money deposited in the Sinking Fund for payment of the principal and interest on the Bonds (other than the Reserve Account therein) will be spent within a 13-month period beginning on the date of receipt and any moneys received from the investment of amounts held in the Sinking Fund (other than in the Reserve Account therein) will be spent within a 1-year period beginning the date of receipt.

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

20. All property financed with the proceeds of the Bonds will be held for Federal income tax purposes by (or on behalf of) a qualified governmental unit.

21. The City shall file Form 8038-G in a timely fashion with the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

22. No more than 10% of the proceeds of the Bonds will be used (directly or indirectly) in any trade or business carried on by, and less than 5% of the proceeds of the Bonds have been or will be used to make or finance loans to, any person who is not a governmental unit.

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

24. The City has general taxing powers to finance operations of or facilities of the nature of the System. The City and all subordinate entities reasonably expect to issue less than $5,000,000 of tax-exempt obligations during calendar year 1999, and have issued no other tax-exempt obligations during the current calendar year. The City therefore believes that it may avail itself of the "small governmental issuer" exception to rebate.

25. The City shall use the proceeds of the Bonds solely for the Project, and the Project will be operated solely for a public purpose as a local governmental activity of the City.

26. The City shall not permit at any time or times any of the proceeds of the Bonds, or any other funds of the City, to be used directly or indirectly in a manner which would result in the exclusion of Bonds from treatment afforded by Section 103(a) of the Code by reason of classification of the Bonds as "private activity bonds" within the meaning of the Code. The City will take all actions and refrain from taking such actions as shall be necessary to comply with the Code in order to ensure the interest on the Bonds is excludable from gross income for federal income tax purposes.

27. The Bonds, in whole or in part, are not and will not be, directly or indirectly, federally guaranteed within the meaning of Section 149(b) of the Code.

28. The City will rebate to the United States the amount, if any, required by the Code and to take all steps necessary to make such rebates. In the event the City fails to make such rebates as required, the City shall pay any and all penalties and obtain a waiver from the Internal Revenue Service in order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

29. The City has retained the right to amend or supplement its authorizing documents if such amendment or supplement is necessary to preserve the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

30. The City shall comply with the yield restriction on the proceeds of the Bonds as set forth in the Code.

31. The City has either (a) funded the Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Reserve Account which will be funded with equal payments on a monthly basis over a 10 year period until such Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Moneys in the Reserve Account and the Sinking Fund (established for the

annual payment of principal and interest) will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

32. The City shall submit to the Authority within thirty (30) days following the end of the City's bond year a certified copy of its rebate calculation, or, if the City qualifies for the small governmental issuer exception to rebate, then the City shall submit to the Authority a certificate stating that it is exempt from the rebate provisions and that no event has occurred to its knowledge during the bond year which would make the Bonds subject to rebate.

33. The City expects that no part of the Project financed by the Bonds will be sold or otherwise disposed of prior to the last maturity date of the Bonds.

34. The City covenants and agrees to comply with the rebate requirements of the Code if not exempted therefrom, and with all other requirements of the Code necessary, proper or desirable to maintain the tax-exempt status of the Bonds.

35. Jackson & Kelly PLLC is entitled to rely upon the representations, expectations, covenants, certifications and statements contained herein in rendering its opinions regarding the tax-exempt status of interest on the Bonds.

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

[Remainder of this page intentionally left blank]

IN WITNESS WHEREOF, I have set my hand this 25th day of May, 1999.

THE CITY OF SOUTH CHARLESTON

By _____
Mayor

141095

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

CERTIFICATE OF CONSULTING ENGINEER

I, Ronald C. McMaine, Registered Professional Engineer, West Virginia License No. 12321, of Howard K. Bell Consulting Engineers, Scott Depot, West Virginia, hereby certify with respect to the construction and acquisition of certain improvements and extensions to the existing wastewater collection system (herein called the "Project") of The Issuer of South Charleston, West Virginia (the "Issuer") to be constructed primarily in Kanawha County, West Virginia, which construction and acquisition are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the meaning set forth in the Bond Ordinance passed by the Council of the Issuer on April 1, 1999, effective April 15, 1999, and Supplemental Resolution adopted by the Council of the Issuer on April 15, 1999, and the Loan Agreement by and between the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Division of Environmental Protection dated May 10, 1999. The Project is estimated to cost $681,900 and is being funded by (i) proceeds of the Bonds and (ii) a contribution by the Sanitary Board of the Issuer.

1. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project, (i) funding a reserve account and (iii) paying costs of issuance and related costs.

2. To the best of my knowledge, information and belief (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by DEP, and any change orders approved by the Issuer and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least 20 years if properly operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in Schedule A attached hereto as Exhibit A; (iv) the successful bidder(s) received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid form(s) provided to the bidders contain the critical operation components of the Project; (vi) the successful bid(s) include prices for every item on such bid form(s); (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) in reliance upon the certificate of Grigoraci, Trainer, Wright & Paterno, CPAs, of even date herewith, as of the effective date thereof, the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of Subsections 4.1(a) and 4.1(b)

(ii) of the Loan Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project and Sources of Funds" for the Project.

WITNESS my signature and seal as of this 25th day of May, 1999.

[SEAL]

Howard K. Bell Consulting Engineers

By: Ronald C. McMaine

Ronald C. McMaine
License No. 12321

141101

SCHEDULE A

AME OF GOVERNMENTAL AGENCY: City of South Charelston, West Virginia

STIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

A. Cost of Project

1.	Construction	$ 571,785	
2.	Technical Services	$ 30,000	
3.	Legal and Fiscal	$ 1,900	
4.	Administrative	$ —	
*5.	Site and Other Lands	$ --	
*6.	Fac. Plan/Design or Other Loan Repayment (Specify Type: _____)	$ --	
7.	Interim Financing Costs	$ --	
8.	Contingency	$ 28,756	
9.	Total of Lines 1 Through 8		$ 632,441

B. Sources of Funds

10.	Federal Grants:[1]	$ —	
	(Specify Sources)	$	
11.	State Grants:[1]	$ --	
	(Specify Sources)	$	
12.	Other Grants:[1]	$ --	
	(Specify Sources)	$	
13.	Any Other Source[2] Owner contribution	$ 31,900	
	(Specify)	$	
14.	Total of Lines 10 Through 13		$ 31,900
15.	Net Proceeds Required from Bond Issue (Line 9 minus Line 14)		$ 600,541

C. Cost of Financing

16.	Capitalized Interest (Construction period plus six months)	$ —	
17.	Funded Reserve Account:[3]	$ 39,459	
18.	Other Costs:[4]	$ 10,000	
		$	
19.	Total Cost of Financing (lines 16 - 18)	$ XXXXXXXXXXXXXXXXXX	$ 49,459
20.	Size of Bond Issue (Line 15 plus Line 19)		$ 650,000

* not allowable for State Revolving Fund Assistance

** WDA loans are not allowable

City of South Charleston

Richard G. Robb

Signature of Applicant

Date April 21, 1999

Howard K. Bell, Consulting Engineers, Inc.

Theo Greene, Jr., President

Signature of Consulting Engineer

Date April 21, 1999

G & W | T P

GRIGORACI, TRAINER, WRIGHT & PATERNO

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)

608 TENNESSEE AVENUE
P. O. BOX 1191
CHARLESTON, WV 25324
(304) 343-5511
FAX: (304) 343-5514

December 18, 1998

Sanitary Board of The City of South Charleston
1 Rockcrest Drive
South Charleston, WV 25309

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

Division of Environmental Protection
Office of Water Resources
Construction Assistance
617 Broad Street
Charleston, WV 25301-1251

RE: Additional Parity Bonds Test and Coverage Test

Ladies and Gentlemen:

We have been asked to determine if the Sanitary Board of The City of South Charleston (the "City") has achieved sufficient coverage of its existing and proposed debt service prior to the issuance of additional parity bonds. The City proposes to issue approximately $600,000 in Sewer Revenue Bonds to the State Revolving Loan Program (the "SRF") with such Bonds being amortized over a twenty-year period at an interest rate not to exceed 3%.

In 1961, the City enacted an Ordinance (the "1961 Ordinance") which authorized the issuance of the City's $8,000,000 Sewer Revenue Bonds, Series 1961 (the "1961 Bonds"). The 1961 Bonds were issued on February 16, 1961 and have a maturity date of March 1, 2001. Section 16 of the 1961 Ordinance requires that in order for bonds to be issued on a parity as to liens on and sources and security for payment with the 1961 Bonds, it must be shown that the sum of one-half of the net revenues of the sewerage system for the twelve months next preceding the date of issuance of such bonds plus one-half of the estimated 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, 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 such net revenues and on the bonds proposed to be issued. Our calculations indicate that the City cannot meet this test.

In 1986, the City was likewise unable to meet the 1961 Bonds parity test and issued bonds subordinate to the 1961 Bonds. Section 6.08 of the Ordinance which authorized the City's $761,015 Subordinate Sewer Revenue Bonds, Series 1986 (the "Subordinate Bonds") and $378,985 Supplemental Subordinate Sewer Revenue Bonds, Series 1986 (the "Supplemental Bonds," and collectively with the Subordinate Bonds, the "1986 Bonds") sets forth the test for issuing bonds on parity with Subordinate Bonds. The parity test requires that the net revenues actually derived from the System during any twelve (12) consecutive months within the eighteen (18) months immediately preceding the date of the actual issuance of the proposed bonds, plus the estimated average increased annual net revenues to be received in each of the three succeeding years after the completion of the improvements to be financed by such additional parity bonds, shall not be less than 115% of the maximum debt service in any succeeding year on the 1961 Bonds, the Subordinate Bonds, the Supplemental Bonds, and the proposed bonds.

We have also reviewed a draft of a consent (the "Consent") to be executed by Daniel B. Yonkosky, Director of the West Virginia Water Development Authority (the "Authority"), the registered owner of the 1986 Bonds. Based upon the test set forth above and assuming the execution of the Consent, we certify the Sanitary Board's annual net revenues (adjusted for depreciation) at June 30, 1998, are not less than 115% of the maximum debt service in any succeeding year on 1961 Bonds, the Subordinate Bonds, the Supplemental Bonds, and the proposed bonds.

Very truly yours,

Grigory, Traina, Wright & Paterno

G T
& W P

GRIGORACI, TRAINER, WRIGHT & PATERNO

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

(A PARTNERSHIP OF ACCOUNTING CORPORATIONS)

608 TENNESSEE AVENUE
P. O. BOX 1191
CHARLESTON, WV 25324
(304) 343-5511
FAX: (304) 343-5514

May 25, 1999

Sanitary Board of The City of South Charleston
1 Rockcrest Drive
South Charleston, WV 25309

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

Division of Environmental Protection
Office of Water Resources
Construction Assistance
617 Broad Street
Charleston, WV 25301-1251

RE: Supplement to Certificate as to Additional Parity Bonds Test and Coverage Test dated December 18, 1998

Ladies and Gentlemen:

Please consider this letter a supplement to our letter to you dated December 18, 1998 (the "Initial Certificate"), with capitalized terms used herein having the same meanings used therein. We understand that The City of South Charleston, West Virginia (the "City") has determined to issue its Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds") in the aggregate principal amount of $650,000 rather than the $600,000 aggregate principal amount that formed the basis of the Initial Certificate.

Based on the tests and assumptions set forth in the Initial Certificate and taking into account the increase in maximum annual debt service associated with the increase in the aggregate principal amount of the Bonds, we certify that the Sanitary Board's annual net revenues (adjusted for depreciation) are not less than 115% of the maximum debt service in any succeeding year on 1961 Bonds, the Subordinate Bonds, the Supplemental Bonds, and the proposed Bonds.

Very truly yours,

Grigoraci, Trainer, Wright & Paterno

MEMBERS OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS: DIVISION FOR CPA FIRMS PRIVATE COMPANIES PRACTICE SECTION • WEST VIRGINIA AND OHIO SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS
AFFILIATED CONFERENCE OF PRACTICING ACCOUNTANTS INTERNATIONAL, INC.

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 25th day of May, 1999, by and between THE CITY OF SOUTH CHARLESTON, WEST VIRGINIA, a municipal corporation (the "Governmental Agency"), and United National Bank, Charleston, West Virginia (the "Registrar").

WHEREAS, the Governmental Agency has, contemporaneously with the execution hereof, issued and sold its $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds"), in the form of one bond, numbered AR-1, in fully registered form pursuant to a Bond Ordinance duly passed April 1, 1999, effective April 15, 1999, a Supplemental Resolution adopted April 15, 1999 and a Second Supplemental Resolution adopted May 20, 1999 (collectively, the "Ordinance");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Ordinance, a copy of which is attached as Exhibit A hereto and incorporated herein by reference;

WHEREAS, the Ordinance provides for an appointment by the 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 exclusion of interest on the Bonds from gross income for federal income tax purposes, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the 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 to the Registrar, from time to time, the compensation for services rendered as provided in the annexed schedule and reimbursement for reasonable expenses incurred in connection with this Registrar's Agreement.

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 Ave. and D St.
City Hall
P. O. Box 8597
South Charleston, WV 25303
Attention: Mayor

REGISTRAR:

United National Bank
500 Virginia Street East
Charleston, WV 25301-2135
Attention: Corporate Trust

The Governmental Agency and the Registrar shall notify the other in writing of any change of address.

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Ordinance.

IN WITNESS WHEREOF, THE CITY OF SOUTH CHARLESTON and United National Bank, 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 _____
Mayor

UNITED NATIONAL BANK

By: _____
Its Authorized Officer

141103

EXHIBIT A

See Bond Ordinance (Tab No. 8)
See Supplemental Resolution (Tab No. 10)

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

ACCEPTANCE OF DUTIES OF DEPOSITORY BANK

United National Bank, with its office in Charleston, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of The City of South Charleston, West Virginia duly passed on April 1, 1999, effective April 15, 1999, a Supplemental Resolution adopted April 15, 1999, and a Second Supplemental Resolution adopted May 20, 1999 (collectively, the "Ordinance"), authorizing issuance of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A, in the aggregate principal amount of $650,000, dated May 25, 1999 and agrees to perform all duties of Depository Bank, all as set forth in said Ordinance.

Witness my signature as of the 25th day of May, 1999.

UNITED NATIONAL BANK

By _____
Its Authorized Officer

141104

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

REQUEST AND AUTHORIZATION AS TO AUTHENTICATION
AND DELIVERY OF THE BONDS

May 25, 1999

United National Bank
500 Virginia Street, East
Charleston, WV 25301-2135

Ladies and Gentlemen:

We herewith hand to you, duly executed, the $650,000 Subordinate Sewer Revenue Bonds, Series 1999 A, in the form of one bond numbered AR-1 (the "Bonds") of The City of South Charleston, West Virginia (the "City"), authorized to be issued under and pursuant to the Bond Ordinance, duly passed by the Council of the City on April 1, 1999, effective April 15, 1999, a Supplemental Resolution adopted by the Council on April 15, 1999 and a Second Supplemental Resolution adopted by the Council on May 20, 1999 (collectively, the "Ordinance").

You are hereby requested and authorized to register, authenticate and deliver the Bonds on behalf of the City to the West Virginia Water Development Authority.

THE CITY OF SOUTH CHARLESTON

By _____
Mayor

(SEAL)

Attest:

_____
City Clerk, The City of South Charleston

141105

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

CERTIFICATE OF REGISTRATION OF BONDS

I, Kathy Smith, an Authorized Officer of United National Bank, Charleston, West Virginia, as Registrar (the "Registrar"), hereby certify that on the 25th day of May, 1999, the bonds of The City of South Charleston, West Virginia in the principal amount of $650,000, designated the "The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A" (the "Bonds"), and numbered AR-1, dated as of the date hereof, were registered as to principal and interest in the name of "West Virginia Water Development Authority" in the books of the City kept for that purpose at our office, by a duly authorized officer on behalf of United National Bank, Charleston, West Virginia, as Registrar.

WITNESS my signature as of the 25th day of May, 1999.

UNITED NATIONAL BANK, as Registrar

By _____
Its Authorized Officer

145737

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

RECEIPT FOR BONDS

The undersigned, Barbara B. Meadows, Secretary-Treasurer 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 25th day of May, 1999, in South Charleston, West Virginia, the Authority received the entire original issue of $650,000 in aggregate principal amount of The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds"), said Bond being dated the 25th day of May, 1999; and issued in the form of one bond, fully registered to the Authority, and numbered AR-1.

2. At the time of receipt of each series of Bonds, they had been executed by Richard A. Robb, as Mayor of The City of South Charleston, by manual signature, and attested by Jack D. Woolwine, as Clerk of The City of South Charleston, by manual signature, and the official seal of said City had been impressed upon each Bond.

IN WITNESS WHEREOF, Barbara B. Meadows duly signed and delivered this receipt on behalf of the West Virginia Water Development Authority on the 25th day of May, 1999.

WEST VIRGINIA WATER DEVELOPMENT
AUTHORITY

By Barbara B. Meadows
Secretary-Treasurer

145733

THE CITY OF SOUTH CHARLESTON
SUBORDINATE SEWER REVENUE BONDS, SERIES 1999 A

RECEIPT FOR BOND PROCEEDS

The undersigned Richard A. Robb, Mayor of The City of South Charleston (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 $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A (the "Bonds"), of $49,459, being more than a de minimis portion of the purchase price of the Bonds. The City understands that the remaining proceeds will be advanced to the City from time to time as construction proceeds to completion.

IN WITNESS WHEREOF, The City of South Charleston has caused this receipt to be executed by its Mayor on this 25th day of May, 1999.

THE CITY OF SOUTH CHARLESTON

By _____
MAYOR

145738

REVISED: 07/07/92

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:
NAME: City of South Charleston
ADDRESS: P. O. Box 8597
South Charleston, WV 25303
TELEPHONE: (304) 744-5301
FEIN: 556000255

2. SRF PROJECT NO.: C-544 275
3. INVOICE NUMBER: 1
4. PERIOD COVERED BY THIS REQUEST:
FROM (MO/DAY/YR) TO (MO/DAY/YR)
4/15/99 4/21/99
5. PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETION 0

RECEIVED
WVDEP
CONSTRUCTION ASSISTANCE PROGRAMS

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL (B & C)	E) APPROVED AGENCY USE ONLY
1) CONSTRUCTION	571,785	0	0	0	
a. Equipment					
2) TECHNICAL SERVICES - BASIC					
a. Engineering Other					
a. Inspection					
3) LEGAL/FISCAL					
4) ADMINISTRATIVE					
5) LAND					
6) FEE INTEREST					
7) LOAN REPAYMENT					
8) CONTINGENCY	28,756	0	0	0	
9) INTERIM FINANCING COSTS					
10) RESERVE FUND	39,459	0	39,459	39,459	39,459
11) CLOSING COST	10,000	0	10,000	10,000	10,000
12) SUBTOTAL	650,000	0	49,459	49,459	49,459
13) LESS PREVIOUSLY PAID					
14) INVOICE AMOUNT					49,459

15) RECIPIENT AUTHORIZED SIGNATURE:
Carlton W. Lee 4/21/99
INVOICE DATE
Carlton Lee
Sanitary Board General Manager
TYPED OR PRINTED NAME AND TITLE

16) SIGNATURE OF PERSON PREPARING THIS REQUEST
Bill McDonald 4/21/99
DATE
Bill McDonald
Howard K. Bell Engrs., Proj. Mgr
TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY
THIS REQUEST APPROVED BY:
WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION
Elizabeth G. Burdette 05/12/99
PROJECT REVIEWER/BRANCH LEADER DATE
John M. Johnson 5/14/99
AUTHORIZED OFFICER DATE

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY
[signature] 5/13/99
AUTHORIZED OFFICER DATE

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350-2	41,199
350-1	8,260

RF - 91

CITY OF SOUTH CHARLESTON SUBORDINATE
SEWER REVENUE BONDS SERIES 1999 A-BOND
CONSTRUCTION TRUST FUND
P. O. BOX 8336
SOUTH CHARLESTON, WV 25303-0336

1001

69-39/519 301

DATE MAY 25, 1999

PAY TO THE ORDER OF WV MUNICIPAL BOND COMMISSION $ 39,459.00

THIRTY NINE THOUSAND FOUR HUNDRED FIFTY NINE DOLLARS AND 00/100 DOLLARS

Security features included. Details on back.

UNITED NATIONAL BANK
WEST VIRGINIA'S BANK

FOR

Carlton D. Lee

MP

⑈001001⑈ ⑆051900395⑆ 04185⑈4879⑈

FILE COPY

WRD 1A-82
Revised 5-89

STATE OF WEST VIRGINIA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RESOURCES
1201 Greenbrier Street
Charleston, West Virginia 25311

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM

WATER POLLUTION CONTROL PERMIT

Permit No. WV0023116

Issue Date: July 19, 1991

Effective Date: August 19, 1991

Expiration Date: July 18, 1996

Supersedes: WV/NPDES Permit No. WV0023116 Effective Date June 16, 1986

Subject: Wastewater Treatment Facilities

Location:	South Charleston (City)	Kanawha (County)	Kanawha (Drainage Basin)
Outlet Sites:	Latitude: 38 ° 22' 00" N (001)		
	Longitude: 81 ° 40' 23" W		

To whom it may concern:

This is to certify that (Owner) City of South Charleston, Sanitary Board, Box 8336, South Charleston, WV 25303 - (Operator) South Charleston Sewage Treatment Company, Inc., P. O. Box 8515, South Charleston, WV 25303 are hereby granted a NPDES Water Pollution Control Permit to operate and maintain an existing wastewater treatment facility and to discharge treated wastewater; and the City of South Charleston Sanitary Board is hereby authorized to implement a POTW Pretreatment Program.

The wastewater treatment facility consists of two(2) components:

The "Domestic" Component serves residences, industries and commercial establishments in the City of South Charleston and Green Valley PSD. It is designed to serve a maximum population equivalent of 31,000, and discharges treated wastewater through Outlet 201.

The "Industrial" Component primarily serves Union Carbide Chemical and Plastics Company, Inc. - South Charleston Plant by providing domestic and industrial wastewater treatment. It also provides domestic wastewater treatment for residences in the City of South Charleston. The "Industrial" Component discharges treated wastewater through Outlet 101. Outlets 101 and 201 combine to form Outlet 001 to the Kanawha River at Mile Point 56.2.

This permit is subject to the following terms and conditions:

Bureau of Public Health Certificate of Approval No. 1867.

The information submitted on and with Permit Application No. WV0023116, dated the 16th and 17th day of December 1990, and the information submitted in a letter, dated the 10th

(Continued on Page 1A)

WV MUNICIPAL BOND COMMISSION
Suite 300 - L & S Building
812 Quarrier Street, Charleston, WV 25301
(304) 348-3971

NEW ISSUE REPORT FORM
Date of Report: May 25, 1999

ISSUE: $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A

ADDRESS: 4th Avenue and D Street, P.O. Box 8597 COUNTY: Kanawha
PURPOSE OF ISSUE: New Money X
Refunding ___ Refunds issue(s) dated: _____

ISSUE DATE: May 25, 1999 CLOSING DATE: May 25, 1999

ISSUE AMOUNT: $650,000 RATE: 2%

1st DEBT SERVICE DUE: June 1, 2000 1st PRINCIPAL DUE: June 1, 2000

1st DEBT SERVICE AMOUNT: $9,878.00 PAYING AGENT: WV Municipal Bond Commission

ISSUERS
BOND COUNSEL: Jackson & Kelly PLLC
Contact Person: Christopher L. Callas, Esq.
Phone: (304) 340-1251

UNDERWRITERS
BOND COUNSEL: N/A
Contact Person: _____
Phone: _____

CLOSING BANK: United National Bank
Contact Person: Mary Beth Blankenship
Phone: 348-8441

ESCROW TRUSTEE: N/A
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT:
Contact Person: Carlton Lee
Position: General Manager
South Charleston Sanitary Board
Phone: 768-4140

OTHER: West Virginia Division of Environmental Protection
Contact Person: Rosalie Broderson
Function: Branch Leader
Phone: 558-0637

DEPOSITS TO MBC AT CLOSE:
By ___ Wire
X Check

___ Accrued Interest: $_____
___ Capitalized Interest: $_____
X Reserve Account: $ 39,459
___ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE:
By ___ Wire
___ Check
___ IGT

___ To Escrow Trustee: $_____
___ To Issuer: $_____
___ To Cons.Invest.Fund $_____
___ To Other: _____ $_____

NOTES: _____

FOR MUNICIPAL BOND COMMISSION USE ONLY:
Documents Required: _____
Transfers Required: _____

141114

Form 8038-G (Rev. May 1995) Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

(Note: Use Form 8038-GC if the issue price is under $100,000.)

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: The City of South Charleston

2 Issuer's employer identification number: 55 : 6000255

3 Number and street (or P.O. box if mail is not delivered to street address): 4th Avenue and D Street, City Hall

Room/suite:

4 Report number: G19 99 - 1

5 City, town, or post office, state, and ZIP code: South Charleston, WV 25303

6 Date of issue: May 25, 1999

7 Name of issue: $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999A (WV SRF Program)

8 CUSIP number: None

Part II Type of Issue (check applicable box(es) and enter the issue price)

9	☐ Education (attach schedule–see instructions)	9	$
10	☐ Health and hospital (attach schedule–see instructions)	10	
11	☐ Transportation	11	
12	☐ Public safety	12	
13	☒ Environment (including sewage bonds)	13	$650,000
14	☐ Housing	14	
15	☐ Utilities	15	
16	☐ Other. Describe (see instructions) ▶	16	
17	If obligations are tax or other revenue anticipation bonds, check box ▶ ☐		
18	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations

	(a) Maturity date	(b) Interest rate	(c) Issue price	(d) Stated redemption price at maturity	(e) Weighted average maturity	(f) Yield	(g) Net interest cost
19 Final maturity	3/01/2020	2.00 %	9,829.00	9,829.00			
20 Entire issue			650,000.00	650,000.00	11.555 years	%	%
						2.0065527%	2.0000027%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

21	Proceeds used for accrued interest		21 -0-
22	Issue price of entire issue (enter amount from line 20, column (c))		22 $650,000
23	Proceeds used for bond issuance costs (including underwriters' discount)	23 10,000.00	
24	Proceeds used for credit enhancement	24 -0-	
25	Proceeds allocated to reasonably required reserve or replacement fund	25 39,459.00	
26	Proceeds used to currently refund prior issues	26 -0-	
27	Proceeds used to advance refund prior issues	27 -0-	
28	Total (add lines 23 through 27)		28 49,459
29	Nonrefunding proceeds of the issue (subtract line 28 from line 22 and enter amount here)		29 $600,541

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

30	Enter the remaining weighted average maturity of the bonds to be currently refunded ▶	N/A years
31	Enter the remaining weighted average maturity of the bonds to be advance refunded ▶	N/A years
32	Enter the last date on which the refunded bonds will be called ▶	N/A
33	Enter the date(s) the refunded bonds were issued ▶	

Part VI Miscellaneous

34	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	34	-0-
35	Enter the amount of the bonds designated by the issuer under section 265(b)(3)(B)(i)(III) (small issuer exception)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	-0-
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	-0-

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____

38 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐

39 If the issuer has identified a hedge, check box ▶ ☐

Please Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

▶ Richard A. Robb — Signature of issuer's authorized representative

Date: 5/25/99

▶ Richard A. Robb, Mayor — Type or print name and title

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Cat. No. 63773S Form 8038-G (Rev. 5-95)

Printed on recycled paper

Public Service Commission
Richard E. Hitt, General Counsel

201 Brooks Street, P.O. Box 812
Charleston, West Virginia 25323

Phone: (304) 340-0317
FAX: (304) 340-0372

September 24, 1998

Ms. Amy J. Haymie, Esq.
P. O. Box 8336
South Charleston, West Virginia 25303

Re: Need for a certificate under
West Virginia Code §24-2-11
by Sanitary Board of the City of
South Charleston (RFA#98/66W)

Dear Ms. Haymie:

I wish to thank you again for the additional information concerning your inquiry which was received in the Legal Division on August 11, 1998, as to whether the Sanitary Board of the City of South Charleston will need a certificate of public convenience and necessity for a gravity sewer system that will be constructed to replace the sanitary sewer system that currently exists on the Clearon Corporation property and along F Street in order to better serve certain industries.

As we have discussed several times through phone conversations since your initial written inquiry was received on July 2, 1998, I do not believe that a certificate under the West Virginia Code §24-2-11 is required as the construction in question would be considered an ordinary extension in the usual course of business. Indeed, the gravity sewer system will enable the City to better serve existing customers and the new system will be paid for by the customers who will benefit from the system without cost to the City's other customers.

As I understand the situation from the information provided, the customers currently served by the old system that is to be replaced will repay the SRF loan that the City will obtain to finance the construction through an assessment added to their respective monthly sewer bills. Further, the City has, through written contract, insulated itself and the other customers from any financial harm because of the new gravity sewer system.

Accordingly, there is no public interest issue in need of protection through the certification process as rates will not increase in any manner to the City's other customers and the cost for the new system will be borne entirely by the customers who need the new system.

Please remember as we have discussed, this is an informal opinion of the undersigned and is not binding on either the Commission or Legal Division in any formal proceeding.

Sincerely,

Meyishi Blair

MEYISHI BLAIR
WV Bar# 360

cc: Richard E. Hitt, General Counsel
Brent Tippy

98.66w

THE CITY OF SOUTH CHARLESTON

$650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program)

May 25, 1999

United National Bank
Virginia Street
Charleston, West Virginia 25301

Re: Designation of Authorized Representatives

Dear Sir or Madam:

You are hereby advised by The City of South Charleston (the "Issuer") that its authorized representatives to and on behalf of the Issuer regarding the $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A (West Virginia SRF Program) are Richard A. Robb, Mayor, Carlton Lee, General Manager of the Sanitary Board and Joyce Sullivan, Secretary, whose signatures are as follows:

Richard A. Robb, Mayor

Carlton Lee, General Manager of the Sanitary Board

Joyce Sullivan, Secretary

The Bank is authorized to accept and honor all requests for disbursements, directions or notices signed by any of the above persons.

Dated this 25th day of May, 1999.

THE CITY OF SOUTH CHARLESTON

By: _____
Mayor

DISBURSEMENT REQUEST FORM

United National Bank
Virginia Street
Charleston, West Virginia 25301

Re: $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999A (West Virginia SRF Program)

Ladies and Gentlemen:

You are authorized, on behalf of The City of South Charleston to make the following disbursements from the Bond Construction Trust Fund:

The expenses listed above* have been incurred as Costs of the Project that have not been the basis of any previous disbursement. Each item listed above for which payment is now due and owing is or was necessary in connection with the Project and has been otherwise properly incurred. A copy of the Ordinance of The City of South Charleston authorizing the disbursements has been forwarded to your office.

Very truly yours,

THE CITY OF SOUTH CHARLESTON

By: _____
Authorized Officer

_____
Managing Engineer

Date: _____, 1999
*Invoices Attached.

CHASFS3:145991

JACKSON & KELLY PLLC
ATTORNEYS AT LAW
1600 LAIDLEY TOWER
P. O. BOX 553
CHARLESTON, WEST VIRGINIA 25322
TELEPHONE 304-340-1000 TELECOPIER 304-340-1130
http://www.jacksonkelly.com

300 FOXCROFT AVENUE
MARTINSBURG, WEST VIRGINIA 25401
TELEPHONE 304-263-8800

256 RUSSELL AVENUE
NEW MARTINSVILLE, WEST VIRGINIA 26155
TELEPHONE 304-455-1751

6000 HAMPTON CENTER
MORGANTOWN, WEST VIRGINIA 26505
TELEPHONE 304-599-3000

412 MARKET STREET
PARKERSBURG, WEST VIRGINIA 26101
TELEPHONE 304-424-3490

1000 TECHNOLOGY DRIVE
FAIRMONT, WEST VIRGINIA 26554
TELEPHONE 304-368-2000

1144 MARKET STREET
WHEELING, WEST VIRGINIA 26003
TELEPHONE 304-233-4000

1660 LINCOLN STREET
DENVER, COLORADO 80264
TELEPHONE 303-390-0003

175 EAST MAIN STREET
LEXINGTON, KENTUCKY 40595
TELEPHONE 606-255-9500

2401 PENNSYLVANIA AVENUE N.W
WASHINGTON, D.C. 20037
TELEPHONE 202-973-0200

MEMBER OF LEX MUNDI
THE WORLD'S LEADING ASSOCIATION
OF INDEPENDENT LAW FIRMS

May 25, 1999

3.1

West Virginia Division of Environmental
Protection
Division of Water Resources
617 Broad Street
Charleston, WV 25301

West Virginia Water Development Authority
180 Association Drive
Charleston, WV 25311-1571

Re: $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A

Ladies and Gentlemen:

We are bond counsel to The City of South Charleston (the "Local Government"), a municipal corporation.

We have examined a certified copy of proceedings and other papers relating to (i) the authorization of a loan agreement dated May 10, 1999, including all schedules and exhibits attached thereto (the "Loan Agreement"), by and among the Local Government, the West Virginia Division of Environmental Protection and the West Virginia Water Development Authority (the "Authority") and (ii) the issue of a series of revenue bonds of the Local Government, dated May 25, 1999 (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Loan Agreement. The Local Bonds are in the principal amount of $650,000, issued in the form of one bond registered as to principal to the Authority, with principal payable March 1, June 1, September 1, and December 1 of each year, beginning June 1, 2000, and bear interest at a rate of two percent (2%) per annum are as set forth in "Schedule Y," attached to the Loan Agreement and incorporated in and made a part of the Local Bonds. The Local Bonds are also subject to the payment of the SRF Administrative Fee as set forth on Schedule Y to the Loan Agreement.

The Local Bonds are issued for the purpose of paying a portion of the costs of the construction of certain betterments and improvements for the existing wastewater system of the Local Government (the "Project"), funding a reserve account in connection with the Bonds, and paying certain issuance and other costs in connection therewith.

We have also examined the applicable provisions of Chapter 16, Article 13, and Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Local Statute"), and the bond ordinance duly passed by the Local Government on April 1, 1999, effective April 15, 1999, as supplemented on April 15, 1999 and May 20, 1999 (collectively, the "Local Act"), pursuant to and under which Local Statute and Local Act the Local Bonds are authorized and issued and the Loan Agreement is undertaken. The Local Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Local Act and the Loan Agreement.

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

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

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

3. The Local Government is a duly organized and presently existing municipal corporation and political subdivision of the State of West Virginia, with full power and authority to construct the Project and to operate and maintain the System referred to in the Loan Agreements and to issue and sell the Local Bonds, all under the Local Statute and other applicable provisions of law.

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

5. The Local Bonds are valid and legally enforceable special obligations

of the Local Government, payable from the net revenues of the System referred to in the Local Act and secured by a lien on and pledge of the net revenues of said System that is on a parity with the Local Government's Subordinate Sewer Revenue Bonds, Series 1986; junior and subordinate to the Local Government's Sewer Revenue Bonds, Series 1961; and senior and prior to the Local Government's Supplemental Subordinate Sewer Revenue Bonds, Series 1986, all in accordance with the terms of the Local Bonds and the Local Act, and have been duly issued and delivered to the Authority.

6. Under existing laws, regulations, public rulings, and judicial decisions, interest on the Local Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. It should be noted, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining the adjusted current earnings. The opinions set forth above are subject to the condition that the Local Government comply, on a continuing basis, with all covenants, certifications, expectations and representations set forth in the Local Act, the Certificate as to Non-Arbitrage, and other certificates relating to tax-exemption and all requirements of Code that must be satisfied subsequent to the issuance of the Local Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. Failure to comply with certain of such Code provisions or covenants, certifications, expectations, or representations may cause the interest on the Local Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Local Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Local Bonds.

7. Based upon the certifications of the Local Government set forth in the Certificate as to Non-Arbitrage and under existing laws, regulations, rulings and judicial decisions of the United States of America, as presently written and applied, the proceeds of the Local Bond are not subject to the arbitrage rebate requirements set forth in Section 148(f) of the Code. The opinion set forth above is subject to the condition that the Local Government comply, on a continuing basis, with all requirements of the Code relating to the applicable exceptions to rebate. The Local Government has covenanted to comply with all such requirements. Failure to comply with such requirements could cause proceeds of the Local Bonds to be subject to such arbitrage rebate requirements retroactive to the date of issuance of the Local Bonds.

8. The Local Bonds and the interest thereon are, under the Local Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision, or agency thereof.

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

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

Very truly yours,

Jackson & Kelly PLLC

145736

CITY OF SOUTH CHARLESTON
SANITARY BOARD

BOX 8336 ♦ SOUTH CHARLESTON, WV 25303 ♦ 768-4140

May 25, 1999

West Virginia Division of Environmental
Protection
Division of Water Resources
617 Broad Street
Charleston, WV 25301

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

Jackson & Kelly PLLC
P.O. Box 553
Charleston, WV 25322

Re: $650,000 The City of South Charleston Subordinate Sewer Revenue Bonds, Series 1999 A

Ladies and Gentlemen:

I am the City Attorney for The City of South Charleston, West Virginia (the "City"). As Counsel, I have examined copies of the approving opinion of Jackson & Kelly PLLC, as bond counsel, relating to the above-captioned bonds of the City (the "Bonds"), the Loan Agreement by and among the West Virginia Water Development Authority (the "Authority"), the West Virginia Division of Environmental Protection (the "DEP"), and the City, dated May 25, 1999, for the Bonds (the "Loan Agreement"), and a Bond Ordinance duly passed by the Council (the "Council") of the City on April 1, 1999, effective April 15, 1999, as supplemented by a Supplemental Resolution adopted April 15, 1999 and a second Supplemental Resolution adopted May 20, 1999 (collectively, the "Ordinance"), and other documents relating to the Bonds. Terms used in said opinions, the Loan Agreement, and Ordinance and not otherwise defined herein have the same meaning herein.

I am of the opinion that:

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

2. The officers and members of the Council of the City 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 Council of the City and is in full force and effect.

4. The execution and delivery of the Bonds and the Loan Agreement and the consummation of the transactions contemplated by the 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.

5. The City has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges, including, without limitations, all requisite orders, consents, certificates and approvals from the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia. The District has received a letter from the General Council of the PSC indicating that the City and its Sanitary Board are not required to seek a certificate of convenience and necessity in order to acquire and construct the Project.

6. In City of South Charleston v. West Virginia Public Service Commission, No. 25333 (W. Va., March 12, 1999), the Supreme Court of Appeals of West Virginia affirmed a Commission Order in three consolidated cases (Case Nos. 97-1141-S-MA, 97-1140-PSD-S-C, and 97-1085-PSD-S-C) in which the PSC established rates and charges for sanitary sewer service. The City has implemented these rates and they are in full force and effect.

7. To the best of my knowledge, there is no action, suit, proceeding or investigation in law or equity before or by any court, public council or body, pending or threatened, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by or the validity of the Bonds or the collection or pledge of the Net Revenues therefor.

8. Based upon my review of the contracts, the surety bonds and the policies or other evidence of insurance coverage in connection with the Project, I am of the opinion

that such surety bonds and policies (1) are in compliance with the contracts; (2) are adequate in form, substance and amount to protect the various interests of the City and its Sanitary Board; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Ordinance and the Loan Agreement; and (5) all such documents constitute valid and legally binding obligations of the parties thereto in accordance with the terms, conditions and provisions thereof.

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

Very truly yours,

Amy J. Haynie
City Attorney