CITY OF WELCH

SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA SRF PROGRAM)

DATE OF CLOSING: MAY 7, 2008

BONDS TRANSCRIPT

STEPTOE & JOHNSON PLLC

John C. Stump, Esquire
707 Virginia Street, East
Chase Tower, Seventh Floor
Charleston, WV 25326
(304)353-8196
john.stump@steptoe-johnson.com

Vincent A. Collins, Esquire
1085 Van Voorhis Road
United Center, Suite 400
Morgantown, WV 26505
(304)598-8161
vincent.collins@steptoe-johnson.com

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

BOND TRANSCRIPT

Table of Contents

BASIC DOCUMENTS

1. Bond Ordinance
2. Supplemental Resolution
3. Bond Purchase Agreement
4. Public Service Commission Orders
5. Infrastructure and Jobs Development Council Approval
6. Cross-Receipt for Bonds and Bond Proceeds
7. Direction to Authenticate and Deliver Bonds
8. Specimen Series 2008 A Bond

OPINIONS OF COUNSEL

9. Approving Opinion on Series 2008 A Bond of Steptoe & Johnson PLLC, Bond Counsel
10. Opinion of Counsel to Issuer
11. Title Opinion

CERTIFICATES

12. General Certificate of Issuer and Attorney

13. Certificate of Engineer, with Schedule A Attached

14. Certificate of Certified Public Accountant

15. Certificate as to Use of Proceeds

DOCUMENTS OF THE ISSUER

16. Charter and Rules of Procedure

17. Oaths of Office of Officers and Councilmembers

18. Ordinance Creating Sanitary Board and Oaths of Members

19. Petition of Sanitary Board

20. Sewer Rate Ordinance

21. Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

22. Minutes on Adoption and Enactment of Sewer Rate Ordinance

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

24. Minutes on Adoption and Enactment of Bond Ordinance and Adoption of the Supplemental Resolution

25. Municipal Bond Commission New Issue Report

MISCELLANEOUS DOCUMENTS

26. Acceptance of Appointment as Depository Bank

27. Acceptance of Duties as Registrar

28. Registrar's Agreement

29. Certificate of Registration of Bonds

30. Bureau for Public Health Permit & NPDES Permit

31. Series 1996 Bond Ordinance

32. Consent of United States Department of Agriculture

33. Evidence of Insurance

34. Evidence of EPA Special Appropriations Grant

35. Evidence of Federal Prison Contribution

36. Closing Memorandum

CITY OF WELCH
SEWER REVENUE BONDS, SERIES 2008 A
(WEST VIRGINIA SRF PROGRAM)

BOND ORDINANCE

Table of Contents

ARTICLE I
STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01	Authority for this Ordinance
Section 1.02	Findings
Section 1.03	Bond Legislation Constitutes Contract
Section 1.04	Definitions

ARTICLE II
AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01	Authorization of Acquisition and Construction of the Project

ARTICLE III
AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01	Authorization of Bonds
Section 3.02	Terms of Bonds
Section 3.03	Execution of Bonds
Section 3.04	Authentication and Registration
Section 3.05	Negotiability, Transfer and Registration
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost
Section 3.07	Bonds not to be Indebtedness of the Issuer
Section 3.08	Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds
Section 3.09	Delivery of Bonds

Section 3.10 Form of Bonds
FORM OF BOND
Section 3.11 Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement
Section 3.12 "Amended Schedule" Filing

ARTICLE IV
[RESERVED]

ARTICLE V
FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

Section 5.01 Establishment of Funds and Accounts with Depository Bank
Section 5.02 Establishment of Funds and Accounts with Commission
Section 5.03 System Revenues; Flow of Funds

ARTICLE VI
BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01 Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds
Section 6.02 Disbursements From the Series 2008 A Bond Construction Trust Fund

ARTICLE VII
ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01 General Covenants of the Issuer
Section 7.02 Bonds not to be Indebtedness of the Issuer
Section 7.03 Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds
Section 7.04 Rates and Charges
Section 7.05 Sale of the System
Section 7.06 Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances
Section 7.07 Parity Bonds
Section 7.08 Books; Records and Audit
Section 7.09 Rates
Section 7.10 Operating Budget and Monthly Financial Report
Section 7.11 Engineering Services and Operating Personnel
Section 7.12 No Competing Franchise

Section 7.13	Enforcement of Collections
Section 7.14	No Free Services
Section 7.15	Insurance and Construction Bonds
Section 7.16	Mandatory Connections
Section 7.17	Completion and Operation of Project Permits and Orders
Section 7.18	Compliance with Bond Purchase Agreement and Law
Section 7.19	Resserved
Section 7.20	Securities Law Compliance
Section 7.21	Contracts; Public Releases
Section 7.22	Statutory Mortgage Lien

ARTICLE VIII
INVESTMENT OF FUNDS

Section 8.01	Investments
Section 8.02	Certificate as to Use of Proceeds; Covenants as to Use of Proceeds

ARTICLE IX
DEFAULT AND REMEDIES

Section 9.01	Events of Default
Section 9.02	Remedies
Section 9.03	Appointment of Receiver

ARTICLE X
PAYMENT OF BONDS

Section 10.01	Payment of Bonds

ARTICLE XI
MISCELLANEOUS

Section 11.01	Amendment or Modification of Bond Legislation
Section 11.02	Bond Legislation Constitutes Contract
Section 11.03	Severability of Invalid Provisions
Section 11.04	Headings, Etc.
Section 11.05	Conflicting Provisions Repealed
Section 11.06	Covenant of Due Procedure, Etc.

Section 11.07 Effective Date
Section 11.08 Statutory Notice and Public Hearing
SIGNATURES
CERTIFICATION
EXHIBIT A

CITY OF WELCH

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WELCH AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF WELCH:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for this Ordinance. This Ordinance (together with any ordinance, order or resolution supplemental hereto or amendatory hereof, the "Bond Legislation") is enacted pursuant to the provisions of Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), and other applicable provisions of law.

Section 1.02. Findings. It is hereby found, determined and declared that:

A. The City of Welch (the "Issuer") is a municipal corporation and political subdivision of the State of West Virginia in McDowell County of said State.

B. The Issuer presently owns and operates a public sewerage system. However, it is deemed necessary and desirable for the health and welfare of the inhabitants of the Issuer that there be acquired and constructed certain additions, betterments and improvements to the existing public sewerage system of the Issuer, consisting of replacement of approximately 685 feet of 16 inch gravity sewer, 4,667 feet of 12 inch gravity sewer, 78 feet of 8 inch gravity sewer and construction of new collection lines consisting of approximately 3,305 feet of 12 inch gravity sewer, together with all appurtenant facilities (collectively, the "Project"), which constitute properties for the collection, transportation, treatment, purification, or disposal of liquid or solid wastes, residential sewage or industrial waste (the existing public sewerage system of the Issuer, the Project and any further additions, betterments and improvements thereto are herein called the "System"), in accordance with the plans and specifications prepared by the Consulting Engineers, which plans and specifications have heretofore been filed with the Issuer.

C. The Issuer intends to permanently finance a portion of the costs of acquisition and construction of the Project through the issuance of its revenue bonds to the West Virginia Water Development Authority (the "Authority"), in connection with the West Virginia Water Pollution Control Revolving Fund Program (the "SRF Program"), which the Authority administers pursuant to the Act.

D. It is deemed necessary for the Issuer to issue its Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), in the total aggregate principal amount of not more than $3,000,000 (the "Series 2008 A Bonds"), initially to be represented by a single bond, to permanently finance a portion of the costs of acquisition and construction of the Project. Said costs shall be deemed to include the cost of all property rights, easements and franchises deemed necessary or convenient therefor and eligible under the SRF Program; amounts which may be deposited in the Series 2008 A Bonds Reserve Account (as hereinafter defined); engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; other expenses necessary or incident to determining the feasibility or practicability of the enterprise; administrative expense; commitment fees; fees and expenses of the Authority, discount; initial fees for the services of registrars, paying agents, depositories or trustees or other costs in connection with the sale of the Series 2008 A Bonds and such other expenses as may be necessary or incidental to the financing herein authorized; the acquisition or construction of the Project and the placing of same in operation; and the performance of the things herein required or permitted, in connection with any thereof, provided, that reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Series 2008 A Bonds or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed Costs of the Project, as hereinafter defined.

E. The period of usefulness of the System after completion of the Project is not less than 40 years.

F. It is in the best interests of the Issuer that its Series 2008 A Bonds be sold to the Authority pursuant to the terms and provisions of a bond purchase agreement by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP"), in form satisfactory to the Issuer, the Authority, and the DEP (the "Bond Purchase Agreement"), to be approved hereby if not previously approved by resolution of the Issuer.

G. There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bond, Series 1996 (United States Department of Agriculture), dated June 25, 1996, issued in the original aggregate principal amount of $2,900,000 (the "Series 1996 Bonds" or the "Prior Bonds").

The Series 2008 A Bonds shall be issued on a parity with the Series 1996 Bonds with respect to liens, pledge and source of and security for payment and in all other respects. Prior to the issuance of the Series 2008 A Bonds, the Issuer will obtain (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests, if any, of the Series 1996 Bonds are met; and (ii) the written consent of the Holders of the Series 1996 Bonds to the issuance of the Series 2008 A Bonds on a parity with the Series 1996. Other than the Prior Bonds, there are no outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with all covenants of the Prior Bonds and Prior Ordinance.

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

I. The Issuer has complied with all requirements of West Virginia law and the Bond Purchase Agreement relating to authorization of the acquisition and construction of the Project and the operation of the System and issuance of the Series 2008 A Bonds, or will have so complied prior to issuance of any thereof, including, among other things and without limitation, the approval of the Project and the financing thereof by the West Virginia Infrastructure and Jobs Development Council and the obtaining of a certificate of public convenience and necessity from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which will either have expired prior to the issuance of the Series 2008 A Bonds or such final order will not be subject to appeal.

J. Pursuant to the Act, the Issuer has heretofore established a Sanitary Board, and the Sanitary Board has petitioned the Governing Body to issue the Series 2008 A Bonds for the purposes set forth herein.

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

Section 1.03. Bond Legislation Constitutes Contract. In consideration of the acceptance of the Series 2008 A Bonds by those who shall be the Registered Owners of the same from time to time, this Bond Legislation shall be deemed to be and shall constitute a contract between the Issuer and such Bondholders, and the covenants and agreements herein set forth to be performed by the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of such Series 2008 A Bonds, all which shall be of equal rank and without preference, priority or distinction between any one Bond of a series and any other Bonds of the same series, and by reason of priority of issuance or otherwise, except as expressly provided therein and herein.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the context expressly requires otherwise:

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

"Authority" means the West Virginia Water Development Authority, which is expected to be the original purchaser and Registered Owner of the Series 2008 A Bonds, or any other agency, board or department of the State of West Virginia that succeeds to the functions of the Authority, acting in its administrative capacity and upon authorization from the DEP under the Act.

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

"Board" means the Sanitary Board of the Issuer.

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

"Bond Legislation," "Ordinance," "Bond Ordinance" or "Local Act" means this Bond Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Purchase Agreement" means the Bond Purchase Agreement heretofore entered into, or to be entered into, by and among the Issuer, the Authority and the DEP, providing for the purchase of the Series 2008 A Bonds from the Issuer by the Authority, the

form of which shall be approved, and the execution and delivery by the Issuer authorized and directed or ratified by the Supplemental Resolution.

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

"Bonds" means, collectively, the Series 2008 A Bonds, the Prior Bonds and, where appropriate, any bonds on a parity therewith subsequently authorized to be issued hereunder or by another ordinance of the Issuer.

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

"Closing Date" means the date upon which there is an exchange of the Series 2008 A Bonds for all or a portion of the proceeds of the Series 2008 A Bonds from the Authority and the DEP.

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

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

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

"Consulting Engineers" means Stafford Consultants Incorporated, Princeton, West Virginia, or any qualified engineer or firm of engineers, licensed by the State, that shall at any time hereafter be procured by the Issuer as Consulting Engineers for the System, or portion thereof, in accordance with Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended; provided however, that the Consulting Engineers shall not be a regular, full-time employee of the State or any of its agencies, commissions, or political subdivisions.

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

"DEP" means the West Virginia Department of Environmental Protection, or any other agency, board or department of the State that succeeds to the functions of the DEP.

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

"Depreciation Fund" means the Depreciation Fund established by Prior Ordinance.

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

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

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

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

"Grant" means any and all grants received by the Issuer for the payment of a portion of the costs of acquiring and constructing the Project.

"Gross Revenues" means the aggregate gross operating and non-operating revenues of the System, as hereinafter defined, determined in accordance with generally accepted accounting principles, after deduction of prompt payment discounts, if any, and reasonable provision for uncollectible accounts; provided that, "Gross Revenues" does not include any gains from the sale or other disposition of, or from any increase in the value of, capital assets (including Qualified Investments, as hereinafter defined, purchased pursuant to Article 8.01 hereof) or any Tap Fees, as hereinafter defined.

"Herein," "hereto" and similar words shall refer to this entire Bond Legislation.

"Independent Certified Public Accountants" means any certified public accountant or firm of certified public accountants that shall at any time hereafter be retained by the Issuer to prepare an independent annual or special audit of the accounts of the System or for any other purpose except keeping the accounts of the System in the normal operation of its business and affairs.

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

"Mayor" means the Mayor of the Issuer.

"Net Proceeds" means the face amount of the Series 2008 A Bonds, plus accrued interest and premium, if any, less original issue discount, if any, and less proceeds, if any, deposited in the Series 2008 A Bonds Reserve Account.

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

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

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

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

"Paying Agent" means the Commission or other entity or authority designated as such for the Series 2008 A Bonds in the Supplemental Resolution, with the written consent of the Authority and the DEP.

"Prior Bonds" means the Issuer's Sewer Revenue Bond, Series 1996 (United States Department of Agriculture), dated June 25, 1996, issued in the original aggregate principal amount of $2,900,000.

"Prior Ordinance" means, the ordinance of the Issuer, including all amendments and supplements thereto, authorizing the issuance of the Prior Bonds.

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

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

(a) Government Obligations;

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

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

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

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

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

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

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

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

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

"Recorder" means the Recorder of the Issuer.

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

"Registrar" means the Bond Registrar.

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

"Renewal and Replacement Fund" means the Renewal and Replacement Fund created by hereby.

"Reserve Accounts" means, collectively, the respective reserve account established for the Series 2008 A Bonds and the Prior Bonds.

"Reserve Requirement" means, collectively, the respective amount required to be on deposit in any Reserve Account for the Prior Bonds and the Series 2008 A Bonds which is to be one year's annual debt service amount.

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

"Series 1996 Bonds" means the Issuer's Sewer Revenue Bonds, Series 1996 (United States Department of Agriculture), dated June 25, 1996; issued in the original aggregate principal amount of $2,900,000.

"Series 2008 A Bonds" means Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), of the Issuer, authorized by this Bond Legislation.

"Series 2008 A Bonds Construction Trust Fund" means the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof.

"Series 2008 A Bonds Reserve Account" means the Series 2008 A Bonds Reserve Account established by Section 5.02 hereof.

"Series 2008 A Bonds Reserve Requirement" means, as of any date of calculation, the maximum amount of principal and interest which will become due on the Series 2008 A Bonds in the then current or any succeeding year.

"Series 2008 A Bonds Sinking Fund" means the Series 2008 A Bonds Sinking Fund established by Section 5.02 hereof.

"Sinking Funds" means, collectively, the respective sinking fund established for the Prior Bonds and the Series 2008 A Bonds.

"SRF Administrative Fee" means any administrative fee required to be paid pursuant to the Bond Purchase Agreement.

"SRF Program" means the State's Water Pollution Control Revolving Fund Program, under which the Authority purchases the water pollution control revenue bonds of local governmental entities satisfying certain legal and other requirements with the proceeds of a capitalization grant award from the United States Environmental Protection Agency and funds of the State.

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

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution authorizing the sale of the Series 2008 A Bonds; provided, that any matter intended by this Ordinance to be included in the

Supplemental Resolution with respect to the Series 2008 A Bonds, and not so included may be included in another Supplemental Resolution.

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

"System" means, collectively, the complete existing municipal sewage treatment and collection system of the Issuer, as presently existing in its entirety or any integral part thereof, and shall include the Project and any and all additions, betterments and improvements thereto hereafter acquired or constructed for the System from any sources whatsoever, both within and without the Issuer.

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

Additional terms and phrases are defined in this Ordinance as they are used. Words importing singular number shall include the plural number in each case and vice versa; words importing persons shall include firms and corporations; and words importing the masculine, feminine or neutral gender shall include any other gender.

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of not to exceed $3,000,000, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Series 2008 A Bonds hereby authorized shall be applied as provided in Article VI hereof. The Issuer has received bids and will enter into contracts for the acquisition and construction of the Project, compatible with the financing plan submitted to the DEP.

The cost of the Project is estimated not to exceed $3,323,810, of which approximately $3,000,000 will be obtained from proceeds of the Series 2008 A Bonds, and approximately $323,810 will be obtained from the proceeds of a United States Environmental Protection Agency Grant.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND SALE OF BONDS; AUTHORIZATION AND EXECUTION OF BOND PURCHASE AGREEMENT

Section 3.01. Authorization of Bonds. For the purposes of capitalizing interest on the Series 2008 A Bonds, funding a reserve account for the Series 2008 A Bonds, paying Costs of the Project not otherwise provided for and paying certain costs of issuance and related costs, or any or all of such purposes, as determined by the Supplemental Resolution, there shall be and hereby are authorized to be issued the negotiable Series 2008 A Bonds of the Issuer. The Series 2008 A Bonds shall be issued as a single bond, designated "Sewer Revenue Bond, Series 2008 A (West Virginia SRF Program)", in the principal amount of not more than $3,000,000, and shall have such terms as set forth hereinafter and in the Supplemental Resolution. The proceeds of the Series 2008 A Bonds remaining after funding of the Series 2008 A Bonds Reserve Account (if funded from Bond proceeds) and capitalizing interest on the Series 2008 A Bonds, if any, shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund established by Section 5.01 hereof and applied as set forth in Article VI hereof.

Section 3.02. Terms of Bonds. The Series 2008 A Bonds shall be issued in such principal amounts; shall bear interest, if any, at such rate or rates, not exceeding the then legal maximum, payable quarterly on such dates; shall mature on such dates and in such amounts; and shall be redeemable, in whole or in part, all as the Issuer shall prescribe in a Supplemental Resolution or as specifically provided in the Bond Purchase Agreement. The Series 2008 A Bonds shall be payable as to principal at the office of the Paying Agent, in any coin or currency which, on the dates of payment of principal is legal tender for the payment of public or private debts under the laws of the United States of America. Interest, if any, on the Series 2008 A Bonds shall be paid by check or draft of the Paying Agent or its agent, mailed to the Registered Owner thereof at the address as it appears on the books of the Bond Registrar, or by such other method as shall be mutually agreeable so long as the Authority is the Registered Owner thereof.

Unless otherwise provided by the Supplemental Resolution, the Series 2008 A Bonds shall initially be issued in the form of a single bond, fully registered to the Authority, with a record of advances and a debt service schedule attached, representing the aggregate principal amount of the Series 2008 A Bonds, and shall mature in principal installments, all as provided in the Supplemental Resolution. The Series 2008 A Bonds shall be exchangeable at the option and expense of the Registered Owner for another fully registered Bond or Bonds of the same series in aggregate principal amount equal to the amount of said Bonds then Outstanding and being exchanged, with principal installments or maturities, as applicable, corresponding to the dates of payment of principal installments of said Bonds; provided, that the Authority shall not be obligated to pay any expenses of such exchange.

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

Section 3.03. Execution of Bonds. The Series 2008 A Bonds shall be executed in the name of the Issuer by the Mayor, and the seal of the Issuer shall be affixed thereto or imprinted thereon and attested by the Recorder. In case any one or more of the officers who shall have signed or sealed the Series 2008 A Bonds shall cease to be such officer of the Issuer before the Series 2008 A Bonds so signed and sealed have been actually sold and delivered, such Bonds may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bonds had not ceased to hold such office. Any Series 2008 A Bonds may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bonds shall hold the proper office in the Issuer, although at the date of the authorization of such Bonds such person may not have held such office or may not have been so authorized.

Section 3.04. Authentication and Registration. No Series 2008 A Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Legislation unless and until the Certificate of Authentication and Registration on such Bond, substantially in the form set forth in Section 3.10 hereof shall have been manually executed by the Bond Registrar. Any such executed Certificate of Authentication and Registration upon any such Bond shall be conclusive evidence that such Bond has been authenticated, registered and delivered under this Bond Legislation. The Certificate of Authentication and Registration on any Series 2008 A Bond shall be deemed to have been executed by the Bond Registrar if manually signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the Certificate of Authentication and Registration on all of the Bonds issued hereunder.

Section 3.05. Negotiability, Transfer and Registration. Subject to the provisions for transfer of registration set forth below, the Series 2008 A Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder, in accepting the Series 2008 A Bonds shall be conclusively deemed to have agreed that such Bonds shall be and have all of the qualities and incidents of negotiable instruments under the Uniform Commercial Code of the State of West Virginia, and each successive Holder shall further be conclusively deemed to have agreed that said Bonds shall be incontestable in the hands of a bona fide holder for value.

So long as the Series 2008 A Bonds remain outstanding, the Issuer, through the Bond Registrar as its agent, shall keep and maintain books for the registration and transfer of the Series 2008 A Bonds.

The registered Series 2008 A Bonds shall be transferable only upon the books of the Bond Registrar, by the registered owner thereof in person or by his attorney duly

authorized in writing, upon surrender thereto together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or his duly authorized attorney.

In all cases in which the privilege of exchanging Series 2008 A Bonds or transferring the registered Series 2008 A Bonds are exercised, all Series 2008 A Bonds shall be delivered in accordance with the provisions of this Bond Legislation. All Series 2008 A Bonds surrendered in any such exchanges or transfers shall forthwith be cancelled by the Bond Registrar. For every such exchange or transfer of Series 2008 A Bonds, the Bond Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer and the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Bond Registrar incurred in connection therewith, which sum or sums shall be paid by the Issuer. The Bond Registrar shall not be obliged to make any such exchange or transfer of Series 2008 A Bonds during the period commencing on the 15th day of the month next preceding an interest payment date on the Series 2008 A Bonds or, in the case of any proposed redemption of Series 2008 A Bonds, next preceding the date of the selection of Bonds to be redeemed, and ending on such interest payment date or redemption date.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2008 A Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may, in its discretion, issue, and the Bond Registrar shall, if so advised by the Issuer, authenticate and deliver, a new Bond of the same series and of like tenor as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the Holder's furnishing satisfactory indemnity and complying with such other reasonable regulations and conditions as the Issuer may prescribe and paying such expenses as the Issuer and the Bond Registrar may incur. All Bonds so surrendered shall be cancelled by the Bond Registrar and held for the account of the Issuer. If any such Bond shall have matured or be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same, upon being indemnified as aforesaid, and if such Bond be lost, stolen or destroyed, without surrender thereof.

Section 3.07. Bonds not to be Indebtedness of the Issuer. The Series 2008 A Bonds shall not, in any event, be or constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation, but shall be payable solely from the Net Revenues derived from the operation of the System as herein provided. No Holder or Holders of the Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2008 A Bonds or the interest, if any, thereon.

Section 3.08. Bonds Secured by Pledge of Net Revenues; Lien Positions with respect to Prior Bonds. The payment of the debt service of all Series 2008 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived

from the operation of the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Prior Bonds. Such Net Revenues in an amount sufficient to pay the principal of and interest on and other payments for the Series 2008 A Bonds and the Prior Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation, are hereby irrevocably pledged to such payments as the same become due.

Section 3.09. Delivery of Bonds. The Issuer shall execute and deliver the Series 2008 A Bonds to the Bond Registrar, and the Bond Registrar shall authenticate, register and deliver the Series 2008 A Bonds to the original purchasers upon receipt of the documents set forth below:

A. If other than the Authority, a list of the names in which the Series 2008 A Bonds are to be registered upon original issuance, together with such taxpayer identification and other information as the Bond Registrar may reasonably require;

B. A request and authorization to the Bond Registrar on behalf of the Issuer, signed by an Authorized Officer, to authenticate and deliver the Series 2008 A Bonds to the original purchasers;

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

D. An executed copy of the Bond Purchase Agreement; and

E. The unqualified approving opinion of bond counsel on the Series 2008 A Bonds.

Section 3.10. Form of Bonds. The text of the Series 2008 A Bonds shall be in substantially the following form, with such omissions, insertions and variations as may be necessary and desirable and authorized or permitted hereby, or by any Supplemental Resolution adopted prior to the issuance thereof:

(FORM OF BOND)

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELCH
SEWER REVENUE BOND,
SERIES 2008 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $_____

KNOW ALL MEN BY THESE PRESENTS: The ___ day of _____, 2008, that the CITY OF WELCH, a municipal corporation and political subdivision of the State of West Virginia in McDowell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of _____ DOLLARS ($_____), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing _____ 1,200____, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing _____, 20___, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority and the DEP, dated _____, 2008.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); and (ii) to pay certain costs of issuance of the

Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on _____, 2008, and a Supplemental Resolution duly adopted by the Issuer on _____, 2008 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BOND, SERIES 1996, DATED JUNE 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,900,000 (THE "SERIES 1996 BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1996 Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2008 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2008 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2008 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies

provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

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

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, THE CITY OF WELCH has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

[SEAL]

_____
Mayor

ATTEST:

_____
Recorder

(Form of)

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: _____, 2008.

THE HUNTINGTON NATIONAL BANK,
as Registrar

_____
Authorized Officer

EXHIBIT A

RECORD OF ADVANCES

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

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

Section 3.11. Sale of Bonds; Approval and Ratification of Execution of Bond Purchase Agreement. The Series 2008 A Bonds shall be sold to the Authority, pursuant to the terms and conditions of the Bond Purchase Agreement. If not so authorized by previous ordinance or resolution, the Mayor is specifically authorized and directed to execute the Bond Purchase Agreement in the form attached hereto as "Exhibit A" and made a part hereof, and the Recorder is directed to affix the seal of the Issuer, attest the same and deliver the Bond Purchase Agreement to the Authority, and any such prior execution and delivery is hereby authorized, approved, ratified and confirmed. The Bond Purchase Agreement, including all schedules and exhibits attached thereto, are hereby approved and incorporated into this Bond Legislation.

Section 3.12. "Amended Schedule" Filing. Within 60 days following the Completion Date of the Project, the Issuer will file with the Authority and the DEP a schedule, the form of which will be provided by the DEP, setting forth the actual costs of the Project and sources of funds therefor.

ARTICLE IV

[RESERVED]

ARTICLE V

FUNDS AND ACCOUNTS; SYSTEM REVENUES AND APPLICATION THEREOF

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

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

(2) Reserve Fund (established by the Prior Ordinance for the Series 1996 Bonds);

(3) Renewal and Replacement Fund (established by Prior Ordinance as Depreciation Fund and hereby renamed and continued); and

(4) Series 2008 A Bonds Construction Trust Fund.

Section 5.02. Establishment of Funds and Accounts with Commission. The following special funds or accounts are hereby created with and shall be held by the Commission, separate and apart from all other funds or accounts of the Commission and the Issuer and from each other:

(1) Series 2008 A Bonds Sinking Fund; and

(2) Series 2008 A Bonds Reserve Account.

Section 5.03. System Revenues; Flow of Funds. A. The entire Gross Revenues derived from the operation of the System shall be deposited upon receipt in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided in the Prior Ordinance and this Bond Legislation and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided in this Bond Legislation and in the Prior Ordinance. All revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following manner order of priority:

(1) The Issuer shall first, each month, pay from the monies in the Revenue Fund the amount necessary and sufficient to pay current Operating Expenses of the System.

(2) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit to the National Finance Office, the amount required by the Prior Ordinance to pay interest on the Series 1996 Bonds.

(3) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the National Finance Office, the amount required by the Prior Ordinance to pay the principal of the Series 1996 Bonds; and (ii) commencing 3 months prior to the first date of payment of principal of the Series 2008 A Bonds, remit to the Commission for deposit in the Series 2008 A Bonds Sinking Fund, an amount equal to 1/3rd of the amount of principal which will mature and become due on the Series 2008 A Bonds on the next ensuing quarterly principal payment date; provided that, in the event the period to elapse between the date of such initial deposit in the Series 2008 A Bonds Sinking Fund and the next quarterly principal payment date is less than 3 months, then such monthly payments shall be increased proportionately to provide, 1 month prior to the next quarterly principal payment date, the required amount of principal coming due on such date.

(4) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and simultaneously remit (i) to the Depository Bank for deposit in the Reserve Fund, the amount required by the Prior Ordinance; and (ii) to the Commission commencing 3 months prior to the first date of payment of principal of the Series 2008 A Bonds, if not fully funded upon issuance of the Series 2008 A Bonds, for deposit in the Series 2008 A Bonds Reserve Account, an amount equal to 1/120th of the Series 2008 A Bonds Reserve Requirement; provided that, no further payments shall be made into the Series 2008 A Bonds Reserve Account when there shall have been deposited therein, and as long as there shall remain on deposit therein, an amount equal to the Series 2008 A Bonds Reserve Requirement.

(5) The Issuer shall next, on the first day of each month, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Renewal and Replacement Fund, an amount equal to 2 1/2% of the Gross Revenues each month, exclusive of any payments for account of any Reserve Account. All funds in the Renewal and Replacement Fund shall be kept apart from all other funds of the Issuer or of the

Depository Bank and shall be invested and reinvested in accordance with Article VIII hereof. Withdrawals and disbursements may be made from the Renewal and Replacement Fund for replacements, repairs, improvements or extensions to the System; provided, that any deficiencies in any Reserve Account (except to the extent such deficiency exists because the required payments into such accounts have not, as of the date of determination of a deficiency, funded such accounts to the maximum extent required hereof) shall be promptly eliminated with monies from the Renewal and Replacement Fund.

Monies in the Series 2008 A Bonds Sinking Fund shall be used only for the purposes of paying principal of and interest, if any, on the Series 2008 A Bonds as the same shall become due. Monies in the Series 2008 A Bonds Reserve Account shall be used only for the purposes of paying principal of and interest, if any, on the Series 2008 A Bonds as the same shall come due, when other monies in the Series 2008 A Bonds Sinking Fund are insufficient therefor, and for no other purpose.

All investment earnings on monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be returned, not less than once each year, by the Commission to the Issuer, and such amounts shall, during construction of the Project, be deposited in the Series 2008 A Bonds Construction Trust Fund, and following completion of construction of the Project, shall be deposited in the Revenue Fund and applied in full, first to the next ensuing interest payment, if any, due on the Series 2008 A Bonds and then to the next ensuing principal payment due thereon.

Any withdrawals from the Series 2008 A Bonds Reserve Account which result in a reduction in the balance of the Series 2008 A Bonds Reserve Account to below the Series 2008 A Bonds Reserve Requirement shall be subsequently restored from the first Net Revenues available after all required payments have been made in full in the priority as set forth above.

As and when additional Bonds ranking on a parity with the Series 2008 A Bonds are issued, provision shall be made for additional payments into the respective sinking fund sufficient to pay the interest on such additional parity Bonds and accomplish retirement thereof at maturity and to accumulate a balance in the respective reserve account in an amount equal to the requirement therefor.

The Issuer shall not be required to make any further payments into the Series 2008 A Bonds Sinking Fund or into the Series 2008 A Bonds Reserve Account therein when the aggregate amount of funds therein are at least equal to the aggregate principal amount of the Series 2008 A Bonds issued pursuant to this Bond Legislation then Outstanding and all interest to accrue until the maturity thereof.

Principal, interest or reserve payments, whether for a deficiency or otherwise, shall be made on a parity and pro rata, with respect to the Series 1996 Bonds and the Series 2008 A Bonds, in accordance with the respective principal amounts then Outstanding.

The Commission is hereby designated as the fiscal agent for the administration of the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account created hereunder, and all required amounts shall be remitted to the Commission from the Revenue Fund by the Issuer at the times provided herein. If required by the Authority at anytime, the Issuer shall make the necessary arrangements whereby required payments into the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required hereunder.

Monies in the Series 2008 A Bonds Sinking Fund and the Series 2008 A Bonds Reserve Account shall be invested and reinvested by the Commission in accordance with Section 8.01 hereof.

The Series 2008 A Bonds Sinking Fund, including the Series 2008 A Bonds Reserve Account therein, shall be used solely and only for, and are hereby pledged for, the purpose of servicing the Series 2008 A Bonds under the conditions and restrictions set forth herein.

B. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month), deposit with the Commission the required interest, if any, principal and reserve account payments with respect to the Series 2008 A Bonds and all such payments shall be remitted to the Commission with appropriate instructions as to the custody, use and application thereof consistent with the provisions of this Bond Legislation. The Issuer shall, on the first day of each month (if the first day is not a business day, then the first business day of each month) deposit with the Commission, the SRF Administrative Fee as set forth in the Schedule Y attached to the Bond Purchase Agreement.

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

D. Whenever all of the required and provided transfers and payments from the Revenue Fund into the several special funds, as hereinbefore provided, are current and there remains in the Revenue Fund a balance in excess of the estimated amounts required to be so transferred and paid into such funds during the following month or such other period as required by law, such excess shall be considered Surplus Revenues. Surplus Revenues may be used for any lawful purpose of the System.

E. The Issuer shall remit from the Revenue Fund to the Commission, the Registrar, the Paying Agent or the Depository Bank, on such dates as the Commission, the Registrar, the Paying Agent or the Depository Bank, as the case may be, shall require, such additional sums as shall be necessary to pay their respective charges and fees then due. In the case of payments to the Commission under this paragraph, the Issuer shall, if required by the Authority anytime make the necessary arrangements whereby such required payments shall be automatically debited from the Revenue Fund and electronically transferred to the Commission on the dates required.

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

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

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

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

J. All Tap Fees shall be deposited by the Issuer, as received, in the Series 2008 A Bonds Construction Trust Fund, and following completion of the Project, shall be deposited in the Revenue Fund and may be used for any lawful purpose of the System.

ARTICLE VI

BOND PROCEEDS; CONSTRUCTION DISBURSEMENTS

Section 6.01. Application of Bond Proceeds; Pledge of Unexpended Bond Proceeds. From the monies received from the sale of the Series 2008 A Bonds, the following amounts shall be first deducted and deposited in the order set forth below:

A. From the proceeds of the Series 2008 A Bonds, there shall first be deposited with the Commission in the Series 2008 A Bonds Sinking Fund, the amount, if any, set forth in the Supplemental Resolution as capitalized interest.

B. Next, from the proceeds of the Series 2008 A Bonds, there shall be deposited with the Commission in the Series 2008 A Bonds Reserve Account, the amount, if any, set forth in the Supplemental Resolution for funding of the Series 2008 A Bonds Reserve Account.

C. As the Issuer receives advances of the remaining monies derived from the sale of the Series 2008 A Bonds, such monies shall be deposited with the Depository Bank in the 2008 A Bonds Construction Trust Fund and applied solely to payment of Costs of the Project in the manner set forth in Section 6.02 hereof, and until expended, are hereby pledged as additional security for the Series 2008 A Bonds.

D. After completion of construction of the Project, as certified by the Consulting Engineers, and all costs have been paid, any remaining proceeds of the Series 2008 A Bonds shall be expended as approved by the DEP.

Section 6.02. Disbursements From the Series 2008 A Bonds Construction Trust Fund. On or before the Closing Date, the Issuer shall have delivered to the Authority and the DEP a report listing the specific purposes for which the proceeds of the Series 2008 A Bonds will be expended and the disbursement procedures of such proceeds, including an estimated monthly draw schedule. Payments for Costs of the Project shall be made monthly.

Except as provided in Section 6.01 hereof, disbursements from the Series 2008 A Bonds Construction Trust Fund shall be made only after submission to, and approved from, the Authority and the DEP of the following:

(1) a completed and signed "Payment Requisition Form," a form of which is attached to the Bond Purchase Agreement, in compliance with the construction schedule; and

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

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

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

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

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

Pending such application, monies in the Series 2008 A Bonds Construction Trust Fund shall be invested and reinvested in Qualified Investments at the written direction of the Issuer.

ARTICLE VII

ADDITIONAL COVENANTS OF THE ISSUER

Section 7.01. General Covenants of the Issuer. All the covenants, agreements and provisions of this Bond Legislation shall be and constitute valid and legally binding covenants of the Issuer and shall be enforceable in any court of competent jurisdiction by any Holder or Holders of the Series 2008 A Bonds. In addition to the other covenants, agreements and provisions of this Bond Legislation, the Issuer hereby covenants and agrees with the Holders of the Series 2008 A Bonds as hereinafter provided in this Article VII. All such covenants, agreements and provisions shall be irrevocable, except as provided herein, as long as any of the Series 2008 A Bonds or the interest, if any, thereon is Outstanding and unpaid.

Section 7.02. Bonds not to be Indebtedness of the Issuer. The Series 2008 A Bonds shall not be nor constitute a corporate indebtedness of the Issuer within the meaning of any constitutional, statutory or charter limitation of indebtedness, but shall be payable solely from the funds pledged for such payment by this Bond Legislation. No Holder or Holders of any Series 2008 A Bonds shall ever have the right to compel the exercise of the taxing power of the Issuer to pay the Series 2008 A Bonds or the interest, if any, thereon.

Section 7.03. Bonds Secured by Pledge of Net Revenues; Lien Positions with Respect to Prior Bonds. The payment of the debt service of the Series 2008 A Bonds shall be secured forthwith equally and ratably by a first lien on the Net Revenues derived from the System, on a parity with the lien on the Net Revenues in favor of the Holders of the Series 1996 Bonds. The Net Revenues in an amount sufficient to pay the principal of and interest, if any, on the Prior Bonds and the Series 2008 A Bonds and to make the payments into all funds and accounts and all other payments provided for in the Bond Legislation are hereby irrevocably pledged, in the manner provided herein, to such payments as they become due, and for the other purposes provided in the Bond Legislation.

Section 7.04. Rates and Charges. The Issuer has obtained any and all approvals of rates and charges required by State law and has taken any other action required to establish and impose such rates and charges, with all requisite appeal periods having expired without successful appeal. Such rates and charges shall be sufficient to comply with the requirements of the Bond Purchase Agreement. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth and approved and described in the sewer rate ordinance of the Issuer enacted December 4, 2006, which rates are incorporated herein by reference as a part hereof.

So long as the Series 2008 A Bonds are outstanding, the Issuer covenants and agrees to fix and collect rates, fees and other charges for the use of the System and to take

all such actions necessary to provide funds sufficient to produce the required sums set forth in the Bond Legislation and in compliance with the Bond Purchase Agreement. In the event the schedule of rates and charges initially established for the System in connection with the Series 2008 A Bonds shall prove to be insufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement, the Issuer hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates and charges and take all such actions necessary to provide funds sufficient to produce the required sums set forth in this Bond Legislation and the Bond Purchase Agreement.

Section 7.05. Sale of the System. So long as the Prior Bonds are outstanding, the Issuer shall not sell, mortgage, lease or otherwise dispose of or encumber the System, or any part thereof, except as provided in the Prior Ordinance. Additionally, so long as the Series 2008 A Bonds are outstanding and except as otherwise required by law or with the written consent of the Authority and the DEP, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole, or substantially as a whole, and only if the net proceeds to be realized shall be sufficient to fully pay all the Bonds Outstanding. The proceeds from any such sale, mortgage, lease or other disposition of the System shall, with respect to the Series 2008 A Bonds, immediately be remitted to the Commission for deposit in the Series 2008 A Bonds Sinking Fund, and, with the written permission of the Authority or in the event the Authority is no longer a Bondholder, the Issuer shall direct the Commission to apply such proceeds to the payment of principal of and interest, if any, on the Series 2008 A Bonds. Any balance remaining after the payment of the Bonds and the interest , if any, thereon shall be remitted to the Issuer by the Commission unless necessary for the payment of other obligations of the Issuer payable out of the revenues of the System.

The foregoing provision notwithstanding, the Issuer shall have and hereby reserves the right to sell, lease or otherwise dispose of any of the property comprising a part of the System hereinafter determined in the manner provided herein to be no longer necessary, useful or profitable in the operation thereof. Prior to any such sale, lease or other disposition of such property, if the amount to be received therefor, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, is not in excess of $10,000, the Issuer shall, by resolution duly adopted, determine that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then provide for the sale of such property. The proceeds of any such sale shall be deposited in the Renewal and Replacement Fund. If the amount to be received from such sale, lease or other disposition of said property, together with all other amounts received during the same Fiscal Year for such sales, leases or other dispositions of such properties, shall be in excess of $10,000 but not in excess of $50,000, the Issuer shall first, in writing determine upon consultation with the Consulting Engineers that such property comprising a part of the System is no longer necessary, useful or profitable in the operation thereof and may then, if it be so advised, by resolution duly adopted, authorize such sale, lease or other disposition of such property upon public bidding

in accordance with the laws of the State. The proceeds of any such sale shall be remitted by the Issuer to the Commission for deposit in the Sinking Funds for prepayment of the Bonds. The payment of such proceeds into the Renewal and Replacement Fund and the Sinking Funds shall not reduce the amounts required to be paid into such funds by other provisions of this Bond Legislation.

No sale, lease or other disposition of the properties of the System shall be made by the Issuer if the proceeds to be derived therefrom, together with all other amounts received during the same Fiscal Year for such sales, leases, or other dispositions of such properties, shall be in excess of $50,000 and insufficient to pay all Bonds then Outstanding without the prior approval and consent in writing of the Holders of the Bonds then Outstanding. The Issuer shall prepare the form of such approval and consent for execution by the then Holders of the Bonds for the disposition of the proceeds of the sale, lease or other disposition of such properties of the System.

Section 7.06. Issuance of Other Obligations Payable Out of Revenues and General Covenant Against Encumbrances. Except as provided for in Section 7.06 and Section 7.07 hereof, the Issuer shall not issue any obligations whatsoever payable from the revenues of the System which rank prior to, or equally, as to lien on and source of and security for payment from such revenues with the Series 2008 A Bonds and the Prior Bonds. All obligations issued by the Issuer after the issuance of the Series 2008 A Bonds and payable from the revenues of the System, except such additional parity Bonds, shall contain an express statement that such obligations are junior and subordinate, as to lien on and source of and security for payment from such revenues and in all other respects, to the Series 2008 A Bonds; provided, that no such subordinate obligations shall be issued unless all payments required to be made into all funds and accounts established by this Bond Legislation have been made and are current at the time of the issuance of such subordinate obligations.

Except as provided above, the Issuer shall not create, or cause or permit to be created, any debt, lien, pledge, assignment, encumbrance or any other charge having priority over or being on a parity with the lien of the Series 2008 A Bonds, and the interest thereon, upon any of the income and revenues of the System pledged for payment of the Series 2008 A Bonds and the interest, if any, thereon in this Bond Legislation, or upon the System or any part thereof.

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

Section 7.07. Parity Bonds. So long as the Prior Bonds are outstanding, the limitations on the issuance of parity obligations set forth in the Prior Ordinance shall be applicable. Additionally, no Parity Bonds, payable out of the revenues of the System, shall

be issued after the issuance of the Series 2008 A Bonds pursuant to this Bond Legislation, without the prior written consent of the Authority and the DEP under the conditions and in the manner herein provided (unless less restrictive than the provisions of the Prior Ordinance).

All Parity Bonds issued hereunder shall be on a parity in all respects with the Series 2008 A Bonds.

No such Parity Bonds shall be issued except for the purpose of financing the costs of design, acquisition or construction of additions, extensions, betterments or improvements to the System or refunding any outstanding 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 Recorder a written statement by the Independent Certified Public Accountants reciting the conclusion that the Net Revenues actually derived, subject to the adjustments hereinafter provided for, from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of such Parity Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by such Parity Bonds, if any, shall not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding Fiscal Year for principal of and interest, if any, on the following:

(1) The Bonds then Outstanding;

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

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

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

The Net Revenues actually derived from the System during the 12-consecutive month period hereinabove referred to may be adjusted by adding to such Net Revenues such additional Net Revenues which would have been received, in the opinion of the Independent Certified Public Accountants, as stated in a certificate, on account of increased rates, rentals,

fees and charges for the System enacted by the Issuer, the time for appeal of which shall have expired (without successful appeal) prior to issuance of such Parity Bonds.

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

Parity Bonds shall not be deemed to include bonds, notes, certificates or other obligations subsequently issued, the lien of which on the revenues of the System is subject to the prior and superior lien of the Series 2008 A Bonds on such revenues. The Issuer shall not issue any obligations whatsoever payable from the revenues of the System, or any part thereof, which rank prior to or, except in the manner and under the conditions provided in this section, equally, as to lien on and source of and security for payment from such revenues, with the Series 2008 A Bonds.

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

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

The Issuer shall permit the Authority and the DEP or their agents and representatives, to inspect all records pertaining to the operation and maintenance the System at all reasonable times following completion of construction of the Project and

commencement of operation thereof, or, if the Project is an improvement to an existing system, at any reasonable time following commencement of construction.

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

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

The Issuer shall file with the Authority and the DEP, or any other original purchaser of the Series 2008 A Bonds, and shall mail in each year to any Holder or Holders of the Series 2008 A Bonds, requesting the same, an annual report containing the following:

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

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

(C) The amount of any Bonds, notes or other obligations outstanding.

The Issuer shall also, at least once a year, cause the books, records and accounts of the System to be audited by Independent Certified Public Accountants (and to the extent legally required, in compliance with the applicable OMB Circular, or any successor thereto, and the Single Audit Act, or any successor thereto) and shall mail upon request, and make available generally, the report of said Independent Certified Public Accountants, or a summary thereof, to any Holder or Holders of the Series 2008 A Bonds and shall submit said report to the Authority and the DEP, or any other original purchaser of the Series 2008 A Bonds. Such audit report submitted to the Authority and the DEP shall include a statement that the Issuer is in compliance with the terms and provisions of the Act, the Bond Purchase

Agreement and this Bond Legislation and that the revenues of the System are adequate to meet the Issuer's Operating Expenses and debt service and reserve requirements.

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

The Issuer shall 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 Bond Purchase Agreement or as promulgated from time to time.

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

Section 7.09. Rates. Prior to the issuance of the Series 2008 A Bonds, equitable rates or charges for the use of and service rendered by the System have been established all in the manner and form required by law, and copies of such rates and charges so established will be continuously on file with the Recorder, which copies will be open to inspection by all interested parties. The schedule of rates and charges shall at all times be adequate to produce Gross Revenues from the System sufficient to pay Operating Expenses and to make the prescribed payments into the funds created hereunder. Such schedule of rates and charges shall be changed and readjusted whenever necessary so that the aggregate of the rates and charges will be sufficient for such purposes. In order to assure full and continuous performance of this covenant, with a margin for contingencies and temporary unanticipated reduction in income and revenues, the Issuer hereby covenants and agrees that the schedule of rates or charges from time to time in effect shall be sufficient, together with other revenues of the System (i) to provide for all Operating Expenses of the System and (ii) to leave a balance each year equal to at least 115% of the maximum amount required in any year for payment of principal of and interest, if any, on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2008 A Bonds, including the Prior Bonds; provided that, in the event the amounts equal to or in excess of the reserve requirements are on deposit respectively in the Series 2008 A Bonds Reserve Account and any Reserve Accounts for obligations on a parity with or junior to the Series 2008 A Bonds, including the Prior Bonds, are funded at least at the requirement therefor, such balance each year need only equal at least 110% of the

maximum amount required in any year for payment of principal of and interest, if any, on the Series 2008 A Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Series 2008 A Bonds. In any event, the Issuer shall not reduce the rates or charges for services set forth in the rate ordinance described in Section 7.04 hereof.

Section 7.10. Operating Budget and Monthly Financial Report. The Issuer shall annually, at least 45 days preceding the beginning of each Fiscal Year, prepare and adopt by resolution a detailed, balanced budget of the estimated revenues and expenditures for operation and maintenance of the System during the succeeding Fiscal Year and shall submit a copy of such budget to the DEP and the Authority within 30 days of adoption thereof. No expenditures for the operation and maintenance of the System shall be made in any Fiscal Year in excess of the amounts provided therefor in such budget without a written finding and recommendation by a registered professional engineer, which finding and recommendation shall state in detail the purpose of and necessity for such increased expenditures for the operation and maintenance of the System, and no such increased expenditures shall be made until the Issuer shall have approved such finding and recommendation by a resolution duly adopted. No increased expenditures in excess of 10% of the amount of such budget shall be made except upon the further certificate of a registered professional engineer that such increased expenditures are necessary for the continued operation of the System. The Issuer shall mail copies of such annual budget and all resolutions authorizing increased expenditures for operation and maintenance within 30 days of adoption to the Authority and the DEP and to any Holder of the Bonds, who shall file his or her address with the Issuer and request in writing that copies of all such budgets and resolutions be furnished him or her and shall make available such budgets and all resolutions authorizing increased expenditures for operation and maintenance of the System at all reasonable times to the DEP, the Authority and to any Holder of any Bonds, or anyone acting for and in behalf of such Holder of any Bonds.

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

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

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

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

The Issuer shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to the DEP when the Project is 90% completed. The Issuer shall at all times provide operation and maintenance of the System in compliance with all state and federal standards.

The Issuer shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator to operate the System during the entire term of the Bond Purchase Agreement. The Issuer shall notify the DEP in writing of the certified operator employed at the 50% completion stage.

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

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

Whenever any fees, rates, rentals or other charges for the services and facilities of the System shall remain unpaid for a period of 30 days after the same shall become due and payable, the property and the owner thereof, as well as the user of the services and facilities, shall be delinquent until such time as all such rates and charges are fully paid. To the extent authorized by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, rates, rentals and other charges, if not paid when due,

shall become a lien on the premises served by the System. The Issuer further covenants and agrees that, it will, to the full extent permitted by law and the rules and regulations promulgated by the Public Service Commission of West Virginia, discontinue and shut off the services of the System, and any services and facilities of the water system, if so owned by the Issuer, to all users of the services of the System delinquent in payment of charges for the services of the System and will not restore such services of either system until all delinquent charges for the services of the System, plus reasonable interest and penalty charges for the restoration of service, have been fully paid and shall take all further actions to enforce collections to the maximum extent permitted by law. If the water facilities are not owned by the Issuer, the Issuer shall enter into a termination agreement with the water provider of such water, subject to any required approval of such agreement by the Public Service Commission of West Virginia and all rules, regulations and orders of the Public Service Commission of West Virginia.

Section 7.14. No Free Services. The Issuer will not render or cause to be rendered any free services of any nature by the System, nor will any preferential rates be established for users of the same class; and in the event the Issuer, or any department, agency, instrumentality, officer or employee of the Issuer shall avail itself or themselves of the facilities or services provided by the System, or any part thereof, the same rates, fees or charges applicable to other customers receiving like services under similar circumstances shall be charged the Issuer and any such department, agency, instrumentality, officer or employee. The revenues so received shall be deemed to be revenues derived from the operation of the System, and shall be deposited and accounted for in the same manner as other revenues derived from such operation of the System.

Section 7.15. Insurance and Construction Bonds. A. The Issuer hereby covenants and agrees that so long as the Series 2008 A Bonds remain Outstanding, the Issuer will, as an Operating Expense, procure, carry and maintain insurance with a reputable insurance carrier or carriers as is customarily covered with respect to works and properties similar to the System. Such insurance shall initially cover the following risks and be in the following amounts:

(1) FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, on all above-ground insurable portions of the System in an amount equal to the actual cost thereof. In time of war the Issuer will also carry and maintain insurance to the extent available against the risks and hazards of war. The proceeds of all such insurance policies shall be placed in the Renewal and Replacement Fund and used only for the repairs and restoration of the damaged or destroyed properties or for the other purposes provided herein for the Renewal and Replacement Fund. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance (fire and extended coverage) to

protect the interests of the Issuer, the Authority, the prime contractor and all subcontractors as their respective interests may appear, in accordance with the Bond Purchase Agreement, during construction of the Project on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Issuer, the contractors and subcontractors, as their interests may appear.

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

(3) WORKER'S COMPENSATION COVERAGE FOR ALL EMPLOYEES OF OR FOR THE SYSTEM ELIGIBLE THEREFOR; AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract and to be required of each contractor contracting directly with the Issuer, and such payment bonds will be filed with the Clerk of The County Commission of the County in which such work is to be performed prior to commencement of construction of the Project in compliance with West Virginia Code, Chapter 38, Article 2, Section 39.

(4) FLOOD INSURANCE, if the facilities of the System are or will be located in designated special flood or mudslide-prone areas and to the extent available at reasonable cost to the Issuer.

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

(6) FIDELITY BONDS will be provided as to every officer, member and employee of the Issuer or the Governing Body having custody of the revenues or of any other funds of the System, in an amount at least equal to the total funds in the custody of any such person at any one time.

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

security for the faithful performance of such contract. The Issuer shall verify such bonds prior to commencement of construction.

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

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

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

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

The Issuer has obtained all permits required by State and federal laws for the acquisition and construction of the Project, all orders and approvals from the Public Service Commission of West Virginia and the West Virginia Infrastructure and Jobs Development

Council necessary for the acquisition and construction of the Project and the operation of the System and has obtained all approvals for the issuance of the Series 2008 A Bonds required by State law, with all appeal periods having expired without successful appeal.

Section 7.18. Compliance with Bond Purchase Agreement and Law. The Issuer shall perform, satisfy and comply with all the terms and conditions of the Bond Purchase Agreement and the Act. Notwithstanding anything herein to the contrary, the Issuer shall provide the DEP with copies of all documents submitted to the Authority.

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

Section 7.19. Reserved.

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

Section 7.21. Contracts; Public Releases. A. The Issuer shall, simultaneously with the delivery of the Series 2008 A Bonds or immediately thereafter, enter into written contracts for the immediate acquisition or construction of the Project.

B. The Issuer shall submit all proposed change orders to the DEP for written approval. The Issuer shall obtain the written approval of the DEP before expending any proceeds of the Series 2008 A Bonds held in "contingency" as set forth in the Schedule attached to the Certificate of the Consulting Engineer. The Issuer shall also obtain the written approval of the DEP before expending any proceeds of the Series 2008 A Bonds made available due to bid or construction or Project underruns.

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

Section 7.22. Statutory Mortgage Lien. For the further protection of the Holders of the Series 2008 A Bonds, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding, shall take effect immediately upon delivery of

the Series 2008 A Bonds and shall be on a parity with the statutory mortgage lien in favor of the Holders of the Prior Bonds.

ARTICLE VIII

INVESTMENT OF FUNDS

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

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

The Depository Bank shall keep complete and accurate records of all funds, accounts and investments, and shall distribute to the Issuer, at least once each year, or more often as reasonably requested by the Issuer, a summary of such funds, accounts and investment earnings. The Issuer shall retain all such records and any additional records with respect to such funds, accounts and investment earnings so long as any of the Series 2008 A Bonds are Outstanding and as long thereafter as necessary to assure the exclusion of interest on the Series 2008 A Bonds from gross income for federal income tax purposes.

Section 8.02. Certificate as to Use of Proceeds; Covenants as to Use of Proceeds. The Issuer shall deliver a certificate as to use of proceeds or other similar certificate to be prepared by nationally recognized bond counsel relating to restrictions on the use of proceeds of the Series 2008 A Bonds as a condition to issuance of the Series 2008 A Bonds. In addition, the Issuer covenants (i) to comply with the Code and all Regulations from time to time in effect and applicable to the Series 2008 A Bonds as may be necessary in order to maintain the status of the Series 2008 A Bonds as governmental bonds; (ii) that it shall not take, or permit or suffer to be taken, any action with respect to the Issuer's use

of the proceeds of the Series 2008 A Bonds which would cause any bonds, the interest on which is exempt from federal income taxation under Section 103(a) of the Code, issued by the Authority, the West Virginia Infrastructure and Jobs Development Council or the DEP, as the case may be, from which the proceeds of the Series 2008 A Bonds are derived, to lose their status as tax-exempt bonds; and (iii) to take such action, or refrain from taking such action, as shall be deemed necessary by the Issuer, or requested by the Authority, the West Virginia Infrastructure and Jobs Development Council or the DEP, to ensure compliance with the covenants and agreements set forth in this Section, regardless of whether such actions may be contrary to any of the provisions of this Bond Legislation.

The Issuer shall annually furnish to the Authority information with respect to the Issuer's use of the proceeds of the Series 2008 A Bonds and any additional information requested by the Authority.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.01. Events of Default. Each of the following events shall constitute an "Event of Default" with respect to the Series 2008 A Bonds:

(1) If default occurs in the due and punctual payment of the principal of or interest, if any, on the Series 2008 A Bonds; or

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Series 2008 A Bonds set forth in this Bond Legislation, any supplemental resolution or in the Series 2008 A Bonds, and such default shall have continued for a period of 30 days after the Issuer shall have been given written notice of such default by the Commission, the Depository Bank, the Registrar, the Paying Agent or any other Paying Agent or a Holder of a Bond; or

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

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

Section 9.02. Remedies. Upon the happening and continuance of any Event of Default, any Registered Owner of a Bond may exercise any available remedy and bring any appropriate action, suit or proceeding to enforce his or her rights and, in particular, (i) bring suit for any unpaid principal or interest then due, (ii) by mandamus or other appropriate proceeding enforce all rights of such Registered Owners including the right to require the Issuer to perform its duties under the Act and the Bond Legislation relating thereto, including but not limited to the making and collection of sufficient rates or charges for services rendered by the System, (iii) bring suit upon the Bonds; (iv) by action at law or bill in equity require the Issuer to account as if it were the trustee of an express trust for the Registered Owners of the Bonds, and (v) by action or bill in equity enjoin any acts in violation of the Bond Legislation with respect to the Bonds, or the rights of such Registered Owners; provided that, all rights and remedies of the Holders of the Series 2008 A Bonds shall be on a parity with the Holders of the Series 1996 Bonds.

Section 9.03. Appointment of Receiver. Any Registered Owner of a Bond may, by proper legal action, compel the performance of the duties of the Issuer under

the Bond Legislation and the Act, including, the completion of the Project and after commencement of operation of the System, the making and collection of sufficient rates and charges for services rendered by the System and segregation of the revenues therefrom and the application thereof. If there be any Event of Default with respect to such Bonds, any Registered Owner of a Bond shall, in addition to all other remedies or rights, have the right by appropriate legal proceedings to obtain the appointment of a receiver to administer the System or to complete the acquisition and construction of the Project on behalf of the Issuer, with power to charge rates, rentals, fees and other charges sufficient to provide for the payment of Operating Expenses of the System, the payment of the Bonds and interest and the deposits into the funds and accounts hereby established, and to apply such rates, rentals, fees, charges or other revenues in conformity with the provisions of this Bond Legislation and the Act.

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

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

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

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

Legislation, and the title to and ownership of said System shall remain in the Issuer, and no court shall have any jurisdiction to enter any order or decree permitting or requiring such receiver to sell, assign, mortgage or otherwise dispose of any assets of the System.

ARTICLE X

PAYMENT OF BONDS

Section 10.01. Payment of Bonds. If the Issuer shall pay or there shall otherwise be paid to the Holders of the Series 2008 A Bonds, the principal of and interest due or to become due thereon, if any, at the times and in the manner stipulated therein and in this Bond Legislation, then the pledge of Net Revenues and other monies and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Registered Owners of the Series 2008 A Bonds shall thereupon cease, terminate and become void and be discharged and satisfied, except as may otherwise be necessary to assure the exclusion of interest, if any, on the Series 2008 A Bonds from gross income for federal income tax purposes.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Amendment or Modification of Bond Legislation. Prior to issuance of the Series 2008 A Bonds, this Ordinance may be amended or supplemented in any way by the Supplemental Resolution. Following issuance of the Series 2008 A Bonds, no material modification or amendment of this Ordinance, or of any ordinance, resolution or order amendatory or supplemental hereto, that would materially and adversely affect the rights of Registered Owners of the Series 2008 A Bonds, shall be made without the consent in writing of the Registered Owners of the Series 2008 A Bonds so affected and then Outstanding; provided, that no change shall be made in the maturity of any Bond or Bonds or the rate of interest, if any, thereon, or in the principal amount thereof, or affecting the unconditional promise of the Issuer to pay such principal and interest out of the funds herein pledged therefor without the consent of the respective Registered Owner thereof. No amendment or modification shall be made that would reduce the percentage of the principal amount of the Series 2008 A Bonds required for consent to the above-permitted amendments or modifications. Notwithstanding the foregoing, this Bond Legislation may be amended without the consent of any Bondholder as may be necessary to assure compliance with Section 148(f) of the Code relating to rebate requirements or otherwise as may be necessary to assure the exclusion of interest, if any, on the Series 2008 A Bonds from gross income of the holders thereof.

Section 11.02. Bond Legislation Constitutes Contract. The provisions of the Bond Legislation shall constitute a contract between the Issuer and the Registered Owners of the Series 2008 A Bonds, and no change, variation or alteration of any kind of the provisions of the Bond Legislation shall be made in any manner, except as in this Bond Legislation provided.

Section 11.03. Severability of Invalid Provisions. If any section, paragraph, clause or provision of this Ordinance should be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, the Supplemental Resolution or the Series 2008 A Bonds.

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

Section 11.05. Conflicting Provisions Repealed. Except for the Prior Ordinance, all ordinances, orders or resolutions and or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed; provided

that, in the event of any conflict between this Ordinance and the Prior Ordinance, the Prior Ordinance shall control (unless less restrictive), so long as the Prior Bonds are Outstanding.

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

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

Section 11.08. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance determined by the Governing Body to contain sufficient information as to give notice of the contents hereof shall be published once a week for 2 successive weeks within a period of fourteen consecutive days, with at least 6 full days intervening between each publication, in *The Welch News*, a newspaper published and of general circulation in the City of Welch, together with a notice stating that this Ordinance has been adopted and that the Issuer contemplates the issuance of the Series 2008 A Bonds, and that any person interested may appear before the Governing Body upon a date certain, not less than ten days subsequent to the date of the first publication of such abstract of this Ordinance and notice, and present protests, and that a certified copy of this Ordinance is on file with the Governing Body for review by interested persons during office hours of the Governing Body. At such hearing, all objections and suggestions shall be heard and the Governing Body shall take such action as it shall deem proper in the premises.

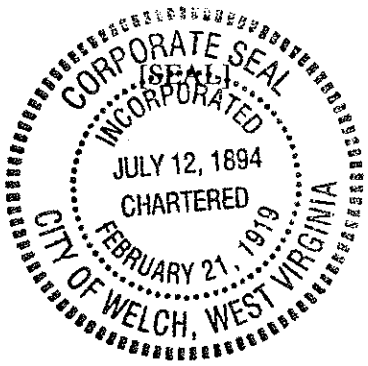
Passed on First Reading:	-	January 15, 2008
Passed on Second Reading:	-	January 22, 2008
Passed on Final Reading Following Public Hearing:	-	March 3, 2008

Martha H. Moore
Mayor

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the City of Welch on the 3rd day of March, 2008.

Dated: May 6, 2008



Robin G. Lee
Recorder

04.15.08
950640.00002

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

SUPPLEMENTAL RESOLUTION

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF WELCH; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

WHEREAS, the City council (the "Governing Body") of the City of Welch (the "Issuer" or "Governmental Agency") has duly and officially adopted and enacted a bond ordinance, effective March 3, 2008 (the "Bond Ordinance"), entitled:

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WELCH AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED, THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OF SUCH BONDS; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND

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

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

WHEREAS , the Bond Ordinance provides for the issuance of the Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program) in an aggregate principal amount not to exceed $3,000,000;

WHEREAS, the Bond Ordinance has authorized the execution and delivery of a bond purchase agreement relating to the Series 2008 A Bonds, including all schedules and exhibits attached thereto, by and among the Issuer, the Authority and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), all in accordance with Chapter 16, Article 13 and Chapter 22C, Article 2, of the West Virginia Code of 1931, as amended (collectively, the "Act"); and in the Bond Ordinance it is provided that the form of the Bond Purchase Agreement and the exact principal amount, dates, maturity dates, redemption provisions, interest rates, interest and principal payment dates, sale prices and other terms of the Series 2008 A Bonds should be established by a supplemental resolution pertaining to the Series 2008 A Bonds; and that other matters relating to the Series 2008 A Bonds be herein provided for;

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

WHEREAS, the Series 2008 A Bonds are proposed to be purchased by the Authority pursuant to a Bond Purchase Agreement; and

WHEREAS, the Governing Body deems it essential and desirable that this supplemental resolution (the "Supplemental Resolution") be adopted, that the Bond Purchase Agreement be approved and ratified by the Issuer, that the exact principal amounts, the dates, the maturity dates, the redemption provisions, the interest rates, the interest and principal payment dates and the sale prices of the Series 2008 A Bonds be fixed hereby in the manner stated herein, and that other matters relating to the Series 2008 A Bonds be herein provided for;

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

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 following bonds of the Issuer:

Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), of the Issuer, originally represented by a single Bond, numbered AR-1, in the original aggregate principal amount of $2,000,000. The Series 2008 A Bonds shall be dated the date of delivery thereof, shall finally mature March 1, 2048, and shall bear no interest. The principal of the Series 2008 A Bonds shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to and including March 1, 2048, and in the amounts as set forth in the "Schedule Y" attached to the Bond Purchase Agreement for the Series 2008 A Bonds and incorporated in and made a part of the Series 2008 A Bonds. The Series 2008 A 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 Bond Purchase Agreement for the Series 2008 A Bonds, so long as the Authority shall be the registered owner of the Series 2008 A Bonds. The Issuer does hereby approve and shall pay the SRF Administrative Fee equal to 0.5% of the principal amount of the Series 2008 A Bonds set forth in "Schedule Y" attached to the Bond Purchase Agreement.

Section 2. All other provisions relating to the Series 2008 Bonds and the text of each series of the Series 2008 Bonds shall be in substantially the forms provided in the Bond Ordinance.

Section 3. The Issuer does hereby authorize, approve, ratify and accept the Bond Purchase Agreement, copies of which are incorporated herein by reference, and the execution and delivery of the Bond Purchase Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, directed, ratified and approved. The Issuer hereby affirms all covenants and representations made in the Bond Purchase Agreement and in the applications to the DEP and the Authority. The price of the Series 2008 A Bonds shall be 100% of par value, there being no interest accrued thereon, provided that the proceeds of the Series 2008 A Bonds shall be advanced from time to time as requisitioned by the Issuer.

Section 4. The Issuer does hereby appoint and designate The Huntington National Bank, Charleston, West Virginia, to serve as Registrar (the "Registrar") for the Series 2008 A Bonds under the Bond Ordinance and does approve and accept the Registrar's Agreement to be dated the date of delivery of the Series 2008 A Bonds, by and between the Issuer and the Registrar, and the execution and delivery of the Registrar's Agreement by the Mayor, and the performance of the obligations contained therein, on behalf of the Issuer, are hereby authorized, approved and directed.

Section 5. The Issuer does hereby appoint and designate the West Virginia Municipal Bond Commission, Charleston, West Virginia, to serve as Paying Agent for the Series 2008 A Bonds under the Bond Ordinance.

Section 6. The Issuer does hereby appoint and designate MCNB Bank and Trust Company, Welch, West Virginia, to serve as Depository Bank under the Bond Ordinance.

Section 7. Series 2008 A Bonds proceeds in the amount of $-0- shall be deposited in the Series 2008 A Bonds Sinking Fund, as capitalized interest.

Section 8. Series 2008 A Bonds proceeds in the amount of $52,632 shall be deposited in the Series 2008 A Bonds Reserve Account.

Section 9. The balance of the proceeds of the Series 2008 A Bonds shall be deposited in or credited to the Series 2008 A Bonds Construction Trust Fund for payment of the costs of the Project, including, without limitation, costs of issuance of the Series 2008 A Bonds and related costs.

Section 10. The Mayor and the Recorder are hereby authorized and directed to execute and deliver such other documents and certificates required or desirable in connection with the Series 2008 A Bonds hereby and by the Bond Ordinance approved and provided for, to the end that the Series 2008 A Bonds may be delivered on or about May 6, 2008, to the Authority pursuant to the Bond Purchase Agreement.

Section 11. The acquisition and construction of the Project and the financing thereof in part with proceeds of the Series 2008 A Bonds are in the public interest, serve a public purpose of the Issuer and will promote the health, welfare and safety of the residents of the Issuer.

Section 12. The Issuer does hereby ratify, approve and accept all contracts relating to the financing, acquisition and construction of the Project.

Section 13. The Issuer hereby determines to invest all monies in the funds and accounts established by the Bond Ordinance held by the Depository Bank until expended, in repurchase agreements or time accounts, secured by a pledge of Government Obligations, and therefore, the Issuer hereby directs the Depository Bank to take such actions as may be necessary to cause such monies to be invested in such repurchase agreements or time accounts until further directed in writing by the Issuer. Monies in the Sinking Funds and the Reserve Accounts for the Series 2008 A Bonds, shall be invested by the West Virginia Municipal Bond Commission in the West Virginia Consolidated Fund.

Section 14. Sixty days prior to the date of the first monthly payment to the Municipal Bond Commission, the Governmental Agency shall provide the Authority and the DEP with a written report stating the date on which the Project received a Certificate of

Completion from the Consulting Engineers, the date on which the new rates became effective, the date on which the Governmental Agency began or will begin billing the new rates and the date when the Governmental Agency anticipates receiving revenues from the rate increase. If on the sixtieth day preceding the first monthly payment to the Municipal Bond Commission the Governmental Agency has not received a Certificate of Completion, it covenants and agrees to petition the PSC for approval to immediately implement the new rates.

Section 15. This Supplemental Resolution shall be effective immediately following adoption hereof.

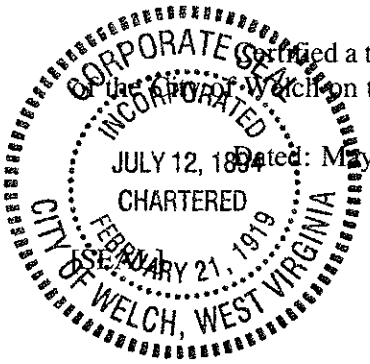
[Remainder of Page Intentionally Blank]

Adopted this 15th day of April, 2008.

Martha H. Moore

Mayor

CERTIFICATION



Certified a true copy of a Supplemental Resolution duly adopted by the Council of the City of Welch on the 15th day of April, 2008.

Dated: May 6, 2008.

(SEAL)

Robin G. Lee
Recorder

04.08.08
950640.00002

SRF-BPA-1
(11/01/04)

BOND PURCHASE AGREEMENT

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

CITY OF WELCH
(Local Government)

W I T N E S S E T H:

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

WHEREAS, pursuant to the provisions of Chapter 22C, Article 2 of the Code of West Virginia, 1931, as amended (the "Act"), the State of West Virginia (the "State") has established a state water pollution control revolving fund program (the "Program") to acquire bonds of particular local governments pursuant to the Clean Water Act;

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

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

WHEREAS, pursuant to the Act, the Authority and DEP are empowered to utilize moneys from the Fund to purchase the bonds of local governments to provide the financing for the acquisition or construction of wastewater treatment projects by such local governments, all subject to such provisions and limitations as are contained in the Clean Water Act and the Act;

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

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

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

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

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

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

WHEREAS, the Local Government meets the "disadvantaged community" provisions of the SRF Regulations.

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

ARTICLE I

Definitions

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

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

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

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

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

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

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

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

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

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

1.11 Additional terms and phrases are defined in this Bond Purchase Agreement as they are used.

ARTICLE II

The Project and the System

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

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

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

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

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

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

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

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

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

2.10 The Local Government shall require the Consulting Engineers to submit the final Operation and Maintenance Manual, as defined in the SRF Regulations, to DEP when the Project is 90% completed. The Local Government shall at all times provide operation and maintenance of the System in compliance with any and all State and federal standards. The Local Government shall employ qualified operating personnel properly certified by the State before the Project is 50% complete and shall retain such a certified operator(s) to operate the System during the entire term of this Bond Purchase Agreement. The Local Government shall notify DEP in writing of the certified operator employed at the 50% completion stage.

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

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

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

ARTICLE III

Conditions to Purchase of Local Bonds; Issuance of Local Bonds

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

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

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

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

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

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

(f) The Local Government shall have obtained all requisite orders of and approvals from the Public Service Commission of West Virginia (the "PSC") and the West Virginia Infrastructure and Jobs Development Council necessary for the construction of the Project and operation of the System, with all requisite appeal periods having expired without

successful appeal and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

(h) The Local Government shall have obtained any and all approvals of rates and charges required by State law and shall have taken any other action required to establish and impose such rates and charges (imposition of such rates and charges is not, however, required to be effective until completion of construction of the Project), with all requisite appeal periods having expired without successful appeal, and the Authority and DEP shall have received an opinion of counsel to the Local Government, which may be local counsel to the Local Government, bond counsel or special PSC counsel but must be satisfactory to the Authority and DEP, to such effect;

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

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

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

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

3.3 The Local Bonds shall be secured and shall be repaid in the manner hereinafter provided in this Bond Purchase Agreement.

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

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

3.6 The Local Government shall provide DEP with the appropriate documentation to comply with the special conditions regarding the public release and audit requirements, established by federal and State regulations as set forth in Exhibit E attached hereto at such times as are set forth therein.

ARTICLE IV

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

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

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

(i) to pay Operating Expenses of the System;

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

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

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

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

(b) Covenants substantially as follows:

(i) That the Local Bonds shall be secured by a pledge of either the net or gross revenues of the System as provided in the Local Act;

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

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

(iv) That, except as otherwise required by State law or the SRF Regulations, the System may not be sold, mortgaged, leased or otherwise disposed of, except as a whole or substantially as a whole, provided that the net proceeds to be realized from such sale, mortgage, lease or other disposition shall be sufficient to fully pay all of the Local Bonds outstanding and further provided that portions of the System when no longer required for the ongoing operation of such System as evidenced by certificates from the Consulting Engineer, may be disposed of with such restrictions as are normally contained in such covenants;

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

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

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

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

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

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

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

(xi) That the Local Government shall annually cause the records of the System to be audited by an independent certified public accountant or independent public accountant and shall submit the report of said audit to the Authority and DEP, which report shall include a statement that notes whether the results of tests disclosed instances of noncompliance that are required to be reported under government auditing standards and, if they are, describes the instances of noncompliance and the audited financial statements shall include a statement that notes whether the Local Government's revenues are adequate to meet its Operating Expenses and debt service and reserve requirements;

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

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

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

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

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

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

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

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

funding plan as submitted to the Authority and DEP is sufficient to pay the costs of acquisition and construction of the Project and all permits required by federal and State laws for construction of the Project have been obtained;

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

(xxi) That the Local Government shall submit all proposed change orders to the DEP for written approval. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds held in "contingency" as set forth in the final Schedule A attached to the certificate of the Consulting Engineer. The Local Government shall obtain the written approval of the DEP before expending any proceeds of the Local Bonds available due to bid/construction/project underruns.

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

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

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

the interest rate on or the net interest cost of the Local Bonds exceed any statutory limitation with regard thereto.

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

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

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

ARTICLE V

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

5.1 The Local Government hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Bond Purchase Agreement and the Local Act. The Local Government hereby further irrevocably covenants and agrees that, as one of the conditions of the Authority to purchase the Local Bonds, it has fixed and collected, or will fix and collect, the rates, fees and other charges for the use of the System and will take all such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and in compliance with the provisions of Subsections 4.1(a) and 4.1(b)(ii) hereof.

5.2 In the event, for any reason, the schedule of rates, fees and charges initially established for the System in connection with the Local Bonds shall prove to be insufficient to produce the required sums set forth in the Local Act and this Bond Purchase Agreement, the Local Government hereby covenants and agrees that it will, to the extent or in the manner authorized by law, immediately adjust and increase such schedule of rates, fees and charges (or where applicable, immediately file with the PSC for a rate increase) and take all

such actions necessary to provide funds sufficient to produce the required sums set forth in the Local Act and this Bond Purchase Agreement.

5.3 In the event the Local Government defaults in any payment due to the Authority pursuant to this Bond Purchase Agreement, the amount of such default shall bear interest at the interest rate of the installment of the Local Bonds next due, from the date of the default until the date of the payment thereof.

5.4 The Local Government hereby irrevocably covenants and agrees with the Authority that, in the event of any default hereunder by the Local Government, the Authority may exercise any or all of the rights and powers granted under Section 5 of the Act, including, without limitation, the right to impose, enforce and collect charges of the System.

ARTICLE VI

Other Agreements of the Local Government

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

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

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

6.4 The Local Government hereby covenants that it will rebate any amounts required by Section 148 of the Internal Revenue Code of 1986, as amended, and will take all steps necessary to make any such rebates. In the event the Local Government fails to make any such rebates as required, then the Local Government shall pay any and all penalties, obtain a waiver from the Internal Revenue Service and take any other actions necessary or desirable to preserve the exclusion from gross income for federal income tax purposes of interest on the Local Bonds.

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

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

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

ARTICLE VII

Miscellaneous

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

7.2 If any provision of this Bond Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Bond Purchase Agreement, and this Bond

Purchase Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.

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

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

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

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

7.7 This Bond Purchase Agreement shall terminate upon the earlier of:

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

(ii) the end of ninety (90) days after the date of execution hereof by the Authority or such later date as is agreed to in writing by DEP if the Local Government has failed to deliver the Local Bonds to the Authority;

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

(iv) payment in full of the principal of and interest on the Local Bonds and of any fees and charges owed by the Local Government to the Authority or DEP; provided that the amount of the Local Bonds purchased under this Bond Purchase Agreement in any succeeding fiscal year is contingent upon funds being appropriated by the State legislature or otherwise being available to purchase the Local Bonds. In the event funds are not appropriated or otherwise available to purchase all of the Local Bonds, the responsibility of the Authority

and DEP to purchase the Local Bonds is terminated; provided further that the obligation of the Local Government to repay the outstanding amount of the Local Bonds is not terminated due to such non-funding on any balance of the Local Bonds. The DEP agrees to use its best efforts to have the amount contemplated under this Bond Purchase Agreement included in its budget. Non-appropriation or non-funding of the Loan shall not be considered an event of default under this Bond Purchase Agreement.

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

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

(SEAL)

Attest:

Robin G. Lee
Its: Recorder

CITY OF WELCH

By: Martha H. Moore
Its: Mayor
Date: April 15, 2008

WEST VIRGINIA DEPARTMENT OF ENVIRONMENTAL PROTECTION, DIVISION OF WATER AND WASTE MANAGEMENT

By: Lynn C. McClung
Its: Director
Date: 4/17/08

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By:
Its: Executive Director
Date: April 4, 2008

(SEAL)

Attest:

Barbara B. Meadows
Its: Secretary-Treasurer

EXHIBIT A

FORM OF PERFORMANCE CERTIFICATE

[To Be Provided By DEP]

EXHIBIT B

MONTHLY FINANCIAL REPORT

Name of Local Government _____

Name of Bond Issue(s) _____

Type of Project _____ **Water** _____ **Wastewater**

Fiscal Year _____ **Report Month** _____

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

_____

Name of Person Completing Form

_____

Address

_____

Telephone

INSTRUCTIONS FOR COMPLETING MONTHLY FINANCIAL REPORT

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

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

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

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

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

EXHIBIT C

PAYMENT REQUISITION FORM

(All Copies to Be Provided by DEP for Each Project)

EXHIBIT D

FORM OF CERTIFICATE OF CONSULTING ENGINEER

_____
(Issuer)

_____
(Name of Bonds)

I, _____, Registered Professional Engineer, West Virginia License No._____, of _____, Consulting Engineers, _____, _____, hereby certify as follows:

1. My firm is engineer for the acquisition and construction of _____ to the _____ system (the "Project") of _____ (the "Issuer"), to be constructed primarily in _____County, West Virginia, which acquisition and construction are being permanently financed in part by the above-captioned bonds (the "Bonds") of the Issuer. Capitalized words not defined herein shall have the same meaning set forth in the bond _____ adopted or enacted by the Issuer on _____, and the Bond Purchase Agreement by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "DEP"), dated _____.

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

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

attached hereto as Exhibit A, and my firm[1] has ascertained that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance policies or binders and such bonds have been verified for accuracy; (iv) the successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain all critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained all permits required by the laws of the State of West Virginia and the United States necessary for the acquisition and construction of the Project and operation of the System; (ix) as of the effective date thereof[2], the rates and charges for the System as adopted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously deposited and irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Total Cost of Project; Sources of Funds and Cost of Financing" for the Project.

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

_____

By _____

West Virginia License No. __

[SEAL]

---

[1]If another responsible party, such as the Issuer's attorney, reviews the insurance and payment bonds, then insert the following: [and in reliance upon the opinion of_____, Esq.] and delete "my firm has ascertained that".

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

EXHIBIT E

SPECIAL CONDITIONS

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

B. AUDIT REQUIREMENT (Supplement to Article IV 4.1 (b) (xi)) - Effective October 1, 2003, the Local Government that receives $500,000 or more (in federal funds) in a fiscal year must obtain audits in accordance with the Single Audit Act and the applicable OMB Circular or any successor thereto. Financial statement audits are required once all funds have been received by the Local Government.

C. Finalization of the PSC Order.

D. Non appealable NPDES Permit.

E. Categorical Exclusion on the CSO work issued.

EXHIBIT F

MONTHLY PAYMENT FORM

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

Re: [Name of bond issue]

Ladies and Gentlemen:

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

Sinking Fund:

Interest	$_____
Principal	$_____
Total:	$_____
Reserve Account:	$_____

Witness my signature this ___ day of_____.

[Name of Local Government]

By: _____
Authorized Officer

Enclosure: copy of check(s)

EXHIBIT G

OPINION OF BOND COUNSEL FOR LOCAL GOVERNMENT

[To Be Dated as of Date of Closing]

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

West Virginia Department of Environmental Protection
601 57th Street
Charleston, WV 25304

Ladies and Gentlemen:

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

We have examined a certified copy of proceedings and other papers relating to the authorization of (i) a bond purchase agreement dated _____, ___, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), among the Local Government, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and (ii) the issue of a series of revenue bonds of the Local Government, dated _____, ___ (the "Local Bonds"), to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Local Bonds are issued in the principal amount of $_____, in the form of one bond, registered as to principal only to the Authority, with principal payable quarterly on March 1, June 1, September 1, and December 1 of each year, beginning _____ 1, ____, and ending ___ _ 1, ____, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Local Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

Very truly yours,

SCHEDULE X

DESCRIPTION OF LOCAL BONDS

Principal Amount of Local Bonds	$2,000,000
Purchase Price of Local Bonds	$2,000,000

The Local Bonds shall bear no interest. Commencing June 1, 2010, principal of the Local Bonds is payable quarterly, with an administrative fee of 0.5%. Quarterly payments will be made on March 1, June 1, September 1 and December 1 of each year as set forth on the Schedule Y attached hereto and incorporated herein by reference.

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

The Local Bonds are fully registered in the name of the Authority as to principal only and the Local Bonds shall grant the Authority a first lien on the net or gross revenues of the Local Government's system as provided in the Local Act.

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

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

See next page.

(1) Sewer Revenue Bond, Series 1996 (United States Department of Agriculture), dated June 25, 1996, issued in the original principal amount of $2,900,000.

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	-	-	-
03/01/2010	-	-	-
06/01/2010	13,158.00	-	13,158.00
09/01/2010	13,158.00	-	13,158.00
12/01/2010	13,158.00	-	13,158.00
03/01/2011	13,158.00	-	13,158.00
06/01/2011	13,158.00	-	13,158.00
09/01/2011	13,158.00	-	13,158.00
12/01/2011	13,158.00	-	13,158.00
03/01/2012	13,158.00	-	13,158.00
06/01/2012	13,158.00	-	13,158.00
09/01/2012	13,158.00	-	13,158.00
12/01/2012	13,158.00	-	13,158.00
03/01/2013	13,158.00	-	13,158.00
06/01/2013	13,158.00	-	13,158.00
09/01/2013	13,158.00	-	13,158.00
12/01/2013	13,158.00	-	13,158.00
03/01/2014	13,158.00	-	13,158.00
06/01/2014	13,158.00	-	13,158.00
09/01/2014	13,158.00	-	13,158.00
12/01/2014	13,158.00	-	13,158.00
03/01/2015	13,158.00	-	13,158.00
06/01/2015	13,158.00	-	13,158.00
09/01/2015	13,158.00	-	13,158.00
12/01/2015	13,158.00	-	13,158.00
03/01/2016	13,158.00	-	13,158.00
06/01/2016	13,158.00	-	13,158.00
09/01/2016	13,158.00	-	13,158.00
12/01/2016	13,158.00	-	13,158.00
03/01/2017	13,158.00	-	13,158.00
06/01/2017	13,158.00	-	13,158.00
09/01/2017	13,158.00	-	13,158.00
12/01/2017	13,158.00	-	13,158.00
03/01/2018	13,158.00	-	13,158.00
06/01/2018	13,158.00	-	13,158.00
09/01/2018	13,158.00	-	13,158.00
12/01/2018	13,158.00	-	13,158.00
03/01/2019	13,158.00	-	13,158.00

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2019	13,158.00	-	13,158.00
09/01/2019	13,158.00	-	13,158.00
12/01/2019	13,158.00	-	13,158.00
03/01/2020	13,158.00	-	13,158.00
06/01/2020	13,158.00	-	13,158.00
09/01/2020	13,158.00	-	13,158.00
12/01/2020	13,158.00	-	13,158.00
03/01/2021	13,158.00	-	13,158.00
06/01/2021	13,158.00	-	13,158.00
09/01/2021	13,158.00	-	13,158.00
12/01/2021	13,158.00	-	13,158.00
03/01/2022	13,158.00	-	13,158.00
06/01/2022	13,158.00	-	13,158.00
09/01/2022	13,158.00	-	13,158.00
12/01/2022	13,158.00	-	13,158.00
03/01/2023	13,158.00	-	13,158.00
06/01/2023	13,158.00	-	13,158.00
09/01/2023	13,158.00	-	13,158.00
12/01/2023	13,158.00	-	13,158.00
03/01/2024	13,158.00	-	13,158.00
06/01/2024	13,158.00	-	13,158.00
09/01/2024	13,158.00	-	13,158.00
12/01/2024	13,158.00	-	13,158.00
03/01/2025	13,158.00	-	13,158.00
06/01/2025	13,158.00	-	13,158.00
09/01/2025	13,158.00	-	13,158.00
12/01/2025	13,158.00	-	13,158.00
03/01/2026	13,158.00	-	13,158.00
06/01/2026	13,158.00	-	13,158.00
09/01/2026	13,158.00	-	13,158.00
12/01/2026	13,158.00	-	13,158.00
03/01/2027	13,158.00	-	13,158.00
06/01/2027	13,158.00	-	13,158.00
09/01/2027	13,158.00	-	13,158.00
12/01/2027	13,158.00	-	13,158.00
03/01/2028	13,158.00	-	13,158.00
06/01/2028	13,158.00	-	13,158.00
09/01/2028	13,158.00	-	13,158.00
12/01/2028	13,158.00	-	13,158.00
03/01/2029	13,158.00	-	13,158.00
06/01/2029	13,158.00	-	13,158.00
09/01/2029	13,158.00	-	13,158.00
12/01/2029	13,158.00	-	13,158.00
03/01/2030	13,158.00	-	13,158.00

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2030	13,158.00	-	13,158.00
09/01/2030	13,158.00	-	13,158.00
12/01/2030	13,158.00	-	13,158.00
03/01/2031	13,158.00	-	13,158.00
06/01/2031	13,158.00	-	13,158.00
09/01/2031	13,158.00	-	13,158.00
12/01/2031	13,158.00	-	13,158.00
03/01/2032	13,158.00	-	13,158.00
06/01/2032	13,158.00	-	13,158.00
09/01/2032	13,158.00	-	13,158.00
12/01/2032	13,158.00	-	13,158.00
03/01/2033	13,158.00	-	13,158.00
06/01/2033	13,158.00	-	13,158.00
09/01/2033	13,158.00	-	13,158.00
12/01/2033	13,158.00	-	13,158.00
03/01/2034	13,158.00	-	13,158.00
06/01/2034	13,158.00	-	13,158.00
09/01/2034	13,158.00	-	13,158.00
12/01/2034	13,158.00	-	13,158.00
03/01/2035	13,158.00	-	13,158.00
06/01/2035	13,158.00	-	13,158.00
09/01/2035	13,158.00	-	13,158.00
12/01/2035	13,158.00	-	13,158.00
03/01/2036	13,158.00	-	13,158.00
06/01/2036	13,158.00	-	13,158.00
09/01/2036	13,158.00	-	13,158.00
12/01/2036	13,158.00	-	13,158.00
03/01/2037	13,158.00	-	13,158.00
06/01/2037	13,158.00	-	13,158.00
09/01/2037	13,158.00	-	13,158.00
12/01/2037	13,158.00	-	13,158.00
03/01/2038	13,158.00	-	13,158.00
06/01/2038	13,158.00	-	13,158.00
09/01/2038	13,158.00	-	13,158.00
12/01/2038	13,158.00	-	13,158.00
03/01/2039	13,158.00	-	13,158.00
06/01/2039	13,158.00	-	13,158.00
09/01/2039	13,158.00	-	13,158.00
12/01/2039	13,158.00	-	13,158.00
03/01/2040	13,158.00	-	13,158.00
06/01/2040	13,158.00	-	13,158.00
09/01/2040	13,158.00	-	13,158.00
12/01/2040	13,158.00	-	13,158.00
03/01/2041	13,158.00	-	13,158.00

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2041	13,158.00	-	13,158.00
09/01/2041	13,158.00	-	13,158.00
12/01/2041	13,158.00	-	13,158.00
03/01/2042	13,158.00	-	13,158.00
06/01/2042	13,158.00	-	13,158.00
09/01/2042	13,158.00	-	13,158.00
12/01/2042	13,158.00	-	13,158.00
03/01/2043	13,158.00	-	13,158.00
06/01/2043	13,158.00	-	13,158.00
09/01/2043	13,158.00	-	13,158.00
12/01/2043	13,158.00	-	13,158.00
03/01/2044	13,158.00	-	13,158.00
06/01/2044	13,157.00	-	13,157.00
09/01/2044	13,157.00	-	13,157.00
12/01/2044	13,157.00	-	13,157.00
03/01/2045	13,157.00	-	13,157.00
06/01/2045	13,157.00	-	13,157.00
09/01/2045	13,157.00	-	13,157.00
12/01/2045	13,157.00	-	13,157.00
03/01/2046	13,157.00	-	13,157.00
06/01/2046	13,157.00	-	13,157.00
09/01/2046	13,157.00	-	13,157.00
12/01/2046	13,157.00	-	13,157.00
03/01/2047	13,157.00	-	13,157.00
06/01/2047	13,157.00	-	13,157.00
09/01/2047	13,157.00	-	13,157.00
12/01/2047	13,157.00	-	13,157.00
03/01/2048	13,157.00	-	13,157.00
Total	**$2,000,000.00**	-	**$2,000,000.00** *

*Plus $1,258.22 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $191,249.44.

Yield Statistics

Bond Year Dollars	$41,999.73
Average Life	21.000 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.57E-10
Bond Yield for Arbitrage Purposes	1.57E-10
All Inclusive Cost (AIC)	0.4530741%

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	21.000 Years

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 6th day of May 2008.

CASE NO. 08-0005-S-CN

CITY OF WELCH
Application for a certificate of convenience and necessity to construct a wastewater collection system on Indian Ridge near Welch, West Virginia.

COMMISSION CORRECTIVE ORDER

By Recommended Decision issued April 7, 2008, the Administrative Law Judge assigned to this case granted the City of Welch (City) a certificate of convenience and necessity to construct an extension of its existing sewer collection system to provide public sewage service to the Indian Ridge area of McDowell County for all services rendered on and after the date that the Recommended Decision became a final order of the Commission.

By Commission Order issued April 8, 2008, on the City's request, the Commission waived the fifteen-day period of time in which a party may file exceptions to the Recommended Decision and ordered that the Recommended Decision become a final order of the Commission on April 13, 2008.

On May 6, 2008, the City filed a petition to correct one typographical error contained in the April 13, 2008 final Order. The petition explained that although the Order accurately identified a loan from the West Virginia Department of Environmental Protection in an amount of $2,000,000 in the body of the Order, the second ordering paragraph contained a typographical error stating a loan amount at $1,000,000. The City's petition stated that Commission Staff had authorized the City's counsel to represent to the Commission that Staff agreed with the need for a corrective order. The City noted that it planned to close the financing on May 6, 2008, and requested expedited treatment of its petition.

Upon review of the City's May 6, 2008 petition and the April 13, 2008 final Order, the Commission agrees that the loan amount stated in the second ordering paragraph should be corrected.

FINDING OF FACT

The second ordering paragraph of the April 13, 2008 final Order contains a typographical error mis-stating a loan amount.

080005alj040708.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

FINAL
4/13/2008
Per Commission Order Waiving the Exception Period

Entered: April 7, 2008

CASE NO. 08-0005-S-CN

CITY OF WELCH
Application for a certificate of convenience and necessity to construct a wastewater collection system on Indian Ridge near Welch, West Virginia.

RECOMMENDED DECISION

On January 2, 2008, the City of Welch, Welch, McDowell County, West Virginia (Applicant/Utility) filed an application with the West Virginia Public Service Commission (Commission) for a certificate of convenience and necessity to construct a wastewater collection system at Indian Ridge at Welch in McDowell County, West Virginia, to furnish sewer service to the residents and businesses of Indian Ridge. The project consists of Contract No. 5 and Contract No. 6. Contract No. 5 specifically includes replacement of approximately 685 feet of 16-inch gravity sewer, 4,667 feet of 12-inch gravity sewer, 78 feet of 8-inch gravity sewer, 34 manholes, asphalt milling and asphalt overlay. Contract 6 includes construction of approximately 3,305 feet of new collection line, 21 manholes and all appurtenances. The application indicated that the project would have no impact on existing rates. The District requested that it be granted a waiver of the requirement that it file a Rule 42 Exhibit in support of its application. The total estimated construction cost is $4,077,406. Contract No. 5 will be financed through a $2,311,879 West Virginia Department of Environmental Protection Loan and a $376,979 grant from the United States Environmental Protection Agency. Contract No. 6 will be financed through a $694,274 grant from the McDowell County Commission and a $694,274 grant from the United States Bureau of Prisons. The application indicated that the project was necessary because it will provide wastewater collection facilities for the residents and businesses of Indian Ridge; will allow for the further development of Indian Ridge and the future expansion of educational facilities, if needed; and will provide wastewater collection facilities and services for the McDowell Federal Correctional Institution presently under construction.

On January 2, 2008, the Commission issued a Notice of Filing Order, which required that the Applicant give notice of the filing of its application by publishing a copy of the Notice of Filing, once in a newspaper, duly qualified by the Secretary of State, published and of general circulation in McDowell County, West Virginia, making due return to the Public Service Commission of proper

certification of publication immediately after publication. The January 2, 2008 Order stated that anyone desiring to protest or intervene should file a written protest or notice of intervention within 30 days following the date of publication of the January 2, 2008 Order, unless otherwise modified by Commission order. The January 2, 2008 Notice of Filing also advised the public that failure to timely protest or intervene could affect their right to protest aspects of this certificate case, including any associated rate increases, or to participate in future proceedings. In conclusion, the Notice of Filing stated that, if no protests were received within the thirty (30) day period, the Commission could waive formal hearing and grant the application based on the Commission's review of the evidence submitted with the application.

By Commission Referral Order issued on January 18, 2008, the Commission directed that the case be referred to the Division of Administrative Law Judges for a decision to be rendered on or before May 16, 2008, if no protests were filed after publication of the Notice of Filing. If protests were filed in response to the Notice of Filing, the Administrative Law Judge's decision would be required on or before July 30, 2008.

On January 30, 2008, Staff Attorney John Auville of the Commission's Legal Division filed the Initial Joint Staff Memorandum, along with the Initial Internal Memorandum, prepared by Jonathan Fowler, P.E., of the Commission's Engineering Division, and Utilities Analyst Michael Quinlan and Utilities Analyst David Hatten of the Commission's Water and Wastewater Division. Technical Staff reported that, after a review of the partial Rule 42 Exhibit provided by the Applicant, the City's existing rates appeared to be adequate to support the proposed project. The partial Rule 42 exhibit also provided other relevant financial information regarding the proposed project. Staff recommended that the City's request for a waiver of the requirement that it file a complete Rule 42 exhibit be granted. Staff indicated that it would continue its review and investigation of this certificate application and a final written recommendation would be filed within the Commission's required time frame.

On February 8, 2008, the City filed copies of the bid tabulations for Contract Nos. 5 and 6 of the Indian Ridge Industrial Park project.

On February 21, 2008, the City filed information concerning the bids for Contract No. 5 of the Indian Ridge Industrial Park project. The information indicated that the low bidder for Contract No. 5 was Gold Diggers, Inc., with a bid of $998,855.

On February 21, 2008, the City filed information concerning the bids for Contract No. 6 of the Indian Ridge Industrial Park project. The information indicated that the low bidder for Contract No. 6 was Ground Breakers, Inc., with a bid of $505,176.

On February 21, 2008, the City's attorney, William S. Winfrey, II, filed a letter with the Commission requesting that this case receive expedited treatment. He requested that the case be re-referred to the Commission for a Commission Order or that the Division of Administrative Law Judges issue a decision as soon as possible.

On February 27, 2008, Staff Attorney Auville filed the Final Joint Staff Memorandum along with the Final Internal Memorandum, prepared by Mr. Fowler, Mr. Quinlan and Mr. Hatten. Staff reported that, while the City's original certificate application was based upon an estimated project cost of $4,077,406, the as-bid construction costs were $2,842,574, significantly lower than originally anticipated. Engineering Staff reported that the City serves approximately 977 customers in and around the City and operates an extended aeration treatment facility with a permitted capacity of 1.12 million gallons per day. The wastewater treatment plant currently treats an average daily flow of approximately 0.48 MGD, leaving more than adequate capacity available for the proposed Indian Ridge extension. Examination of the City's collection system in the area nearest the proposed extension revealed some existing defects which will be remedied as part of the proposed project.

Staff reported that the need for the proposed project has been driven by the ongoing construction of a new 1,200-inmate capacity "McDowell Federal Correction Institution." The Federal Bureau of Prisons anticipates occupation of the facility in February 2010 and will require sewer infrastructure before it can be placed into service. Staff reported that the development of this sewer extension and its connection to the existing City wastewater treatment facility will provide service to other industries and facilities such as hotels and restaurants which will co-locate with the new prison. Staff concluded that, "The proposed sewer system extension provides for orderly growth and logical development of the City's existing sewer system and provides for service to these new customers without the need for constructing new treatment capacity." Staff reported that the projected volume of wastewater to be generated by this project will not require modifications to the existing wastewater treatment facility, provided that the ongoing aggressive inflow and infiltration removal program is continued by the City. Staff agreed with the City and its consulting engineer that the proposed project represented the most effective and logical approach to providing the needed sewer service to the industrial park and prison. Staff was of the opinion that the proposed project was convenient and necessary.

As proposed, the project will provide service to the industrial park and the federal prison through the rehabilitation and extension of the existing twelve-inch gravity sewer line from its terminus in Edmore Village to the Indian Ridge Industrial Park. Sewage will be treated at the City's existing treatment facility. The proposed project was developed as two (2) separate construction contracts known as "Contract No. 5" and "Contract No. 6." Construction would include 685 feet of sixteen-inch gravity sewer mains; 7,972 feet of new twelve-inch sewer mains; 78 feet of new eight-inch sewer line; 55 new manholes; various items of surface restoration; repaving; reseeding; and all necessary appurtenances.

After noting that actual bids were opened on February 17, 2008, Staff presented a revised project budget based upon the actual bids, as received. The revised project budget presented by Staff in its Final Internal Memorandum is lower than the budget figures submitted with the City's original application and Staff is of the opinion that it provides a more accurate representation of the cost of the project than the original estimates. Since the actual amounts are lower than the estimated amounts, any potential impact on the City's rates and operating budget would be less than that originally contemplated. No rate increase is necessary to support the proposed project. Staff's project budget includes construction costs of $1,830,029, planning, engineering design, construction

administration and project inspection costs of $513,500 and a project contingency of $55,015. The current as-bid total project budget is $2,842,574. Staff concluded that, even though the engineering fees were approximately 18% of the total project cost, it was reasonable, given the extensive amount of coordination and planning activities which this relatively small project required over the previous three-to-five-year period. Staff reported that the City and its consulting engineer reviewed and evaluated a number of alternatives and options for this project. Staff stated that it "supports the chosen project as appropriate and convenient."

Engineering Staff reported that it reviewed the project plans and construction documents and could find no apparent violations of the Commission's *Rules and Regulations for the Government of Sewer Utilities.* Engineering Staff recommended that, based upon its limited-scope review of the construction documents, the project be approved, without specifically approving the plans and specifications. The project and the details of its design and engineering were reviewed in detail by the West Virginia Bureau for Public Health and the necessary permits were issued by the agency.

With regard to any increases in the City's operation and maintenance expenses associated with this project, Staff concluded that overall operation and maintenance expenses would increase by approximately $118,050 per year as a result of this project. This increase in operation and maintenance expenses was included in the cash flow analysis Staff used in making its determination that no rate increase would be necessary to support the proposed project.

Given the current as-bid budget of $2,842,574, project funding is now composed of a McDowell County Commission grant in the amount of $148,300; a United States Bureau of Prisons grant of $694,274; and a West Virginia Department of Environmental Protection (WV DEP) loan of $2,000,000, at 0% interest with a .5% administrative fee for 40 years. Binding letters of commitment for the funding were submitted with this application. Staff's cash flow statement, based upon the City's Annual Report for the year ending June 30, 2007 (adjusted to going level), indicates that the prison, once served, will generate additional operating revenues of $369,902. With the inclusion of the $3,368 administrative fee, the total increase in operation and maintenance expenses attributable to the project will be approximately $121,418. Total costs associated with the project (including debt service, renewal and replacement reserve and operation and maintenance expenses) will be $274,298. Based upon the current rates, the cash flow at *pro forma* results in a surplus of approximately $51,627 and a debt service coverage of 141%. Staff's Cash Flow Analysis is set forth in Attachment 3 of the Final Internal Memorandum.

Staff made the following final recommendations:

(1) Approval of the City of Welch's application for a certificate of convenience and necessity for construction of certain additions, improvements, and extensions to its existing sewer system, located in McDowell County, having a project cost of $2,842,574, as described in the engineering plans and contract documents submitted by the Applicant in this case;

(2) Approval of the funding proposed by the Applicant, consisting of a $2,000,000 loan from the West Virginia Department of Environmental Protection, having an interest rate of 0% and an administrative fee of ½ %, for a term of 40 years; a grant from the McDowell County Commission in the amount of $148,300; and a grant of $694,274 from the United States Bureau of Prisons;

(3) The City of Welch consider and adopt the Staff-recommended Tariff language as part of its next municipal sewer rate ordinance to bring its tariff language into compliance with the Public Service Commission's current Tariff Rules;

(4) The City of Welch seek Commission approval of any changes in the plans or the scope of the project. Should the sewer rates associated with this project require change or revision, the City of Welch must seek Commission approval of any such changes. As long as project-related rates remain unchanged, the City of Welch would not be required to seek further Commission approval of any changes in project costs or financing. However, under such circumstances, the City must file an affidavit executed by its certified public accountant verifying that its rates and charges are not affected;

(5) The City of Welch be required to submit to the Public Service Commission a copy of the "Certificate of Substantial Completion" issued for each construction contract associated with this project as soon as they become available; and

(6) Approval of the City of Welch's request for a waiver of the requirement that a Rule 42 Exhibit be filed with this certificate application.

On March 3, 2008, an Amended Notice of Filing was issued by the Commission regarding this certificate application.

On March 20, 2008, the City filed an affidavit of publication from the *Welch Daily News*, which affirmed that the City's Amended Notice of Filing was published therein on March 5, 2008.

DISCUSSION

On February 27, 2008, Commission Staff recommended approval of the City of Welch's certificate application. That recommendation, along with several related recommendations, was set forth in Staff's Final Joint Staff memorandum. Staff's recommendations were provided to the City of Welch by mail. In a cover letter accompanying the Staff memoranda, the Applicant was advised that, "If you wish to respond to the enclosed Staff memorandum, you may do so in writing, within 10 days, unless directed otherwise, of this date." Also, the cover letter explained that, "Your failure to respond in writing to the utility's answer, Staff's recommendations, or other documents may result in a decision in your case based on your original filing and the other documents in the case file, without further hearing or notice." The record in this case reflects that the Applicant has not filed an objection or a response to the recommendations of Commission Staff and more than ten (10) days

have passed. Therefore, it is reasonable to conclude that the Applicant, the City of Welch, does not object to Staff's recommendations, particularly since Commission Staff has recommended that the Commission grant the Applicant's certificate application.

The Commission issued the original Notice of Filing in this case on January 2, 2008, which the Applicant was required to publish as a legal advertisement. No affidavit of publication was ever received from the Applicant regarding publication of the original Notice of Filing. Thereafter, on March 3, 2008, an Amended Notice of Filing was issued by the Commission regarding this case, which the Applicant caused to be published as a Class I legal advertisement in *The Welch News* on March 5, 2008. The thirty (30) day public protest period provided for in the Notice of Filing did not expire until Friday, April 4, 2008. Therefore, the Applicant's February 25, 2008 request for expedited treatment of this matter could not be addressed until the public protest period expired. The public protest period has now expired and, as of the date of this Recommended Decision, no public protests have been received.

FINDINGS OF FACT

1. On January 2, 2008, the City of Welch filed an application with the Commission for a certificate of convenience and necessity to construct an extension of its existing sewer collection system to provide service to several new customers located at Indian Ridge, at Welch, in McDowell County, West Virginia, including the McDowell Federal Correction Institution, currently under construction by the United States Bureau of Prisons. The project includes the construction of 685 feet of sixteen-inch gravity sewer main; 7,972 feet of new twelve-inch sewer main; 78 feet of new eight-inch sewer line; and fifty-five (55) new manholes. (See, January 2, 2008 filing).

2. The City of Welch published the Amended Notice of Filing, issued by the Public Service Commission on March 3, 2008, as a Class I legal advertisement, in *The Welch News*, a newspaper published three times per week, of general circulation, published in the Municipality of Welch, West Virginia, McDowell County, West Virginia, on March 5, 2008. (See, affidavit of publication filed March 20, 2008).

3. No public protests or objections to the certificate application were received by the Public Service Commission during the thirty (30) day public protest period, or as of the date of this Recommended Decision. (See, case file generally).

4. The as-bid construction costs for this proposed project are $2,842,574 and will be financed through a $2,000,000 loan from the West Virginia Department of Environmental Protection, bearing an interest rate of 0%, a ½ % administrative fee, and a term of forty (40) years; a grant of $148,300 from the McDowell County Commission; and a grant of $694,274 from the United States Bureau of Prisons. (See, Final Joint Staff Memorandum and attachment filed February 27, 2008).

5. A U.S.Environmental Protection Agency Grant Agreement regarding funding for the proposed project, a West Virginia Department of Environmental Protection letter regarding funding

and a funding award letter from the U. S. Department of Housing and Urban Development to the McDowell County Commission were all filed by the Applicant along with the certificate application. (See, January 2, 2008 filing).

6. This project will provide the required public sewer service for the new McDowell Federal Correction Institution, currently being constructed by the United States Bureau of Prison. The extension will also provide public sewer service to other industries and facilities, such as hotels and restaurants, which will also locate nearby the new Federal prison. (See, Final Joint Staff Memorandum, and attachment, filed February 27, 2008).

7. Operation and maintenance expenses are projected to increase by $118,050 annually as a result of the proposed project. (See, Final Joint Staff memorandum, and attachment, filed February 27, 2008).

8. The Applicant's current rates, which have been in effect since January 18, 2007, will generate a level of revenue sufficient to offset the various costs and expenses associated with construction, debt service and operation and maintenance of the Applicant's system, including the sewer line extension proposed by the City of Welch in this certificate application. (See, Final Joint Staff Memorandum, and attachment, filed February 27, 2008).

9. Annual revenues are projected to increase by $369,902 as a result of this project. (See, Final Joint Staff Memorandum and attachment, filed February 27, 2008).

10. The Applicant's current rates will generate a total pro forma cash surplus of $51,627 and a debt coverage ratio of 141%. (See, Final Joint Staff Memorandum and attachment, filed February 27, 2008).

CONCLUSIONS OF LAW

1. The public convenience and necessity require the extension of the City of Welch's existing sewage collection system, described in its certificate application filed herein on January 2, 2008, to serve the Indian Ridge area at Welch, McDowell County, West Virginia..

2. It is reasonable to grant the City of Welch's application for a certificate of public convenience and necessity to construct an extension of its existing sewage collection system, to serve residential and commercial customers in the Indian Ridge area, at Welch, McDowell County, West Virginia.

3. It is reasonable to approve the financing proposed by the Applicant for this project, consisting of a West Virginia Department of Environmental Protection loan, at an interest rate of 0% and an administrative fee of ½ % for a term of 40 years; a grant from the McDowell County Commission in the amount of $148,300; and a grant from the United States Bureau of Prisons in the amount of $694,274.

4. The Applicant's current rates, which became effective for all service rendered after January 18, 2007, are sufficient, but not more than sufficient, to cover all operation and maintenance expenses, taxes, debt service requirements and capital additions, including those increases generated by the project certificated herein.

ORDER

IT IS, THEREFORE, ORDERED that the certificate application filed herein on January 2, 2008, by the City of Welch, for a certificate of convenience and necessity to construct an extension of its existing sewer collection system to provide public sewage service to the Indian Ridge area of McDowell County, West Virginia, be, and hereby is, granted.

IT IS FURTHER ORDERED that the financing for the project, consisting of a loan from the West Virginia Department of Environmental Protection in the amount of $1,000,000 at an interest rate of 0%, with a ½ % administrative fee, for a term of 40 years; a grant of $148,300 from the McDowell County Commission; and a United States Bureau of Prisons grant of $694,274, be, and hereby is, approved.

IT IS FURTHER ORDERED that the City of Welch submit a Certificate of Substantial Completion from its professional engineer for each contract associated with this sewer line extension project, as soon as each becomes available.

IT IF FURTHER ORDERED that, should there be any changes in the scope, plans or financing of the project, or if a change in project cost affects the project's rates, the City of Welch obtain Public Service Commission approval of such changes, prior to commencing construction.

IT IS FURTHER ORDERED that, if there is a change in project cost that does not affect rates, the City of Welch is not required to obtain Commission approval of such change. However, the City of Welch shall, in such case, file an affidavit with the Public Service Commission, duly executed by its Certified Public Accountant, verifying that rates are not affected.

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

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

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

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

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

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

Cecelia Gail Jarrell

Cecelia Gail Jarrell
Administrative Law Judge

CGJ:kkp
080005A.wpd

PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

At a session of the PUBLIC SERVICE COMMISSION OF WEST VIRGINIA in the City of Charleston on the 8th day of April, 2008.

CASE NO. 08-0005-S-CN

CITY OF WELCH
Application for a certificate of convenience and necessity to construct a wastewater collection system on Indian Ridge near Welch, West Virginia.

COMMISSION ORDER
WAIVING EXCEPTION PERIOD

On April 7, 2008, the Administrative Law Judge assigned to this case entered a Recommended Decision that, among other things, granted the City of Welch a certificate of convenience and necessity to construct an extension of its existing sewer collection system to provide public sewage service to the Indian Ridge area of McDowell County for all services rendered on and after the date that the Recommended Decision becomes a final order of the Commission.

On April 8, 2008, the City filed a petition to waive the fifteen-day period of time in which a party may file exceptions to the Recommended Decision in this proceeding.

Commission Staff has indicated it has no objection to granting the waiver.

W.Va. Code §24-1-9 provides a time period of at least twenty days from the date of a recommended order until it becomes effective. According to W.Va. Code §24-1-9(c), at least fifteen days must be afforded the parties within which to file exceptions. In addition, §24-1-9(e) provides that when no exceptions are filed within the specified time period, the Commission shall have an additional five days within which to stay or postpone the order.

IT IS THEREFORE ORDERED that the requested waiver be, and the same hereby is, granted.

IT IS FURTHER ORDERED that the Administrative Law Judge's Recommended Decision in this matter becomes final five days after the date of this order, absent further action by the Commission.

IT IS FURTHER ORDERED that the Commission's Executive Secretary serve a copy of this order upon all parties of record by United States First Class Mail and upon Commission Staff by hand delivery.

A True Copy, Teste:

Sandra Squire
Executive Secretary

SS/kc
080005sb.wpd

West Virginia Infrastructure & Jobs Development Council

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

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

Jefferson E. Brady, PE
Executive Director

Jefferson.Brady@verizon.net

December 6, 2006

The Honorable Martha Moore
City of Welch
88 Howard Street
Welch, West Virginia 24801

DEC - 8 2006

Re: City of Welch
Sewer Project 2006S-960

Dear Mayor Moore:

The West Virginia Infrastructure and Jobs Development Council (the "Council") has reviewed the City of Welch's (the "City") preliminary application regarding its proposed project to rehabilitate and/or replace sewer main and appurtenances serving the areas of Welch Emergency Hospital, Armory, Oakhurst, and Welch Elementary. Also, provide service to the Indian Ridge Industrial Park (the "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 City should carefully review the enclosed comments of the Sewer Technical Review Committee as the City may need to address certain issues raised in said comments as it proceeds with the Project.

Upon consideration of the preliminary application, the Infrastructure Council recommends that the City utilize a $4,427,390 Environmental Protection Agency / Special Appropriations water grant, a $323,810 Environmental Protection Agency / Special Appropriations sewer grant and pursue a $2,668,616 Clean Water State Revolving Fund loan to fund this $7,419,816 project. Please contact the WV Department of Environmental Protection office at 926-0495 for specific information on the steps the District needs to follow to apply for these funds. **Please note that this letter <u>does not</u> constitute funding approval from this agency.**

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

Sincerely,

Mark Prince

cc: Mike Johnson, P.E., DEP
Region I Planning & Development Council
Ed Shutt, P.E., Stafford Consultants, Inc.

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

CROSS-RECEIPT FOR BONDS AND BOND PROCEEDS

On this 6th day of May, 2008, the undersigned authorized representative of the West Virginia Water Development Authority (the "Authority"), for and on behalf of the Authority, and the undersigned Mayor of the City of Welch (the "Issuer"), for and on behalf of the Issuer, hereby certify as follows:

1. On the date hereof, the Authority received the Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), of the Issuer, in the principal amount of $2,000,000, numbered AR-1, issued as a single, fully registered Bond, and dated May 6, 2008 (the "Series 2008 A Bonds").

2. At the time of such receipt, the Series 2008 A Bonds had been executed by the Mayor and the Recorder of the Issuer by their respective manual signatures, and the official seal of the Issuer had been affixed upon the Bonds.

3. The Issuer has received and hereby acknowledges receipt from the Authority, as the original purchaser of the Series 2008 A Bonds, of the sum of $100,000, being a portion of the principal amount of the Series 2008 A Bonds. The balance of the principal amount of the Series 2008 A Bonds will be advanced by the Authority and the West Virginia Department of Environmental Protection to the Issuer as acquisition and construction of the Project progresses.

[Remainder of page Intentionally Blank]

Dated as of the day and year first written above.

WEST VIRGINIA WATER DEVELOPMENT AUTHORITY

By: Barbara B Meadows
Its: Authorized Representative

CITY OF WELCH

By: Martha H Moore
Its: Mayor

04.08.08
950640.00002

CH3469530.2

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

DIRECTION TO AUTHENTICATE AND DELIVER BONDS

The Huntington National Bank
as Bond Registrar
Charleston, West Virginia

Ladies and Gentlemen:

On this 6th day of May, 2008, there are delivered to you herewith:

(1) Bond No. AR-1, constituting the entire original issue of the City of Welch Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), in the principal amount of $2,000,000, dated May 6, 2008 (the "Bonds"), executed by the Mayor and the Recorder of the City of Welch (the "Issuer") and bearing the official seal of the Issuer, authorized to be issued under and pursuant to a Bond Ordinance duly enacted by the Issuer on March 3, 2008, and a Supplemental Resolution duly adopted by the Issuer on April 15, 2008 (collectively, the "Bond Legislation");

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

(3) Executed counterparts of the bond purchase agreement for the Series 2008 A Bonds, dated April 4, 2008, by and among the Issuer, the West Virginia Water Development Authority (the "Authority"), and the West Virginia Department of Environmental Protection (the "Bond Purchase Agreement"); and

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

You are hereby requested and authorized to deliver the Bonds to the Authority upon payment to the Issuer of the sum of $100,000, representing a portion of the principal amount of the Bonds. Prior to such delivery of the Bonds, you will please cause the Bonds to be authenticated and registered by an authorized officer, as Bond Registrar, in accordance with the form of Certificate of Authentication and Registration thereon.

Dated as of the day and year first written above.

CITY OF WELCH

By: Martha H Moore
Its: Mayor

04.08.08
950640.00002

SPECIMEN

UNITED STATES OF AMERICA
STATE OF WEST VIRGINIA
CITY OF WELCH
SEWER REVENUE BOND, SERIES 2008 A
(WEST VIRGINIA SRF PROGRAM)

No. AR-1 $2,000,000

KNOW ALL MEN BY THESE PRESENTS: The 6th day of May, 2008, that the CITY OF WELCH, a municipal corporation and political subdivision of the State of West Virginia in McDowell County of said State (the "Issuer"), for value received, hereby promises to pay, solely from the special funds provided therefor, as hereinafter set forth, to the WEST VIRGINIA WATER DEVELOPMENT AUTHORITY (the "Authority") or registered assigns the sum of TWO MILLION DOLLARS ($2,000,000), or such lesser amount as shall have been advanced to the Issuer hereunder and not previously repaid, as set forth in the "Record of Advances" attached as EXHIBIT A hereto and incorporated herein by reference, in quarterly installments on March 1, June 1, September 1 and December 1 of each year, commencing June 1,2010, as set forth on the "Debt Service Schedule" attached as EXHIBIT B hereto and incorporated herein by reference. The SRF Administrative fee (as defined in the hereinafter describe Bond Legislation) on this Bond shall be payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, as set forth on Exhibit B attached hereto.

This Bond shall bear no interest. Principal installments of this Bond are payable in any coin or currency which, on the respective dates of payment of such installments, is legal tender for the payment of public and private debts under the laws of the United States of America, at the office of the West Virginia Municipal Bond Commission, Charleston, West Virginia (the "Paying Agent").

This Bond may be redeemed prior to its stated date of maturity in whole or in part, but only with the express written consent of the Authority and the West Virginia Department of Environmental Protection (the "DEP"), and upon the terms and conditions prescribed by, and otherwise in compliance with, the Bond Purchase Agreement (the "Bond Purchase Agreement") by and among the Issuer, the Authority and the DEP, dated April 4, 2008.

This Bond is issued (i) to pay a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project");(ii) to fund the Series 2008 A Bonds Reserve Account; and (iii) to pay certain costs of issuance of the Bonds of this Series (the "Bonds") and related costs. The existing public sewerage system of the Issuer, the Project, and any further additions, betterments or improvements thereto are herein called the "System." This Bond is issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), a Bond Ordinance duly enacted by the Issuer on March 3, 2008, and a Supplemental Resolution duly adopted by the Issuer on

April 15, 2008 (collectively, the "Bond Legislation"), and is subject to all the terms and conditions thereof. The Bond Legislation provides for the issuance of additional bonds under certain conditions, and such bonds would be entitled to be paid and secured equally and ratably from and by the funds and revenues and other security provided for the Bonds under the Bond Legislation.

THIS BOND IS ISSUED ON A PARITY WITH RESPECT TO LIENS, PLEDGE AND SOURCE OF AND SECURITY FOR PAYMENT, AND IN ALL RESPECTS, WITH THE ISSUER'S SEWER REVENUE BOND, SERIES 1996, DATED JUNE 25, 1996, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF $2,900,000 (THE "SERIES 1996 BONDS" OR THE "PRIOR BONDS").

This Bond is payable only from and secured by a pledge of the Net Revenues (as defined in the Bond Legislation) to be derived from the operation of the System, on a parity with the pledge of Net Revenues in favor of the Holders of the Series 1996 Bonds, and from monies in the Reserve Account created under the Bond Legislation for the Bonds (the "Series 2008 A Bonds Reserve Account"), and unexpended proceeds of the Bonds. Such Net Revenues shall be sufficient to pay the principal of and interest on all bonds which may be issued pursuant to the Act and which shall be set aside as a special fund hereby pledged for such purpose. This Bond does not constitute a corporate indebtedness of the Issuer within the meaning of any constitutional or statutory provisions or limitations, nor shall the Issuer be obligated to pay the same or the interest, if any, hereon, except from said special fund provided from the Net Revenues, the monies in the Series 2008 A Bonds Reserve Account and unexpended proceeds of the Bonds. Pursuant to the Bond Legislation, the Issuer has covenanted and agreed to establish and maintain just and equitable rates and charges for the use of the System and the services rendered thereby, which shall be sufficient, together with other revenues of the System, to provide for the reasonable expenses of operation, repair and maintenance of the System, and to leave a balance each year equal to at least 115% of the maximum amount payable in any year for principal of and interest, if any, on the Bonds and all other obligations secured by a lien on or payable from such revenues on a parity with or junior to the Bonds, including the Prior Bonds; provided however, that so long as there exists in the Series 2008 A Bonds Reserve Account an amount at least equal to the maximum amount of principal and interest, if any, which will become due on the Bonds in the then current or any succeeding year, and in the respective reserve accounts established for any other obligations outstanding on a parity with or junior to the Bonds, including the Prior Bonds, an amount at least equal to the requirement therefor, such percentage may be reduced to 110%. The Issuer has entered into certain further covenants with the registered owners of the Bonds for the terms of which reference is made to the Bond Legislation. Remedies provided the registered owners of the Bonds are exclusively as provided in the Bond Legislation, to which reference is here made for a detailed description thereof.

Subject to the registration requirements set forth herein, this Bond is transferable, as provided in the Bond Legislation, only upon the books of the Registrar (as defined in the Bond Legislation), by the registered owner, or by its attorney duly authorized in writing, upon the surrender of this Bond, together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or its attorney duly authorized in writing.

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

In accordance with the requirements of the United States Department of Agriculture for the issuance of parity obligations, the Bonds will be in default should any proceeds of the Bonds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity.

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

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

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

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, THE CITY OF WELCH has caused this Bond to be signed by its Mayor, and its corporate seal to be hereunto affixed and attested by its Recorder, and has caused this Bond to be dated the day and year first written above.

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

[SEAL]

SPECIMEN

Mayor

ATTEST:

SPECIMEN

Recorder

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Bond is one of the Series 2008 A Bonds described in the within-mentioned Bond Legislation and has been duly registered in the name of the registered owner set forth above, as of the date set forth below.

Date: May 6, 2008.

THE HUNTINGTON NATIONAL BANK,
as Registrar

Authorized Officer

SPECIMEN

EXHIBIT A

RECORD OF ADVANCES

	AMOUNT	DATE		AMOUNT	DATE
(1)	$ 100,000	May 6, 2008	(19)	$	
(2)	$		(20)	$	
(3)	$		(21)	$	
(4)	$		(22)	$	
(5)	$		(23)	$	
(6)	$		(24)	$	
(7)	$		(25)	$	
(8)	$		(26)	$	
(9)	$		(27)	$	
(10)	$		(28)	$	
(11)	$		(29)	$	
(12)	$		(30)	$	
(13)	$		(31)	$	
(14)	$		(32)	$	
(15)	$		(33)	$	
(16)	$		(34)	$	
(17)	$		(35)	$	
(18)	$		(36)	$	

TOTAL $_____

EXHIBIT B

DEBT SERVICE SCHEDULE

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2008	-	-	-
09/01/2008	-	-	-
12/01/2008	-	-	-
03/01/2009	-	-	-
06/01/2009	-	-	-
09/01/2009	-	-	-
12/01/2009	-	-	-
03/01/2010	-	-	-
06/01/2010	13,158.00	-	13,158.00
09/01/2010	13,158.00	-	13,158.00
12/01/2010	13,158.00	-	13,158.00
03/01/2011	13,158.00	-	13,158.00
06/01/2011	13,158.00	-	13,158.00
09/01/2011	13,158.00	-	13,158.00
12/01/2011	13,158.00	-	13,158.00
03/01/2012	13,158.00	-	13,158.00
06/01/2012	13,158.00	-	13,158.00
09/01/2012	13,158.00	-	13,158.00
12/01/2012	13,158.00	-	13,158.00
03/01/2013	13,158.00	-	13,158.00
06/01/2013	13,158.00	-	13,158.00
09/01/2013	13,158.00	-	13,158.00
12/01/2013	13,158.00	-	13,158.00
03/01/2014	13,158.00	-	13,158.00
06/01/2014	13,158.00	-	13,158.00
09/01/2014	13,158.00	-	13,158.00
12/01/2014	13,158.00	-	13,158.00
03/01/2015	13,158.00	-	13,158.00
06/01/2015	13,158.00	-	13,158.00
09/01/2015	13,158.00	-	13,158.00
12/01/2015	13,158.00	-	13,158.00
03/01/2016	13,158.00	-	13,158.00
06/01/2016	13,158.00	-	13,158.00
09/01/2016	13,158.00	-	13,158.00
12/01/2016	13,158.00	-	13,158.00
03/01/2017	13,158.00	-	13,158.00
06/01/2017	13,158.00	-	13,158.00
09/01/2017	13,158.00	-	13,158.00
12/01/2017	13,158.00	-	13,158.00
03/01/2018	13,158.00	-	13,158.00
06/01/2018	13,158.00	-	13,158.00
09/01/2018	13,158.00	-	13,158.00
12/01/2018	13,158.00	-	13,158.00
03/01/2019	13,158.00	-	13,158.00

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2019	13,158.00	-	13,158.00
09/01/2019	13,158.00	-	13,158.00
12/01/2019	13,158.00	-	13,158.00
03/01/2020	13,158.00	-	13,158.00
06/01/2020	13,158.00	-	13,158.00
09/01/2020	13,158.00	-	13,158.00
12/01/2020	13,158.00	-	13,158.00
03/01/2021	13,158.00	-	13,158.00
06/01/2021	13,158.00	-	13,158.00
09/01/2021	13,158.00	-	13,158.00
12/01/2021	13,158.00	-	13,158.00
03/01/2022	13,158.00	-	13,158.00
06/01/2022	13,158.00	-	13,158.00
09/01/2022	13,158.00	-	13,158.00
12/01/2022	13,158.00	-	13,158.00
03/01/2023	13,158.00	-	13,158.00
06/01/2023	13,158.00	-	13,158.00
09/01/2023	13,158.00	-	13,158.00
12/01/2023	13,158.00	-	13,158.00
03/01/2024	13,158.00	-	13,158.00
06/01/2024	13,158.00	-	13,158.00
09/01/2024	13,158.00	-	13,158.00
12/01/2024	13,158.00	-	13,158.00
03/01/2025	13,158.00	-	13,158.00
06/01/2025	13,158.00	-	13,158.00
09/01/2025	13,158.00	-	13,158.00
12/01/2025	13,158.00	-	13,158.00
03/01/2026	13,158.00	-	13,158.00
06/01/2026	13,158.00	-	13,158.00
09/01/2026	13,158.00	-	13,158.00
12/01/2026	13,158.00	-	13,158.00
03/01/2027	13,158.00	-	13,158.00
06/01/2027	13,158.00	-	13,158.00
09/01/2027	13,158.00	-	13,158.00
12/01/2027	13,158.00	-	13,158.00
03/01/2028	13,158.00	-	13,158.00
06/01/2028	13,158.00	-	13,158.00
09/01/2028	13,158.00	-	13,158.00
12/01/2028	13,158.00	-	13,158.00
03/01/2029	13,158.00	-	13,158.00
06/01/2029	13,158.00	-	13,158.00
09/01/2029	13,158.00	-	13,158.00
12/01/2029	13,158.00	-	13,158.00
03/01/2030	13,158.00	-	13,158.00

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2030	13,158.00	-	13,158.00
09/01/2030	13,158.00	-	13,158.00
12/01/2030	13,158.00	-	13,158.00
03/01/2031	13,158.00	-	13,158.00
06/01/2031	13,158.00	-	13,158.00
09/01/2031	13,158.00	-	13,158.00
12/01/2031	13,158.00	-	13,158.00
03/01/2032	13,158.00	-	13,158.00
06/01/2032	13,158.00	-	13,158.00
09/01/2032	13,158.00	-	13,158.00
12/01/2032	13,158.00	-	13,158.00
03/01/2033	13,158.00	-	13,158.00
06/01/2033	13,158.00	-	13,158.00
09/01/2033	13,158.00	-	13,158.00
12/01/2033	13,158.00	-	13,158.00
03/01/2034	13,158.00	-	13,158.00
06/01/2034	13,158.00	-	13,158.00
09/01/2034	13,158.00	-	13,158.00
12/01/2034	13,158.00	-	13,158.00
03/01/2035	13,158.00	-	13,158.00
06/01/2035	13,158.00	-	13,158.00
09/01/2035	13,158.00	-	13,158.00
12/01/2035	13,158.00	-	13,158.00
03/01/2036	13,158.00	-	13,158.00
06/01/2036	13,158.00	-	13,158.00
09/01/2036	13,158.00	-	13,158.00
12/01/2036	13,158.00	-	13,158.00
03/01/2037	13,158.00	-	13,158.00
06/01/2037	13,158.00	-	13,158.00
09/01/2037	13,158.00	-	13,158.00
12/01/2037	13,158.00	-	13,158.00
03/01/2038	13,158.00	-	13,158.00
06/01/2038	13,158.00	-	13,158.00
09/01/2038	13,158.00	-	13,158.00
12/01/2038	13,158.00	-	13,158.00
03/01/2039	13,158.00	-	13,158.00
06/01/2039	13,158.00	-	13,158.00
09/01/2039	13,158.00	-	13,158.00
12/01/2039	13,158.00	-	13,158.00
03/01/2040	13,158.00	-	13,158.00
06/01/2040	13,158.00	-	13,158.00
09/01/2040	13,158.00	-	13,158.00
12/01/2040	13,158.00	-	13,158.00
03/01/2041	13,158.00	-	13,158.00

$2,000,000
City of Welch
0% Interest Rate; 0.5% Administrative Fee
Closing Date: May 6, 2008

Debt Service Schedule

Date	Principal	Coupon	Total P+I
06/01/2041	13,158.00	-	13,158.00
09/01/2041	13,158.00	-	13,158.00
12/01/2041	13,158.00	-	13,158.00
03/01/2042	13,158.00	-	13,158.00
06/01/2042	13,158.00	-	13,158.00
09/01/2042	13,158.00	-	13,158.00
12/01/2042	13,158.00	-	13,158.00
03/01/2043	13,158.00	-	13,158.00
06/01/2043	13,158.00	-	13,158.00
09/01/2043	13,158.00	-	13,158.00
12/01/2043	13,158.00	-	13,158.00
03/01/2044	13,158.00	-	13,158.00
06/01/2044	13,157.00	-	13,157.00
09/01/2044	13,157.00	-	13,157.00
12/01/2044	13,157.00	-	13,157.00
03/01/2045	13,157.00	-	13,157.00
06/01/2045	13,157.00	-	13,157.00
09/01/2045	13,157.00	-	13,157.00
12/01/2045	13,157.00	-	13,157.00
03/01/2046	13,157.00	-	13,157.00
06/01/2046	13,157.00	-	13,157.00
09/01/2046	13,157.00	-	13,157.00
12/01/2046	13,157.00	-	13,157.00
03/01/2047	13,157.00	-	13,157.00
06/01/2047	13,157.00	-	13,157.00
09/01/2047	13,157.00	-	13,157.00
12/01/2047	13,157.00	-	13,157.00
03/01/2048	13,157.00	-	13,157.00
Total	**$2,000,000.00**	-	**$2,000,000.00** *

***Plus $1,258.22 one-half percent Administrative Fee paid quarterly. Total fee over life of loan is $191,249.44.**

Yield Statistics

Bond Year Dollars	$41,999.73
Average Life	21.000 Years
Average Coupon	-
Net Interest Cost (NIC)	-
True Interest Cost (TIC)	1.57E-10
Bond Yield for Arbitrage Purposes	1.57E-10
All Inclusive Cost (AIC)	0.4530741%

IRS Form 8038

Net Interest Cost	-
Weighted Average Maturity	21.000 Years

(Form of)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

STEPTOE & JOHNSON PLLC
ATTORNEYS AT LAW

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

Writer's Contact Information

May 6, 2008

City of Welch
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

City of Welch
Welch, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

We have served as bond counsel in connection with the issuance by the City of Welch (the "Issuer"), a municipal corporation and political subdivision organized and existing under the laws of the State of West Virginia, of its $2,000,000 Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated the date hereof (the "Bonds").

We have examined the law and certified copies of proceedings and other papers relating to the authorization of a bond purchase agreement, dated April 4, 2008, including all schedules and exhibits attached thereto (the "Bond Purchase Agreement"), by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP"), and the Bonds, which are to be purchased by the Authority in accordance with the provisions of the Bond Purchase Agreement. The Bonds are originally issued in the form of one Bond, registered as to principal only to the Authority, bearing no interest, with principal payable quarterly on March 1, June 1, September 1 and December 1 of each year, commencing June 1, 2010, to and including March 1, 2048, all as set forth in the "Schedule Y" attached to the Bond Purchase Agreement and incorporated in and made a part of the Bonds. The Bonds are subject to the SRF Administrative Fee equal to 0.5% of the principal amount of the Bonds as set forth in the Schedule Y attached to the Bond Purchase Agreement.

The Bonds are issued under the authority of and in full compliance with the Constitution and statutes of the State of West Virginia, including particularly, Chapter 16, Article 13 and Chapter 22C, Article 2 of the West Virginia Code of 1931, as amended (collectively, the "Act"), for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) funding the Series 2008 A Bonds reserve Account; and (iii) paying certain costs of issuance and related costs.

Clarksburg, WV • Charleston, WV • Morgantown, WV • Martinsburg, WV • Wheeling, WV
Huntington, WV • Columbus, OH

TERRALEX

We have also examined the applicable provisions of the Act, the Bond Ordinance duly enacted by the Issuer on March 3, 2008, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 15, 2008 (collectively, the "Bond Legislation"), pursuant to and under which Act and Bond Legislation the Bonds are authorized and issued, and the Bond Purchase Agreement has been entered into. The Bonds are subject to redemption prior to maturity to the extent, at the time, under the conditions and subject to the limitations set forth in the Bond Legislation and the Bond Purchase Agreement. All capitalized terms used herein and not otherwise defined herein shall have the same meanings set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

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

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

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

3. The Bond Legislation and all other necessary ordinances and resolutions have been duly and effectively enacted and adopted by the Issuer in connection with the issuance and sale of the Bonds and constitute valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their terms. The Bond Legislation contains provisions and covenants substantially in the form of those set forth in Section 4.1 of the Bond Purchase Agreement.

4. The Bonds have been duly authorized, issued, executed and delivered by the Issuer to the Authority and are valid, legally enforceable and binding special obligations of the Issuer, payable from the Net Revenues of the System and secured by a first lien on and pledge of the Net Revenues of the System, on a parity with respect to liens, pledge and source of and security for payment with the Issuer's Sewer Revenue Bond, Series 1996, dated June 25, 1996, issued in the original aggregate principal amount of $2,900,000 in accordance with the terms of the Bonds and the Bond Legislation.

5. The Bonds are, under the Act, exempt from all taxation by the State of West Virginia, or any county, municipality, political subdivision or agency thereof, and the interest on the Bonds, if any, is exempt from personal and corporate net income taxes imposed directly thereon by the State of West Virginia.

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

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

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

Very truly yours,

STEPTOE & JOHNSON PLLC

04.08.08
950640.00002

CH3477561.1

LAW OFFICES
WILLIAM S. WINFREY, II.
W. Va. State Bar 4093
1608 West Main Street
Post Office Box 1159
Princeton, West Virginia 24740
bill@winfreylaw.com
Telephone: (304)487-1887 Facsimile: (304)425-7340

May 6, 2008 File No. 04-332

City of Welch
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

City of Welch
Welch, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of Environmental Protection
Charleston, West Virginia

Steptoe & Johnson PLLC
Charleston, West Virginia

Ladies and Gentlemen:

I am counsel to the City of Welch in McDowell County, West Virginia (the "Issuer"). As such counsel, I have examined copies of the approving opinion of Steptoe & Johnson PLLC, as bond counsel, a bond purchase agreement for the Bonds, dated April 4, 2008, including all schedules and exhibits attached thereto, by and among the Issuer, the West Virginia Water Development Authority (the "Authority") and the West Virginia Department of Environmental Protection (the "DEP") (the "Bond Purchase Agreement"), a Bond Ordinance duly enacted by the Issuer on March 3, 2008, as supplemented by a Supplemental Resolution duly adopted by the Issuer on April 15, 2008 (collectively, the "Bond Legislation"), a Petition of the Sanitary Board duly adopted on January 15, 2008, and other documents relating to the above-captioned Bonds of the Issuer (the "Bonds"). All capitalized terms used herein and not otherwise defined herein shall have the same meaning set forth in the Bond Legislation and the Bond Purchase Agreement when used herein.

I am of the opinion that:

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

behalf of the Issuer in their respective capacities. The Sanitary Board has been duly created by the Issuer and is validly existing as a sanitary board under the Act.

2. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitutes a valid and binding agreement of the Issuer, enforceable in accordance with its terms.

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

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

5. The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision dated April 7, 2008, in Case No. 08-0005-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired prior to the date hereof. However, the Issuer has certified that it does not intend to appeal such Order and the other parties to such Order have stated that they do not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervener or other person not a party to such Order.

6. The Issuer has received all permits, licenses, approvals, consents, exemptions, orders, certificates and authorizations necessary for the issuance of the Bonds, the acquisition and construction of the Project, the operation of the System and the imposition of rates and charges for use of the System, including, without limitation, the receipt of all requisite orders and approvals from the West Virginia Department of Environmental Protection, the West Virginia Infrastructure and Jobs Development Council and the Public Service Commission of West Virginia, and has taken any other action required for the imposition of such rates and charges, including, without limitation, the enactment of an ordinance prescribing such rates and charges.

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

8. All successful bidders have made required provisions for all insurance and payment and performance bonds and such insurance policies or binders and such bonds have been verified for accuracy. 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 Issuer; (3) have been executed by duly authorized representatives of the proper parties; (4) meet the requirements of the Act, the Bond Legislation and the Bond Purchase 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,

William S. Winfrey, II

cc: Region I PDC

LAW OFFICES
WILLIAM S. WINFREY, II.
W. Va. State Bar 4093
1608 West Main Street
Post Office Box 1159
Princeton, West Virginia 24740
bill@winfreylaw.com
Telephone: (304)487-1887 Facsimile: (304)425-7340

May 5, 2008

City of Welch, West Virginia
88 Howard Street
Welch, WV 24801

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

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

Re: Final Title Opinion for City of Welch, West Virginia
Indian Ridge Sewer Project

Ladies and Gentlemen:

We are counsel to the City of Welch, West Virginia, (the "Issuer") in connection with a proposed project to construct wastewater collection facilities to the Indian Ridge Area (the "Project"). We provide this final title opinion on behalf of the Issuer to satisfy the requirements of the West Virginia Infrastructure and Jobs Development Council (the "Council") for the Project. Please be advised of the following:

1. The Issuer is a duly created and validly existing municipality possessed with all the powers and authority granted to municipalities under the laws of the State of West Virginia to construct, operate and maintain the Project as approved by the West Virginia Department of Environmental Protection.

2. The Issuer has obtained all necessary permits and approvals for the construction of the Project.

3. We have investigated and ascertained the location of, and are familiar with the legal description of, the necessary sites, including easements and/or rights of way, required for the Project as set forth in the plans for the Project prepared by Stafford Consultants, Inc., the consulting engineers for the Project.

4. We have examined the records on file in the Office of the Clerk of the County Commission of McDowell County, West Virginia, the county in which the Project is to be located, and, in our opinion, the Issuer has acquired legal title or such other estate or interest in all of the necessary site components for the Project, including all easements and/or rights of way, with the exception of those listed in Paragraph 5, sufficient to assure undisturbed use and possession for the purpose of construction, operation and maintenance for the estimated life of the Project.

5. The following listed properties are to be acquired by eminent domain and the necessary filings have been made in the Office of the Clerk of the Circuit Court of McDowell County, West Virginia, to permit the Issuer a right-of-entry for the purpose of construction, operation and maintenance of the Project on the subject properties. The Issuer's title thereto is defeasible in the event the Issuer does not satisfy any resulting judgment and/or award in the proceedings for acquisition of said properties, and our certification is subject to the following pending litigation:

Name	**Tax Map**	**Parcel**
None		

6. All deeds, easements and rights of way which have been acquired to date by the Issuer have been duly recorded in the Office of the Clerk of the County Commission of McDowell County to protect the legal title to and interest of the Issuer.

Very truly yours,

William S. Winfrey, II

WSW,II/saw

cc: Region I Planning & Development Council
Stafford Consulting, Incorporated
Steptoe & Johnson

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

GENERAL CERTIFICATE OF ISSUER AND ATTORNEY ON:

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

On this 6th day of May, 2008, we, the undersigned MAYOR and RECORDER of the City of Welch in McDowell County, West Virginia (the "Issuer"), and the undersigned COUNSEL to the ISSUER, hereby certify in connection with the Issuer's Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated the date hereof (the "Bonds" or the "Series 2008 A Bonds"), as follows:

1. TERMS: All capitalized words and terms used in this General Certificate and not otherwise defined herein shall have the same meaning as set forth in the Bond

Ordinance of the Issuer duly enacted March 3, 2008, and the Supplemental Resolution duly adopted April 15, 2008 (collectively, the "Bond Legislation").

2. NO LITIGATION: No controversy or litigation of any nature is now pending or threatened, restraining, enjoining or affecting in any manner the issuance, sale or delivery of the Bonds, the acquisition and construction of the Project, the operation of the System, the receipt of the Net Revenues or any grants, or in any way contesting or affecting the validity of the Bonds, or any proceedings of the Issuer taken with respect to the issuance or sale of the Bonds, the pledge or application of the Net Revenues or any other monies or security provided for the payment of the Bonds or the existence or the powers of the Issuer insofar as they relate to the authorization, sale and issuance of the Bonds, the acquisition and construction of the Project, the operation of the System, the collection of the Gross Revenues or the pledge of Net Revenues as security for the Bonds.

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

4. NO ADVERSE FINANCIAL CHANGE; INDEBTEDNESS: There has been no adverse change in the financial condition of the Issuer since the approval, execution and delivery by the Issuer of the Bond Purchase Agreement, and the Issuer has met all conditions prescribed in the Bond Purchase Agreement. The Issuer has or can provide the financial, institutional, legal and managerial capabilities necessary to complete the Project.

There are outstanding obligations of the Issuer which will rank on a parity with the Series 2008 A Bonds as to liens, pledge, source of and security for payment, being the Issuer's Sewer Revenue Bond, Series 1996 (the "Series 1996 Bonds"), dated June 25, 1996, issued in the original aggregate principal amount of $2,900,000.

The Series 2008 A Bonds shall be issued on a parity with the Series 1996 Bonds with respect to liens, pledge and source of and security for payment and in all other respects. The Issuer has obtained (i) the certificate of an Independent Certified Public Accountant stating that the coverage and parity tests, if any, of the Series 1996 Bonds are met; and (ii) the written consent of the Holders of the Series 1996 Bonds to the issuance of the Series 2008 A Bonds on a parity with the Series 1996 Bonds. Other than the Series 1996 Bonds, there are no other outstanding bonds or obligations of the Issuer which are secured by revenues or assets of the System. The Issuer is in compliance with the terms and provisions of the Prior Ordinance and no default exists with respect to the Prior Bonds.

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

Bond Ordinance

Supplemental Resolution

Bond Purchase Agreement

Public Service Commission Orders

Infrastructure and Jobs Development Council Approval

Charter and Rules of Procedure

Oaths of Office of Officers and Councilmembers

Ordinance Creating Sanitary Board and Oaths of Members

Petition of Sanitary Board

Sewer Rate Ordinance

Affidavit of Publication of Sewer Rate Ordinance and Notice of Public Hearing

Minutes on Adoption and Enactment of Sewer Rate Ordinance

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

Minutes on Adoption and Enactment of Bond Ordinance and Adoption of Rules of Procedure and the Supplemental Resolution

NPDES Permit

Series 1996 Bond Ordinance

Consent of United States Department of Agriculture

Evidence of Insurance

Evidence of United States Environmental Protection Agency Grant

Evidence of Federal Bureau of Prison Grant

6. INCUMBENCY AND OFFICIAL NAME: The proper corporate title of the Issuer is the "City of Welch." The Issuer is a municipal corporation in McDowell County and is presently existing under the laws of, and a political subdivision of, the State of West Virginia. The governing body of the Issuer is its council, consisting of a Mayor and 5 councilmembers, all duly elected or appointed, as applicable, qualified and acting, and whose names and dates of commencement and termination of current terms of office are as follows:

Name			Date of Commencement of Office	Date of Termination of Office
Martha Moore	-	Mayor	July 1, 2006	June 30, 2010
James R. Ingole, Sr.	-	Councilmember	July 1, 2006	June 30, 2010
Emily W. Yeager	-	Councilmember	July 1, 2006	June 30, 2010
Mark W. Jones	-	Councilmember	July 1, 2006	June 30, 2010
William R. Spencer	-	Councilmember	July 1, 2006	June 30, 2010
Frank Cooley	-	Councilmember	July 1, 2006	June 30, 2010

The names of the duly appointed, qualified and acting members of the Sanitary Board of the Issuer are as follows:

Chairman	-	Martha Moore
Member	-	John E. Caffrey, P.E.
Member	-	Claude Banner

The duly appointed and acting Clerk of the Issuer is Robin G. Lee. The duly appointed and acting Counsel to the Issuer is William S. Winfrey, Esquire, in Princeton, West Virginia.

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

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

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

10. BOND PURCHASE AGREEMENT: As of the date hereof, (i) the representations of the Issuer contained in the Bond Purchase Agreement are true and correct in all material respects as if made on the date hereof; (ii) the Bond Purchase Agreement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (iii) to the best knowledge of the undersigned, no event affecting the Issuer has occurred since the date of the Bond Purchase Agreement which should be disclosed for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information in the Bond Purchase Agreement not misleading; and (iv) the Issuer is in compliance with the Bond Purchase Agreement.

11. RATES: The Issuer has duly enacted a sewer rate ordinance on December 4, 2006, setting rates and charges for the services of the System. The time for appeal of such sewer rate ordinance has expired prior to the date hereof without any appeal, and such rates are currently effective.

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

13. BOND PROCEEDS: On the date hereof, the Issuer received $100,000 from the Authority and the DEP, being a portion of the principal amount of the Bonds. The

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

14. PUBLICATION AND PUBLIC HEARING ON BOND ORDINANCE: Upon adoption of the Bond Ordinance, an abstract thereof, determined by the Governing Body to contain sufficient information as to give notice of the contents thereof, was published once each week for 2 successive weeks, with not less than 6 full days between each publication, the first such publication occurring not less than 10 days before the date stated below for the public hearing, in *the Welch Daily News*, a qualified newspaper published and of general circulation in the City of Welch, together with a notice to all persons concerned, stating that the Bond Ordinance had been adopted and that the Issuer contemplated the issuance of the Bonds described in such Bond Ordinance, stating that any person interested may appear before the Governing Body at the public hearing held at a public meeting of Governing Body on the 3rd day of March, 2008, at 5:30 p.m., at the City Hall and present protests, and stating that a certified copy of the Bond Ordinance was on file at the office of the Recorder of the Issuer for review by interested parties during the office hours of the Issuer. At such hearing all objections and suggestions were heard by the Governing Body and the Bond Ordinance became finally adopted, enacted and effective as of the date of such public hearing, and remains in full force and effect.

15. PUBLIC SERVICE COMMISSION ORDERS: The Issuer has received all orders and approvals from the Public Service Commission of West Virginia, including the Recommended Decision dated April 7, 2008, in Case No. 08-0005-S-CN, among other things, granting to the Issuer a certificate of convenience and necessity for the Project and approving the financing for the Project. The time for appeal of such Final Order has expired prior to the date hereof without any appeal. The time for appeal of the Commission Order has not expired prior to the date hereof. The Issuer hereby certifies that it does not intend to appeal such Order. Such Order is not subject to any appeal, further hearing, reopening or rehearing by any customer, protestant, intervenor or other person not a party to such Order. Both orders remain in full force and effect.

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

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

18. GRANTS: As of the date hereof, the United States Environmental Protection Agency Grant in the amount of $1,240,000 and the Federal Bureau of Prison Grant in the amount of $694,274 are in full force and effect.

19. PROCUREMENT OF ENGINEERING SERVICES: The Issuer has complied in all respects with the requirements of Chapter 5G, Article 1 of the West Virginia Code of 1931, as amended, in the procurement of engineering services to be paid from proceeds of the Bonds.

20. CLEAN WATER ACT: The Project as described in the Bond Ordinance complies with Sections 208 and 303(e) of the Clean Water Act.

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

[Remainder of Page Intentionally Blank]

WITNESS our signatures and the official seal of the CITY OF WELCH on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
Martha H Moore	Mayor
Robin G. Lee	Recorder
	Counsel to the Issuer

04.08.08
950640.00002

WITNESS our signatures and the official seal of the CITY OF WELCH on the day and year first written above.

[CORPORATE SEAL]

SIGNATURE	OFFICIAL TITLE
_____	Mayor
_____	Recorder
_____	Counsel to the Issuer

04.08.08
950640.00002

City of Welch
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

CERTIFICATE OF ENGINEER

I, Edward L. Shutt, Registered Professional Engineer, West Virginia License No. 7314, of Stafford Consultants, Inc., Princeton, West Virginia, hereby certify this 7th day of May, 2008 as follows:

1. My firm is engineer for the acquisition and construction of certain extensions, additions, betterments and improvements (the "Project") to the existing public sewerage system (the "System") of the City of Welch (the "Issuer") to be constructed primarily in McDowell County, West Virginia, which acquisition and construction are being permanently financed in part, by the proceeds of the above-captioned bonds (the "Bonds") of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance enacted by the Issuer on March 3, 2008, as supplemented by Supplemental Resolution duly adopted by the Issuer on April 15, 2008, and the Bond Purchase Agreement, by and among the Issuer, the West Virginia Department of Environmental Protection ("DEP") and the West Virginia Water Development Authority (the "Authority"), dated April 4, 2008 (the "Bond Purchase Agreement").

2. The Bonds are being issued for the purposes of (i) paying a portion of the costs of acquisition and construction of the Project; (ii) funding the Series 2008 A Bonds reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

3. To the best of my knowledge, information and belief, (i) within the limits and in accordance with the applicable and governing contractual requirements relating to the Project, the Project will be constructed in general accordance with the approved plans, specifications and designs prepared by my firm and approved by the DEP and any change orders approved by the Issuer, the DEP and all necessary governmental bodies; (ii) the Project, as designed, is adequate for its intended purpose and has a useful life of at least forty years, if properly constructed, operated and maintained, excepting anticipated replacements due to normal wear and tear; (iii) the Issuer has received bids for the acquisition and construction of the Project which are in an amount and otherwise compatible with the plan of financing set forth in the Schedule A, attached hereto as Exhibit A and the Issuer's counsel, William S. Winfrey, Esquire, has ascertained (copy attached) that all successful bidders have made required provisions for all insurance and payment and performance bonds and that such insurance or binders and such bonds have been verified for accuracy; (iv) the

successful bidders received any and all addenda to the original bid documents; (v) the bid documents relating to the Project reflect the Project as approved by the DEP and the bid forms provided to the bidders contain the critical operational components of the Project; (vi) the successful bids include prices for every item on such bid forms; (vii) the uniform bid procedures were followed; (viii) the Issuer has obtained the following permits:

1.	WV Division of Highways	Permit No. 0-07-0269
2.	Public Land Corporation	Permit P-07-IV/27-1158
3.	Corps of Engineers	Authorization No. 2007-00692-TUG
4.	State 401 Certification	WQC 070031
5.	WVNPDES - Stormwater	WVR - 102494-A
6.	WVNPDES	Permit No. WV00245589
7.	Public Service Commission	Case 08-00005-S-CN

(ix) in reliance upon the certificate (copy attached) of Issuer's certified public accountants, Griffith & Associates, as of the effective date thereof, the rates and charges for the System as enacted by the Issuer will be sufficient to comply with the provisions of the Bond Purchase Agreement; (x) the net proceeds of the Bonds, together with all other moneys on deposit or to be simultaneously irrevocably pledged thereto and the proceeds of grants, if any, irrevocably committed therefor, are sufficient to pay the costs of acquisition and construction of the Project approved by the DEP; and (xi) attached hereto as Exhibit A is the final amended "Schedule A - Final Total Cost of Project, Sources of Funds and Cost of Financing" for the Project.

[Remainder of Page Intentionally Blank]

WITNESS my signature and seal on the day and year first written above.

STAFFORD CONSULTANTS, INC.

(SEAL)

Edward L. Shutt, P.E.
West Virginia License No. 7314

04.08.08
950640.00002

City of Welch - Indian Ridge Industrial Park/ Sewer Line Replacement

Sewer Line Replacement up to Indian Ridge Industrial Park (Contract #5) and (Contract #6) Sewer Line Southern Property Line to Demarcation Points

DEP Loan Amount $ 2,000,000 / Bureau of Prison $ 694,274 / McDowell County Commission HUD EDI $1,240,000

A. COST OF PROJECT	Total	WV DEP Loan (Contract #5)	McDowell County Commission HUD EDI and BOP (Contract #6)
1 **Construction - Sewer Lines**			
Contract #5	$998,855	$998,855	
Add Alternate Contract #5 / Milling - Asphalt Overlay	$191,450	$191,450	
Add Alternate (CSO Work)	$231,833	$231,833	
Contract #6	$505,176		$505,176
Equipment	$35,000	$35,000	
Contingency	$106,043	$84,030	$22,013
TOTAL CONSTRUCTION	**$2,068,357**	**$1,541,168**	**$527,189**
2 **Technical Services**			
Engineering Basic	$239,800	$140,000	$99,800
Resident Project Representation	$248,000	$165,000	$83,000
Special Services	$25,700	$8,700	$17,000
TOTAL ENGINEERING	**$513,500**	**$313,700**	**$199,800**
3 **Legal & Fiscal**	$34,000	$30,000	$4,000
4 **Administrative**	$65,000	$30,000	$35,000
5 **Sites & Other Lands**			
a. Land Acquisition	$22,000	$0	$22,000
b. Permits	$5,000	$5,000	$0
6 Other Work at Industrial Park	$1,091,700		$1,091,700
7 **Project Contingency 5%**	$54,585	$0	$54,585
8 **TOTAL of Lines 1 through 7**	**$3,854,142**	**$1,919,868**	**$1,934,274**
B. **COST OF FINANCING**	$0		
9 **Funded Reserve**	$52,632	$52,632	
10 **Other Costs**	$0	$0	
a. **Registrar fees**	$500	$500	
b. **Bond Counsel**	$27,000	$27,000	
11 **Cost of Issuance**	$0	$0	
12 **TOTAL PROJECT COST (Line 10 plus Line 13)**	**$3,934,274**	**$2,000,000**	**$1,934,274**
C. **SOURCES OF OTHER FUNDS**			
13 Federal Grant	$0		$1,934,274
14 State Grant	$0		
15 Any Other Source	$0		
16 TOTAL GRANTS /LOANS (Lines 15 through 18)	$0	$0	$1,934,274
17 **Size of Bond Issue**	**$3,934,274**	**$2,000,000**	**$0**

Martha Moore

Martha Moore, Mayor City of Welch

Edward H. Shutt, P. E. Stafford Consultants, Inc.

4-4-08

Date **Date**

MAY 1, 1991(REV. 05/03)

CITY OF WELCH

SCHEDULE A

NAME OF GOVERNMENTAL AGENCY

ESTIMATED TOTAL COST OF PROJECT, SOURCES OF FUNDS AND COST OF FINANCING

		Cost of Project	
1. Construction	A.	$1,190,305.00	
2. Technical Services		$313,700.00	
3. Legal and Fiscal		$30,000.00	
4. Administration		$30,000.00	
5. Add Alternate CSA Removal		$231,833.00	
6. Funded Reserve		$52,632.00	
7. Permits		$5,000.00	
8. Contingency (construction)		$84,030.00	
9. Equipment		$35,000.00	
10. Project Contingency			
11. Total of Lines 1 through 9			**$1,972,500.00**
	B.	**Sources of Funds**	
12. Federal Grants:			
DEP Loan			
13. Other Grants			
IJDC Grant			
14.Any Other Sources			
(Specify)			
15. Total of Lines 11 Through 14			**$0.00**
16. Net Proceeds Required from Bond Issue			**$1,972,500.00**
(Line 10 minus Line 15)			
	C.	**Cost of Financing**	
17. Bond Counsel		$27,000.00	
18. Closing Cost / Bank Fee etc.		$500.00	
19. Total Cost of Financing (lines 17 +18)			$27,500.00
20. Size of Bond Issue (Line 16 plus Line 19)			**$2,000,000.00**

Martha H. Moore

Martha Moore, Mayor
City of Welch

DATE: April 7, 2007

Edward L. Shutt, P. E.
Stafford Consultants, Inc.

DATE 4-4-07

Griffith & Associates Accountants & Consultants

May 6, 2008

City of Welch
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

City of Welch
Welch, West Virginia

West Virginia Water Development Authority
Charleston, West Virginia

West Virginia Department of
Environmental Protection
Charleston, West Virginia

Ladies and Gentlemen:

Based upon the rates and charges set forth in the sewer rate ordinance of the City of Welch (the "Issuer"), enacted December 4, 2006, and projected operation and maintenance expenses and anticipated customer usage as furnished to us by Stafford Consultants, Incorporated, it is our opinion that such rates and charges will be sufficient to provide revenues which, together with other revenues of the sewerage system of the Issuer (the "System"), will pay all reasonable expenses of operation and maintenance of the System and leave a balance each year equal to at least 115% of the maximum amount required in any year for debt service on the Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program) (the "Bonds"), to be issued in the original aggregate principal amount of $2,000,000 to the West Virginia Water Development Authority on the date hereof, and all other obligations secured by or payable from the revenues of the System, on a parity with the Bonds, including the Issuer's Sewer Revenue Bonds, Series 1996 (the "Prior Bonds").

It is our further opinion that (i) the Net Revenues for the Fiscal Year following the year in which the Bonds are issued will not be less than 120% of the average annual debt service on the Bonds and the Prior Bonds and (ii) the Net Revenues actually derived from the System during any 12 consecutive months within the 18 months immediately preceding the date of the actual issuance of the Bonds, plus the estimated average increased annual Net Revenues to be received in each of the 3 succeeding years after the completion of the improvements to be financed by the Bonds, will not be less than 115% of the largest aggregate amount that will mature and become due in any succeeding fiscal year for principal of and interest on the Bonds and the Prior Bonds.

Very truly yours,

Michael D. Griffith, CPA

MDG/dk

Michael D. Griffith, CPA
michaelgriffithcpa@verizon.net
950 Little Coal River Road Alum Creek, WV 25003
Phone: (304) 756.3600 Facsimile: (304) 756.2911

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

CERTIFICATE AS TO USE OF PROCEEDS

The undersigned Mayor of the City of Welch in McDowell County, West Virginia (the "Issuer"), being the official of the Issuer duly charged with the responsibility for the issuance of $2,000,000 Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), of the Issuer, dated May 6, 2008 (the "Bonds" or the "Series 2008 A Bonds"), on this 6th day of May, 2008, hereby certifies as follows:

1. I am the officer of the Issuer duly charged with the responsibility of issuing the Bonds. I am familiar with the facts, circumstances and estimates herein certified and duly authorized to execute and deliver this certificate on behalf of the Issuer. Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Bond Ordinance duly enacted by the Issuer on March 3, 2008, as supplemented by Supplemental Resolution duly adopted by the Issuer on April 15, 2008 (collectively, the "Bond Ordinance"), authorizing the Bonds.

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

3. This certificate is based upon facts, circumstances, estimates and expectations of the Issuer in existence on May 6, 2008, the date on which the Bonds are being physically delivered in exchange for an initial advance of $100,000, being a portion of the principal amount of the Series 2008 A Bonds, and to the best of my knowledge and belief, the expectations of the Issuer set forth herein are reasonable.

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

5. The Series 2008 A Bonds were sold on May 6, 2008, to the Authority, pursuant to a Bond Purchase Agreement dated April 4, 2008, by and among the Issuer, the Authority and the DEP, for an aggregate purchase price of $2,000,000 (100% of par), at which time, the Issuer received $100,000 from the Authority and the DEP, being the first advance of the principal amount of the Series 2008 A Bonds. No accrued interest has been or will be paid on the Series 2008 A Bonds. The balance of the principal amount of the Series 2008 A Bonds will be advanced to the Issuer as acquisition and construction of the Project progresses.

6. The Series 2008 A Bonds are being delivered simultaneously with the delivery of this certificate and are issued for the purposes of (i) paying a portion of the costs of acquisition and construction of certain additions, betterments and improvements to the existing public sewerage system of the Issuer (the "Project"); (ii) funding the Series 2008 A Bonds Reserve Account; and (iii) paying certain costs of issuance of the Bonds and related costs.

7. Within 30 days after the delivery of the Bonds, the Issuer shall enter into agreements which require the Issuer to expend at least 5% of the net sale proceeds of the Bonds on the Project, constituting a substantial binding commitment. The acquisition and construction of the Project and the allocation of the net sale proceeds of the Bonds to expenditures of the Project shall commence immediately and shall proceed with due diligence to completion, and with the exception of proceeds deposited in the Series 2008 A Bonds Reserve Account, if any, all of the proceeds from the sale of the Bonds, together with any investment earnings thereon, will be expended for payment of costs of the Project on or before March 1, 2010. The acquisition and construction of the Project is expected to be completed by September 1, 2009.

8. The total cost of the Project is estimated at $3,934,274. Sources and uses of funds for the Project are as follows:

SOURCES

US Environmental Protection Agency Grant	$ 1,240,000
Federal Bureau of Prison Grant	$ 694,274
Proceeds of the Series 2008 A Bonds	$ 2,000,000
Total Sources	$ 3,934,274

USES

Costs of Acquisition and Construction of the Project	$ 3,854,142
Funding Series 2008 A Bonds Reserve Account	52,632
Costs of Issuance	27,500
Total Uses	$ 3,934,274

9. Pursuant to Article V of the Bond Ordinance, the following special funds or accounts have been created or continued relative to the Series 2008 A Bonds:

(1) Revenue Fund;

(2) Operation and Maintenance Fund;

(3) Renewal and Replacement Fund;

(4) Series 2008 A Bonds Construction Trust Fund;

(5) Series 2008 A Bonds Sinking Fund; and

(6) Series 2008 A Bonds Reserve Account.

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

(1) Series 2008 A Bonds proceeds in the amount of $-0- will be deposited in the Series 2008 A Bonds Sinking Fund to cover capitalized interest.

(2) Series 2008 A Bonds proceeds in the amount of $52,632 will be deposited in the Series 2008 A Bonds Reserve Account.

(3) The balance of the proceeds of the Series 2008 A Bonds will be deposited in the Series 2008 A Bonds Construction Trust Fund as received from time to time and applied solely to payment of costs of the Project, including costs of issuance of the Series 2008 A Bonds and related costs.

11. Monies held in the Series 2008 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Series 2008 A Bonds and will not be available to meet

costs of acquisition and construction of the Project. All investment earnings on monies in the Series 2008 A Bonds Sinking Fund and Series 2008 A Bonds Reserve Account, if any, will be withdrawn therefrom and deposited into the Series 2008 A Bonds Construction Trust Fund during construction of the Project, and following completion of the Project, will be deposited, not less than once each year, in the Revenue Fund, and such amounts will be applied as set forth in the Bond Ordinance.

12. Work with respect to the acquisition and construction of the Project will proceed with due diligence to completion. The acquisition and construction of the Project is expected to be completed within 15 months of the date hereof.

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

14. With the exception of the amount deposited in the Series 2008 A Bonds Reserve Account, if any, all of the proceeds of the Bonds will be expended on the Project within 21 months from the date of issuance thereof.

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

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

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

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

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

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

21. The Bonds are not federally guaranteed.

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

23. The Issuer has either (a) funded the Series 2008 A Bonds Reserve Account at the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year with the proceeds of the Bonds, or (b) created the Series 2008 A Bonds Reserve Account which will be funded with equal payments made on a monthly basis over a 10-year period until such Series 2008 A Bonds Reserve Account holds an amount equal to the maximum amount of principal and interest which will mature and become due on the Bonds in the then current or any succeeding year. Monies in the Series 2008 A Bonds Reserve Account and the Series 2008 A Bonds Sinking Fund will be used solely to pay principal of and interest on the Bonds and will not be available to pay costs of the Project.

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

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

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

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

[Remainder of Page Intentionally Blank]

WITNESS my signature on the day and year first above written.

CITY OF WELCH

By: Martha H Moore
Its: Mayor

04.08.08
950640.00002

I HEREBY CERTIFY THAT THIS IS AN ATTESTED COPY OF RECORD.

Robin G. Lee

Robin G. Lee, City Clerk

Dated: August 22, 2006

PART I

CHARTER

CHAPTER 3

(Senate Bill No. 97—By Mr. Wood)

AN ACT creating the municipal corporation of the City of Welch, in the county of McDowell, and state of West Virginia, and annulling the charter granted to said City of Welch by act of the legislature of West Virginia, chapter six, (House Bill one hundred and seventy-two) of the acts of one thousand nine hundred and nineteen, passed on the twenty-first day of February, nineteen hundred and nineteen, and all the acts amendatory thereto.

[Passed February 19, 1929; in effect from passage. Approved by the Governor.]

§ 1. City a body corporate.
§ 2. Boundaries of city.
§ 3. Boundaries of wards.
§ 4. Power to change corporate limits and wards; establishment of voting precinct.
§ 5. Council to be governing body.
§ 6. Eligibility of mayor and councilmen.
§ 7. Appointive officers.
§ 8. Corporate powers to be exercised by council.
§ 9. Duties of mayor.
§ 10. Duties of city clerk.
§ 11. Duties and powers of police judge.
§ 12. Duties of city attorney.
§ 13. Duties of city manager.
§ 14. Qualifications and duties of city engineer.
§ 15. Qualifications and duties of city health officer.
§ 16. Board of health, how constituted; powers and duties.
§ 17. Policemen, how appointed and salaries; chief of police, how appointed and duties.
§ 18. Officers may perform other duties; when.
§ 19. Terms of office of elective and appointive officers.
§ 20. Oath of office.
§ 21. Bonds of officers and employees.
§ 22. Salaries of elective and appointive officers.
§ 23. Removal of officer for cause, procedure; removal of appointive officers.
§ 24. Vacancies in elective and appointive offices.
§ 25. Nominating conventions.
§ 26. Qualification of voters.
§ 27. Registration of voters; compensation of registrars.
§ 28. Election of mayor and councilmen; how conducted and returned; tie vote; recount; appeal to circuit court in recount or contested election.
§ 29. Powers of council.
§ 30. City to have right of eminent domain.
§ 31. Abatement of nuisances; restrictions on gas or oil tanks.
§ 32. Establishment of jails and places for detention of prisoners.
§ 33. Franchises, for what purposes granted; restrictions on.
§ 34. Provisions concerning ordinances.

§ 35. Meetings of council; presiding officer; tie vote.
§ 36. Quorum to be a majority of members elected to council.
§ 37. Record books.
§ 38. Auditing of books and accounts of city.
§ 39. City funds, receipts and disbursements.
§ 40. Finance committee; budget.
§ 41. Taxes, levies for; poll tax; special levy.
§ 42. Assessment and collection of taxes; lien for taxes.
§ 43. Licenses.
§ 44. Bond issues.
§ 45. Indebtedness prohibited.
§ 46. Street paving and improvements.
§ 47. Bonds for paving and other improvements; application of assessments to pay bonds.
§ 48. Contracts for paving and other improvements; how cost assessed and collected; form of paving assessment certificates and interest coupons.
§ 49. Construction of sewers; cost of, how paid; assessment certificates for cost.
§ 50. Release of assessment liens; payment of assessment certificates.
§ 51. City bonds for paving and sewers; vote of people on.
§ 52. How lots abutting upon improvement to be described.
§ 53. When work completed, publication of notice of proposed assessment.
§ 54. Additional method of street improvement.
§ 55. Procedure for construction or relaying of sidewalks.
§ 56. Inconsistent ordinances and acts repealed.

Be it enacted by the Legislature of West Virginia:

The City of Welch

Sec. 1. That the inhabitants of so much of the county of McDowell in the state of West Virginia, included within the boundaries described in section two of this act shall be and remain, and they are hereby made a body politic and corporate by the name of the "City of Welch" and as such, and by that name, may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, choses in action, or any interest, right or estate therein, either for the proper use of said city or in trust for the benefit of any person, association or corporation therein, and may grant, sell, convey and assign, let, pledge, mortgage, charge and encumber in any case and in any manner in which it would be lawful for a private individual so to do, except where such power may be limited by law, and may have and use a common seal and alter and renew the same at pleasure, and generally shall have the rights, franchises, capacities and powers conferred herein, and by the laws of this state, upon municipal corporations, not inconsistent with the provisions of this act.

Corporate Limits

Sec. 2. The corporate limits of the City of Welch shall be as follows:

Beginning at a set iron near the mouth of Big Branch of Elkhorn Fork of Tug river; thence south twenty-eight degrees nineteen minutes east one thousand one hundred and seventy feet to a set iron on the east side of Big Branch; thence south fifty degrees forty minutes west six thousand nine hundred fifty-five feet to a stake; thence south forty-eight

§ 35. Meetings of council; presiding officer; tie vote.
§ 36. Quorum to be a majority of members elected to council.
§ 37. Record books.
§ 38. Auditing of books and accounts of city.
§ 39. City funds, receipts and disbursements.
§ 40. Finance committee; budget.
§ 41. Taxes, levies for; poll tax; special levy.
§ 42. Assessment and collection of taxes; lien for taxes.
§ 43. Licenses.
§ 44. Bond issues.
§ 45. Indebtedness prohibited.
§ 46. Street paving and improvements.
§ 47. Bonds for paving and other improvements; application of assessments to pay bonds.
§ 48. Contracts for paving and other improvements; how cost assessed and collected; form of paving assessment certificates and interest coupons.
§ 49. Construction of sewers; cost of, how paid; assessment certificates for cost.
§ 50. Release of assessment liens; payment of assessment certificates.
§ 51. City bonds for paving and sewers; vote of people on.
§ 52. How lots abutting upon improvement to be described.
§ 53. When work completed, publication of notice of proposed assessment.
§ 54. Additional method of street improvement.
§ 55. Procedure for construction or relaying of sidewalks.
§ 56. Inconsistent ordinances and acts repealed.

Be it enacted by the Legislature of West Virginia:

The City of Welch

Sec. 1. That the inhabitants of so much of the county of McDowell in the state of West Virginia, included within the boundaries described in section two of this act shall be and remain, and they are hereby made a body politic and corporate by the name of the "City of Welch" and as such, and by that name, may contract and be contracted with, sue and be sued, plead and be impleaded, answer and be answered unto, and may purchase, take, receive, hold and use goods and chattels, lands and tenements, choses in action, or any interest, right or estate therein, either for the proper use of said city or in trust for the benefit of any person, association or corporation therein, and may grant, sell, convey and assign, let, pledge, mortgage, charge and encumber in any case and in any manner in which it would be lawful for a private individual so to do, except where such power may be limited by law, and may have and use a common seal and alter and renew the same at pleasure, and generally shall have the rights, franchises, capacities and powers conferred herein, and by the laws of this state, upon municipal corporations, not inconsistent with the provisions of this act.

Corporate Limits

Sec. 2. The corporate limits of the City of Welch shall be as follows:

Beginning at a set iron near the mouth of Big Branch of Elkhorn Fork of Tug river; thence south twenty-eight degrees nineteen minutes east one thousand one hundred and seventy feet to a set iron on the east side of Big Branch; thence south fifty degrees forty minutes west six thousand nine hundred fifty-five feet to a stake; thence south forty-eight

degrees forty-four minutes east two hundred thirty-six feet to a set rail; thence south sixty-seven degrees twenty-two minutes east one thousand seven hundred and twenty-one feet to a set rail; thence south forty-eight degrees twenty-eight minutes west three hundred forty-seven feet to a set rail; thence south twenty-nine degrees twenty-six minutes west five hundred and seventy-three feet to a tack in the root of a large beech tree on the north bank of Tug river; thence down Tug river the following courses and distances: north seventy degrees forty-seven minutes west five hundred and eight and five-tenths feet; north eighty-four degrees sixteen minutes west four hundred and eighty-two and five-tenths feet; north fifty-four degrees forty minutes west two hundred and ninety and five-tenths feet; north forty-nine degrees thirty-eight minutes west three hundred and twenty-two feet; north sixty-six degrees thirty-one minutes west two hundred and forty-six feet; north seventy degrees two minutes west four hundred and fourteen and five-tenths feet; thence leaving Tug river south thirty degrees west seven hundred and twenty-five feet to a stake on a spur; thence north fifty-four degrees thirty minutes west two thousand four hundred and fifty feet to a stake near Little Indian creek; thence north four degrees thirty minutes seven thousand nine hundred and fifty feet to a stake in a line of the present corporation limits; thence with same south seventy-seven degrees west eight hundred feet to a poplar, spruce pine and double beech on the bank of Cub branch; thence north sixty-four degrees thirty minutes west six hundred feet to the top of a spur where a white oak is called for; thence north twenty-two degrees east seven hundred feet to a stake on the north bank of Tug river; thence north eighty-three degrees thirty-six minutes west three hundred and seventy-three feet to a point in Tug river; thence continuing down Tug river north one degree forty minutes west four hundred and ninety feet to a point in Tug river; thence still continuing down Tug river north seventy degrees forty-four minutes east nine hundred and twenty-eight feet to a point in the line of the Central Pocahontas Coal Company's property; thence with said line of the Central Pocahontas Coal Company, south thirty-two degrees twenty-three minutes east four hundred and eighty feet to a hickory corner, on the top of the spur; thence continuing with said line of the Central Pocahontas Coal Company south twenty-two degrees three minutes west four hundred fifty-three and fourteen-one-hundredths feet to a corner designated by two spruce pines and two red oak stumps; thence continuing with said line of the Central Pocahontas Coal Company south sixty-four degrees ten minutes west one hundred feet to a point in the center of Tug river; thence leaving said line of the Central Pocahontas Coal Company due south one hundred and seventy-eight feet, more or less to the southern right of way line of the Oregon siding of the Norfolk and Western Railway Company; thence with the southern right of way line of said Norfolk and Western Railway Company in an easterly direction a distance of approximately one thousand one hundred and fifty feet to the intersection of said southern right of way line with the western right of way line of the main line of the Norfolk and Western Railway Company; thence with said western right of way line of the Norfolk and Western Railway Company's main line in a north-westerly direction to the intersection of said western right of way line with the southern edge of the county road from Welch to Davy; thence with the southern edge of said county road in a westerly direction to the intersection of said county road with the southern edge of the new concrete road leading to the bridge across Tug river at Hemphill; thence with the southern edge of said road in a southwesterly direction to its intersection with the above mentioned south twenty-two degrees three minutes west line; thence with the

reverse call of this line north twenty-two degrees three minutes east a distance of three hundred and ninety-five feet, more or less, to the above mentioned hickory corner; thence south eighty-four degrees thirty minutes east eighty-one feet; thence north seventy-three degrees six minutes east one hundred and seventy-eight and six-tenths feet; north seventy-eight degrees east three hundred and thirty-three and seven-tenths feet; north forty-seven degrees thirty minutes east ninety-two feet; north forty-nine degrees east ninety-seven feet; north sixty-two degrees thirty minutes east four hundred and ninety-seven feet; north forty-six degrees east two hundred twenty-four and six-tenths feet; north thirty-seven degrees east ninety-six and six-tenths feet; north seventy-six degrees east one hundred thirty-four and five-tenths feet; south eighty-eight degrees east one hundred and seventy-six feet; south thirty degrees east three hundred and eighty-three and one-tenth feet; south fifty-seven degrees east eighty-one and two-tenths feet; north eighty-nine degrees east two hundred and sixty-three feet; north eighty-eight degrees thirty minutes east two hundred and ninety-eight feet to a stake on top of the ridge between Tug river and Browns creek; thence leaving the top of said spur and ridge, south seventy-four degrees thirteen minutes east two thousand five hundred and thirty-three and six-tenths feet to a stake near the mouth of Grave Yard hollow of Browns creek and about twenty feet north of the county road; thence south fifty-three degrees forty-three minutes east three thousand four hundred and forty-nine feet, crossing Browns creek and the ridge between Browns creek and Elkhorn to a point of intersection between this line and the Pollard line; thence south two degrees thirty-four minutes west one thousand three hundred and fifteen feet, crossing the main line of the Norfolk and Western Railway Company and Elkhorn fork of Tug river, to the beginning, containing one thousand four hundred seventy-one and two-tenths acres.

Boundaries of Wards

Sec. 3. The City of Welch shall be divided into three wards, the boundaries of which shall be as follows:

First Ward

All the following described boundary shall constitute the first ward of the said city, to-wit:

Beginning at a tack in the root of a large beech on the east bank of Tug river, same being a corner of the corporate limits of the City of Welch, also being the southwest corner of the Southwood addition to said city; thence with the corporate lines of the said city in a northeasterly and northwesterly direction to the center of Elkhorn creek about two thousand feet below the mouth of Fish Trap branch; thence down Elkhorn creek with its center line in a northwesterly and southwesterly direction to its mouth or junction with Tug river; thence crossing Tug river due west to the corporate lines of said city; thence with the corporate lines of said city in a southerly, southeasterly and northeasterly direction to the place of beginning.

Second Ward

All the following described boundary shall constitute the second ward of said city, to-wit:

Beginning at a point, the junction of Elkhorn creek and Tug river, said point being the beginning of Tug fork, also a corner of the first ward; thence down Tug fork to a point south

reverse call of this line north twenty-two degrees three minutes east a distance of three hundred and ninety-five feet, more or less, to the above mentioned hickory corner; thence south eighty-four degrees thirty minutes east eighty-one feet; thence north seventy-three degrees six minutes east one hundred and seventy-eight and six-tenths feet; north seventy-eight degrees east three hundred and thirty-three and seven-tenths feet; north forty-seven degrees thirty minutes east ninety-two feet; north forty-nine degrees east ninety-seven feet; north sixty-two degrees thirty minutes east four hundred and ninety-seven feet; north forty-six degrees east two hundred twenty-four and six-tenths feet; north thirty-seven degrees east ninety-six and six-tenths feet; north seventy-six degrees east one hundred thirty-four and five-tenths feet; south eighty-eight degrees east one hundred and seventy-six feet; south thirty degrees east three hundred and eighty-three and one-tenth feet; south fifty-seven degrees east eighty-one and two-tenths feet; north eighty-nine degrees east two hundred and sixty-three feet; north eighty-eight degrees thirty minutes east two hundred and ninety-eight feet to a stake on top of the ridge between Tug river and Browns creek; thence leaving the top of said spur and ridge, south seventy-four degrees thirteen minutes east two thousand five hundred and thirty-three and six-tenths feet to a stake near the mouth of Grave Yard hollow of Browns creek and about twenty feet north of the county road; thence south fifty-three degrees forty-three minutes east three thousand four hundred and forty-nine feet, crossing Browns creek and the ridge between Browns creek and Elkhorn to a point of intersection between this line and the Pollard line; thence south two degrees thirty-four minutes west one thousand three hundred and fifteen feet, crossing the main line of the Norfolk and Western Railway Company and Elkhorn fork of Tug river, to the beginning, containing one thousand four hundred seventy-one and two-tenths acres.

Boundaries of Wards

Sec. 3. The City of Welch shall be divided into three wards, the boundaries of which shall be as follows:

First Ward

All the following described boundary shall constitute the first ward of the said city, to-wit:

Beginning at a tack in the root of a large beech on the east bank of Tug river, same being a corner of the corporate limits of the City of Welch, also being the southwest corner of the Southwood addition to said city; thence with the corporate lines of the said city in a northeasterly and northwesterly direction to the center of Elkhorn creek about two thousand feet below the mouth of Fish Trap branch; thence down Elkhorn creek with its center line in a northwesterly and southwesterly direction to its mouth or junction with Tug river; thence crossing Tug river due west to the corporate lines of said city; thence with the corporate lines of said city in a southerly, southeasterly and northeasterly direction to the place of beginning.

Second Ward

All the following described boundary shall constitute the second ward of said city, to-wit:

Beginning at a point, the junction of Elkhorn creek and Tug river, said point being the beginning of Tug fork, also a corner of the first ward; thence down Tug fork to a point south

from the west end of Central avenue of the Westwood addition to the City of Welch; thence due north to the corporate lines of said city; thence with the corporate lines in an easterly, southeasterly and southwesterly direction to the center of Elkhorn creek, a corner of the first ward; thence down Elkhorn creek with its center line to the place of beginning.

Third Ward

All the following described boundary shall constitute the third ward of said city, to-wit:

Beginning at the junction of Elkhorn creek and Tug river, a corner of the first and second wards; thence due west crossing Tug river to the corporate line; thence with the corporate lines of said city in a northerly, westerly and easterly direction to a point due north from the western end of Central avenue of the Westwood addition to the City of Welch; thence due south to the center of Tug fork; thence up Tug fork to its junction with Elkhorn creek, the place of beginning.

Power to Change Corporate Limits and Wards

Sec. 4. The council of the City of Welch shall have the power and authority to change the corporate limits of the City of Welch, and shall have the power and authority to change the number of wards in said city, and to change the lines of the respective wards from time to time.

No changes shall be made in the corporate limits of the City of Welch, the number of wards or the lines of said wards until at least three weeks notice of the proposed change shall have been given by the council, by publication of notice thereof in a newspaper of general circulation in said City of Welch, twice each week for three successive weeks. Said notice shall give the date on which the council will pass on the proposed changes and a brief statement of the changes proposed.

Any changes made under the provisions of this section shall be by ordinance passed and adopted in the manner hereinafter set forth in this charter.

Establishment of Voting Precincts

The council shall provide places for voting in each ward in all municipal elections of the city, and shall have the right to establish such voting precincts in the respective wards from time to time as it may deem necessary, and may increase or diminish the number of voting precincts in the respective wards, and may consolidate the voting places of two or more wards if in its opinion no inconvenience is placed upon the voters in the respective wards.

Governing Body

Sec. 5. The municipal authorities of the city shall consist of a mayor and five councilmen, who shall constitute and be known as "the council of the City of Welch." One councilman shall be elected by the voters of each of the respective wards and two councilmen shall be elected by the voters at large.

Sec. 6. No person shall be eligible to the office of mayor or councilman who is not at the time of his election entitled to vote in the city election and who was not, for the preceding year, assessed with taxes upon personal or real property, or both, within the city, of an assessed valuation of five hundred dollars and did not actually pay the taxes so assessed.

Sec. 7. In addition to the municipal authorities mentioned in section five, the city may have a police judge, city manager, city clerk, city auditor, city physician, health commissioner, building inspector, city attorney, city engineer, city collector and treasurer, jail keeper, humane officer or officers and such number of policemen and firemen as the council, by ordinance or resolution may direct.

The officers heretofore named in this section shall be appointed by the mayor, with the consent of the council, but none of such officers shall be appointed and take office until the council shall, by a majority of the full membership thereof, authorize the filling of such office and confirm said appointment. All of the officers named in this section shall be paid such salaries as are fixed by the council, except as herein otherwise provided, and such salaries shall be within the limits provided for by this act.

Sec. 8. All the corporate powers and functions pertaining to said city shall be exercised by its council, or under its authority and the corporate name of said city, unless otherwise provided by state law or municipal ordinance.

Mayor—Duties

Sec. 9. The mayor shall be the chief executive officer of the city and shall preside at all meetings of the council, and shall have a vote in case of a tie. He shall have charge and control of the police, except as herein otherwise provided; he shall see that the laws and ordinances of the city are enforced and shall keep and preserve a docket of all his proceedings in the trial of criminal cases in like manner and with like effect as provided by law in the case of a justice of the peace; he shall see that the peace and good order of the city are preserved and that persons or property therein are protected and to this end he may cause the arrest and detention of rioters and disorderly persons, and shall perform such other duties and services as the council may ordain in addition to the duties prescribed by this act and not inconsistent herewith. The city clerk, except as herein otherwise provided, shall perform the duties of the mayor whenever and so long as the mayor is, from any cause, unable to perform his official duties, and he shall, in the absence of the mayor, perform any and all the duties of the mayor, except he shall not preside over the council. In the absence of the mayor at a meeting of the council, the council shall select one of its own members to preside over its meeting, who shall have a vote as a councilman. If the mayor and clerk are both absent from the city or otherwise disabled from performing the duties of the mayor, the council may elect a mayor *pro tempore*. The mayor shall have the power at any time to appoint special policemen, who shall be sworn in, without confirmation of the council. The mayor shall have the power to appoint all nonelective officials of the city, but said appointments so made by the mayor shall not become effective until confirmed by a majority of the membership of the council. The mayor shall be the official head of the city for all ceremonial purposes, upon whom service may be had in civil process and by the governor for military purposes.

City Clerk—Duties

Sec. 10. The city clerk shall be *ex-officio* clerk of the city council. He shall keep a complete record of all ordinances, resolutions and acts of the city council. He shall enter in a separate volume all ordinances of a general nature, any violation of which shall subject any

Sec. 7. In addition to the municipal authorities mentioned in section five, the city may have a police judge, city manager, city clerk, city auditor, city physician, health commissioner, building inspector, city attorney, city engineer, city collector and treasurer, jail keeper, humane officer or officers and such number of policemen and firemen as the council, by ordinance or resolution may direct.

The officers heretofore named in this section shall be appointed by the mayor, with the consent of the council, but none of such officers shall be appointed and take office until the council shall, by a majority of the full membership thereof, authorize the filling of such office and confirm said appointment. All of the officers named in this section shall be paid such salaries as are fixed by the council, except as herein otherwise provided, and such salaries shall be within the limits provided for by this act.

Sec. 8. All the corporate powers and functions pertaining to said city shall be exercised by its council, or under its authority and the corporate name of said city, unless otherwise provided by state law or municipal ordinance.

Mayor—Duties

Sec. 9. The mayor shall be the chief executive officer of the city and shall preside at all meetings of the council, and shall have a vote in case of a tie. He shall have charge and control of the police, except as herein otherwise provided; he shall see that the laws and ordinances of the city are enforced and shall keep and preserve a docket of all his proceedings in the trial of criminal cases in like manner and with like effect as provided by law in the case of a justice of the peace; he shall see that the peace and good order of the city are preserved and that persons or property therein are protected and to this end he may cause the arrest and detention of rioters and disorderly persons, and shall perform such other duties and services as the council may ordain in addition to the duties prescribed by this act and not inconsistent herewith. The city clerk, except as herein otherwise provided, shall perform the duties of the mayor whenever and so long as the mayor is, from any cause, unable to perform his official duties, and he shall, in the absence of the mayor, perform any and all the duties of the mayor, except he shall not preside over the council. In the absence of the mayor at a meeting of the council, the council shall select one of its own members to preside over its meeting, who shall have a vote as a councilman. If the mayor and clerk are both absent from the city or otherwise disabled from performing the duties of the mayor, the council may elect a mayor *pro tempore*. The mayor shall have the power at any time to appoint special policemen, who shall be sworn in, without confirmation of the council. The mayor shall have the power to appoint all nonelective officials of the city, but said appointments so made by the mayor shall not become effective until confirmed by a majority of the membership of the council. The mayor shall be the official head of the city for all ceremonial purposes, upon whom service may be had in civil process and by the governor for military purposes.

City Clerk—Duties

Sec. 10. The city clerk shall be *ex-officio* clerk of the city council. He shall keep a complete record of all ordinances, resolutions and acts of the city council. He shall enter in a separate volume all ordinances of a general nature, any violation of which shall subject any

person to any penalty, and carefully index the same. All ordinances providing for the issuance of bonds, or creation of a debt, or construction of any public improvement of any local or temporary nature, shall be entered in a separate volume of the city clerk and carefully indexed. He shall keep complete books of account showing all official transactions of the city, and of each department. All receipts, expenditures by the city, the source of all income and the purpose of all expenditures. He shall make out all vouchers and pay rolls of the city and shall do and perform all other duties which may be required of him by the council by any ordinance or resolution.

He shall attend all meetings of the council and keep in a proper minute book a record of its proceedings and sign his record of each said proceeding.

He shall prepare and cause to be served all notices required to be given to any person, firm or corporation and after proper service and return thereof of any notice, he shall file and preserve the same.

He shall file in convenient form, so as to be readily accessible, all correspondence carried on by the city or by any department thereof, and as custodian of all the books, records and proceedings of the council, he shall make and certify copies thereof whenever required and affix the corporate seal of the city to any paper required to be sealed and to any certified copy of any paper, order or proceeding which he may make. The minutes of every meeting, after being corrected, shall be signed by the mayor and city clerk and the copy of any record, paper, entry, order, ordinance, resolution or proceeding made by the council, or by the police court judge, when properly certified under the seal of the city shall be admissible as evidence in any court of the state in any proceeding in which the original paper or record, if presented, would be admissible.

The city clerk shall be *ex-officio* city treasurer and as such shall be custodian of all monies of the municipality and shall keep and preserve the same in such manner and in such place or places as shall be designated by the city council. He shall pay out money only on warrants issued and signed by him and countersigned by the mayor.

Police Judge, Duties

Sec. 11. This section shall cover the duties of the police judge when he is appointed and his appointment confirmed by the council, and until his appointment the powers and duties herein conferred shall be exercised and performed by the mayor.

The judicial power of the city shall be vested in a municipal court. Said court shall have exclusive jurisdiction of all criminal proceedings for the violation of any city ordinance, and any act committed inside the corporate limits of the City of Welch and made a misdemeanor under the laws of the state of West Virginia shall be an offense against the laws of said city, and the police judge, or the mayor until said police judge is appointed, in addition to the other powers herein granted, may try, convict and punish therefor, and in the absence of any specific ordinance relating thereto, may inflict the same penalties and collect the same fines for the benefit of said city as are prescribed by the state laws for the same offense.

The police judge shall be *ex-officio* a justice of the peace and a conservator of the peace, with authority to issue process for all offenses committed within the jurisdiction of the City of

Welch, of which a justice of the peace has jurisdiction under the state statutes, and shall perform all the duties vested by law in a justice of the peace, except that he shall have no jurisdiction in civil cases or causes of action arising outside of the corporate limits of the city. He may commit persons charged with felony or misdemeanor to jail or take bond for their appearance before the grand jury or the criminal court of McDowell county. He shall have authority to sentence an offender to labor upon the streets or at other public work of the city, until such time as their fines shall have been worked out, or until the sentence imposed has been performed. Offenders sentenced to work on the streets shall be allowed credit on their fines in the amount of one dollar for each day of labor, and during good behavior each prisoner shall be allowed five days good time for every thirty days sentence, that is, labor on the streets for twenty-five days shall be equivalent to service of thirty days.

The police judge shall keep a well bound book marked "POLICE COURT DOCKET" in which there shall be kept a record showing the style of each case and the deposition thereof, which record shall be indexed and numbered.

Before trying any person charged with any violation of any ordinance he shall issue a warrant, specifying the offense or violation charged; he shall render judgment in any case as the law of the state or the ordinance of the city applying thereto may require; he shall also have power to issue executions for all fines, penalties and costs imposed by him and he may require immediate payment of the same, and in default of such payment commit the person in default to jail.

In the trial of cases and the procedure thereof where none of the provisions herein apply, the police judge shall be governed by the laws of the state of West Virginia pertaining to justices of the peace.

In the trial of civil and criminal cases the police judge shall tax such costs as justices of the peace are entitled to under the laws of West Virginia, but said police judge shall not be entitled to any portion of the costs so taxed.

The police judge shall receive for his services a fair and reasonable annual salary, in such amount as the council may determine is fair and just, and the amount of salary so fixed shall be payable out of the general fund through the city treasury.

City Attorney, Duties

Sec. 12. The city attorney shall be a member of the bar of McDowell county in good standing and shall perform and discharge all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the city council, and, in addition, he shall exercise the following powers:

(a) Be the legal adviser of and attorney and counsel for the city and for all administrative offices thereof, in respect to their official duties.

(b) Prosecute and defend all suits for or against the city and prepare all contracts, bonds and other writings in which the city is concerned, and endorse on each his approval of the form and correctness thereof.

(c) Be prosecuting attorney of the police court and prosecute all cases brought before such court, and perform the same duties so far as they are applicable thereto as are required of the

Welch, of which a justice of the peace has jurisdiction under the state statutes, and shall perform all the duties vested by law in a justice of the peace, except that he shall have no jurisdiction in civil cases or causes of action arising outside of the corporate limits of the city. He may commit persons charged with felony or misdemeanor to jail or take bond for their appearance before the grand jury or the criminal court of McDowell county. He shall have authority to sentence an offender to labor upon the streets or at other public work of the city, until such time as their fines shall have been worked out, or until the sentence imposed has been performed. Offenders sentenced to work on the streets shall be allowed credit on their fines in the amount of one dollar for each day of labor, and during good behavior each prisoner shall be allowed five days good time for every thirty days sentence, that is, labor on the streets for twenty-five days shall be equivalent to service of thirty days.

The police judge shall keep a well bound book marked "POLICE COURT DOCKET" in which there shall be kept a record showing the style of each case and the deposition thereof, which record shall be indexed and numbered.

Before trying any person charged with any violation of any ordinance he shall issue a warrant, specifying the offense or violation charged; he shall render judgment in any case as the law of the state or the ordinance of the city applying thereto may require; he shall also have power to issue executions for all fines, penalties and costs imposed by him and he may require immediate payment of the same, and in default of such payment commit the person in default to jail.

In the trial of cases and the procedure thereof where none of the provisions herein apply, the police judge shall be governed by the laws of the state of West Virginia pertaining to justices of the peace.

In the trial of civil and criminal cases the police judge shall tax such costs as justices of the peace are entitled to under the laws of West Virginia, but said police judge shall not be entitled to any portion of the costs so taxed.

The police judge shall receive for his services a fair and reasonable annual salary, in such amount as the council may determine is fair and just, and the amount of salary so fixed shall be payable out of the general fund through the city treasury.

City Attorney, Duties

Sec. 12. The city attorney shall be a member of the bar of McDowell county in good standing and shall perform and discharge all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the city council, and, in addition, he shall exercise the following powers:

(a) Be the legal adviser of and attorney and counsel for the city and for all administrative offices thereof, in respect to their official duties.

(b) Prosecute and defend all suits for or against the city and prepare all contracts, bonds and other writings in which the city is concerned, and endorse on each his approval of the form and correctness thereof.

(c) Be prosecuting attorney of the police court and prosecute all cases brought before such court, and perform the same duties so far as they are applicable thereto as are required of the

prosecuting attorney of the county, *provided, however*, that it shall be necessary for said city attorney to appear in criminal cases only when so requested by the mayor, police judge or other proper authority.

(d) The city council and all administrative officers of the city may require the opinion of the city attorney upon any question of law involving their respective powers and duties, and he shall furnish the same in writing when so requested.

(e) Be present at all regular meetings and special meetings of the city council to advise the mayor and council on legal questions arising and to advise the city clerk in the preparation of resolutions and ordinances, and perform such other services relating to his profession as may be required by the council.

(f) The city attorney shall receive for his services an annual retainer fee not to exceed three hundred dollars, said fee to be fixed by the council payable out of the city treasury; and shall be entitled to reasonable fees, in addition to the annual retainer, for the preparation of contracts, bonds, other writings and special services rendered, for which said attorney shall submit a monthly statement for the approval of the council.

City Manager, Duties

Sec. 13. Whenever in the opinion of the council it is deemed expedient and necessary for the welfare of the city to employ the services of a city manager, he may be appointed in the manner herein provided, and shall receive such salary as the council by ordinance may prescribe; and he shall have the right to employ such other help as the council may from time to time allow.

The city manager, when appointed, shall devote his entire time and attention to the duties of his office, unless otherwise provided by the council, and shall have supervision and control of the executive work and management of the heads of all departments under his control as directed by the mayor and council. He shall make all contracts for labor and supplies, and generally perform all the administrative work of the city, and such other duties as the council may require of him, and shall possess such other powers and perform such other duties as the council may prescribe.

Upon the appointment of a city manager the council shall pass a proper ordinance setting forth the specific and general duties of the city manager, prescribing the limits of his authority, and fixing his salary.

City Engineer, Duties

Sec. 14. The city engineer shall be a competent mechanical engineer and shall discharge all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the city council, and in addition, he shall exercise the following powers:

(a) Make surveys and fix grades when required by the city council or city manager; prepare plats, plans and specifications of all improvements which may be undertaken when required; and inspect all work done by any contractor for the city while the work is being performed.

(b) Supervise the construction of all buildings, bridges and other structures, the erection of which is controlled or regulated by the city.

(c) Furnish to any resident, street and sewer grades and building lines whenever required on such terms as the council may prescribe.

(d) Examine all applications for permits to erect buildings and other structures, and approve the same in writing before they are passed upon by the city council.

(e) Make complete maps of all streets, alleys, lanes, parks and public property owned by the city and keep the same on file in his office, and furnish a copy thereof to the city clerk or city manager.

(f) Have general supervision of the streets and alleys in the city and see that the pavements, sidewalks, gutters and sewers are kept clean and repaired.

(g) General supervision of the work of repairing and keeping in repair all pavements, sidewalks, curbs and sewers in the city.

(h) Attend all regular and special meetings of the council and recommend improvements required or suitable for any street, alley, land or locality in the city.

The city engineer shall receive a reasonable compensation for his services, and may, in the discretion of the council, be paid an annual retainer fee, not to exceed one hundred dollars, payable out of the city treasury.

City Health Officer, Duties

Sec. 15. The city health officer shall be a member of the medical profession in good standing and shall discharge all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the city council; he shall report all unsightly, unsanitary and obnoxious conditions existing within the corporate limits of the city; he shall examine all restaurants, hot dog stands, refreshment places and lunch stands within the city and report the sanitary condition thereof; he shall have the right to close any places found to be in an unhealthy and unsanitary condition, dangerous to the health of the inhabitants of the city; supervise the sanitary inspection of the production, transportation, storage and sale of food and food stuffs; he shall provide rules for the collection and disposal of garbage; in the time of epidemic or threatened epidemic he shall enforce such quarantine and isolation rules and regulations as are appropriate for the emergency, and shall at all times have supervision over all contagious and infectious diseases; and perform any and all other duties necessary and essential to promote a healthy and sanitary condition within the city.

Board of Health

Sec. 16. The mayor, health officer and city attorney are hereby constituted and shall be a city board of health, of which the city health officer shall be chairman, with authority to call meetings of such board of health at such times as he may deem necessary. The board of health shall do and perform all such duties and exercise such powers as may be required of or conferred upon it by legal ordinances or resolutions of the city council. The board of health shall have supervision of the sanitary conditions of the city, and shall have power to summon

(b) Supervise the construction of all buildings, bridges and other structures, the erection of which is controlled or regulated by the city.

(c) Furnish to any resident, street and sewer grades and building lines whenever required on such terms as the council may prescribe.

(d) Examine all applications for permits to erect buildings and other structures, and approve the same in writing before they are passed upon by the city council.

(e) Make complete maps of all streets, alleys, lanes, parks and public property owned by the city and keep the same on file in his office, and furnish a copy thereof to the city clerk or city manager.

(f) Have general supervision of the streets and alleys in the city and see that the pavements, sidewalks, gutters and sewers are kept clean and repaired.

(g) General supervision of the work of repairing and keeping in repair all pavements, sidewalks, curbs and sewers in the city.

(h) Attend all regular and special meetings of the council and recommend improvements required or suitable for any street, alley, land or locality in the city.

The city engineer shall receive a reasonable compensation for his services, and may, in the discretion of the council, be paid an annual retainer fee, not to exceed one hundred dollars, payable out of the city treasury.

City Health Officer, Duties

Sec. 15. The city health officer shall be a member of the medical profession in good standing and shall discharge all duties and exercise all powers which shall be conferred upon him by any ordinance or resolution of the city council; he shall report all unsightly, unsanitary and obnoxious conditions existing within the corporate limits of the city; he shall examine all restaurants, hot dog stands, refreshment places and lunch stands within the city and report the sanitary condition thereof; he shall have the right to close any places found to be in an unhealthy and unsanitary condition, dangerous to the health of the inhabitants of the city; supervise the sanitary inspection of the production, transportation, storage and sale of food and food stuffs; he shall provide rules for the collection and disposal of garbage; in the time of epidemic or threatened epidemic he shall enforce such quarantine and isolation rules and regulations as are appropriate for the emergency, and shall at all times have supervision over all contagious and infectious diseases; and perform any and all other duties necessary and essential to promote a healthy and sanitary condition within the city.

Board of Health

Sec. 16. The mayor, health officer and city attorney are hereby constituted and shall be a city board of health, of which the city health officer shall be chairman, with authority to call meetings of such board of health at such times as he may deem necessary. The board of health shall do and perform all such duties and exercise such powers as may be required of or conferred upon it by legal ordinances or resolutions of the city council. The board of health shall have supervision of the sanitary conditions of the city, and shall have power to summon

witnesses, hear testimony and to do any and all other things necessary and proper in the performance of its duties under this act and shall have such other and further powers as are vested in county health officers and county boards of health under the general laws of the state in such case made and provided.

Policemen, Duties

Sec. 17. The mayor, with the approval of the council, shall appoint a sufficient number of police officers to properly police the city, and shall fix the salaries of said officers in such an amount as they may deem proper.

One of the policemen, so appointed, shall be designated by the mayor as chief of police, and he shall discharge such duties as may be required of him by any ordinance or resolution of the council and he shall act under the orders of the judge of the police court or mayor in administering the police department. He shall have immediate supervision of the other members of the police force and be responsible for the performance by them of their respective duties.

The chief of police and any other police officers appointed by the council shall have all power, rights and privileges within the corporate limits of said city in regard to the arrest of persons, the collection of claims and the execution and return of process as may be legally exercised by a constable of a district within this state; and said chief of police and all police officers so appointed may, without having any warrant or other process therefor, arrest any person who commits a felony, misdemeanor or infraction of the ordinances of the city (although the offense does not amount to a breach of the peace) in his presence.

It shall be the duty of the chief of police to collect the city taxes, licenses, levies, assessments, and other such city claims as are placed in his hands for collection by the council, and he may distrain and sell therefor in like manner as a sheriff may distrain and sell for state and county taxes; and he shall, in all other respects have the same powers as a sheriff to enforce the payment and collection thereof, and all monies collected by him shall be promptly turned over to the city clerk.

Officers May Perform Other Duties

Sec. 18. The mayor, city attorney, city engineer, chief of police, city health officer and any member of the council, or any other elective or appointive officer shall, during the time for which he was elected or appointed, be eligible for appointment to any office under the city; provided such employment is authorized by the council, by resolution for such appointment, but in no case shall the time of service be for a longer period than said council is selected to serve under this act.

Terms of Office

Sec. 19. The mayor and five members of the council shall be elected for the term of four years and their successors shall be elected every four years thereafter, and their terms of office

shall begin on the first day of July of the year in which they shall be elected. All appointed officers shall hold office for a term of four years and until their successors are appointed and qualified, unless they are removed in the way and manner herein provided.
(Ord. No. 97-CH-1, 11-3-97)

Oath of Office

Sec. 20. The mayor and councilmen, and all other officers provided for in this act, shall each, before entering upon the duties of their respective offices, and within fifteen days after receiving their certificates of election or appointment, take the oath or affirmation of office prescribed by law for all officers of this state, and make oath or affirmation that they will truly, faithfully and impartially, to the best of their ability, discharge the duties of their respective offices so long as they continue therein. Said oath or affirmation may be taken before any person authorized to administer oaths under the laws in force at the time the same is taken, or before the mayor or city clerk of said city after the oath of office has been administered to them. A copy of the oath of each officer, duly signed by him, shall be filed with the city clerk.

Bonds of Officers and Employees

Sec. 21. The council may require bond from any officer or employee in whatever sum they may fix. All bonds of officers or employees shall, before their acceptance, be approved by the council. The minutes of the meeting of council shall show all matters touching the consideration or approval of all bonds, and when said bonds are approved and accepted, they shall be recorded by the city clerk in a well bound book kept by him at his office for that purpose, which book shall be open to public inspection; and the recordation of such bonds, as aforesaid, shall be *prima facie* proof of their correctness, and they, as so recorded, as well as copies thereof duly attested by the city clerk under the seal of the city, shall be admitted as evidence in all courts of this state. The city clerk shall be the custodian of all bonds. All bonds, obligations or other writings taken in pursuance of any provision of this act, shall be made payable to "The City of Welch", and the respective persons, and their heirs, executors, administrators and assigns bound thereby, shall be subject to the same proceedings on said bonds, obligations and other writings for the purpose of enforcing the conditions of the terms thereof, by motion or otherwise, before any court of record held in and for the county of McDowell, that collectors of county levies and their sureties are or shall be subject to on their bonds for enforcing the payment of the county levies.

Salaries

Sec. 22. The salaries of the mayor and members of the council shall be fixed by the council and shall be payable out of the city treasury. The police judge, city manager, city clerk, city physician, city attorney, city engineer, policemen, firemen, and other appointive officers shall

shall begin on the first day of July of the year in which they shall be elected. All appointed officers shall hold office for a term of four years and until their successors are appointed and qualified, unless they are removed in the way and manner herein provided.
(Ord. No. 97-CH-1, 11-3-97)

Oath of Office

Sec. 20. The mayor and councilmen, and all other officers provided for in this act, shall each, before entering upon the duties of their respective offices, and within fifteen days after receiving their certificates of election or appointment, take the oath or affirmation of office prescribed by law for all officers of this state, and make oath or affirmation that they will truly, faithfully and impartially, to the best of their ability, discharge the duties of their respective offices so long as they continue therein. Said oath or affirmation may be taken before any person authorized to administer oaths under the laws in force at the time the same is taken, or before the mayor or city clerk of said city after the oath of office has been administered to them. A copy of the oath of each officer, duly signed by him, shall be filed with the city clerk.

Bonds of Officers and Employees

Sec. 21. The council may require bond from any officer or employee in whatever sum they may fix. All bonds of officers or employees shall, before their acceptance, be approved by the council. The minutes of the meeting of council shall show all matters touching the consideration or approval of all bonds, and when said bonds are approved and accepted, they shall be recorded by the city clerk in a well bound book kept by him at his office for that purpose, which book shall be open to public inspection; and the recordation of such bonds, as aforesaid, shall be *prima facie* proof of their correctness, and they, as so recorded, as well as copies thereof duly attested by the city clerk under the seal of the city, shall be admitted as evidence in all courts of this state. The city clerk shall be the custodian of all bonds. All bonds, obligations or other writings taken in pursuance of any provision of this act, shall be made payable to "The City of Welch", and the respective persons, and their heirs, executors, administrators and assigns bound thereby, shall be subject to the same proceedings on said bonds, obligations and other writings for the purpose of enforcing the conditions of the terms thereof, by motion or otherwise, before any court of record held in and for the county of McDowell, that collectors of county levies and their sureties are or shall be subject to on their bonds for enforcing the payment of the county levies.

Salaries

Sec. 22. The salaries of the mayor and members of the council shall be fixed by the council and shall be payable out of the city treasury. The police judge, city manager, city clerk, city physician, city attorney, city engineer, policemen, firemen, and other appointive officers shall

receive such compensation as the council may prescribe by ordinance or order, unless said compensation be fixed by this act, and the same shall not be increased or diminished during the term for which the appointment was made.

(Ord. of 6-15-82)

State law reference—Authority of council to override charter provisions relating to salary, W. Va. Code § 8-5-12.

Removal of Officer, Cause

Sec. 23. Any member of the council and any city official either elected or appointed may be removed from his office by the council for the following causes: Official misconduct, incompetence, misappropriation of public funds, habitual drunkenness, neglect of duty or gross immorality. Such removal shall not be made except upon charges regularly filed and acted upon as follows: The charges against any 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 the day 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, and it shall require the affirmative vote of a majority of all the members elected to council to remove any such official. An officer proceeded against under the provisions of this section shall be tried before the council and shall have the right to be represented by counsel, and the circuit court of McDowell county shall have concurrent jurisdiction with the council for any of the causes herein mentioned.

The mayor, or any other official having the power of appointment, shall have the right to remove any of his appointees and appoint another qualified person in his place, but such removal shall be made by means of writing served upon such official so removed; and all of the rights and powers of such official shall cease and end from the time of such removal by said appointing officer; *provided,* that the person so removed shall have the right to appeal to the council, which shall hear the charges, and may overrule the action of the mayor and re-instate such officer, or sustain the ruling of the mayor and affirm the removal and discharge.

Vacancies

Sec. 24. Whenever a vacancy for any cause whatever shall occur in the office of mayor or councilman, the council shall elect some qualified person to fill said vacancy until the next city election, and until his successor shall have been elected and qualified, and when such vacancy shall occur in the office of an appointive officer, his successor shall be appointed by the person making the original appointment, or his successor in office.

Whenever any person elected as a member of the governing body of the city is ineligible under this act, to hold said office or fails to qualify for said office as herein provided, said office shall be declared vacant and some person shall be elected to fill said vacancy as herein provided.

In event of the death of the mayor, the city council shall elect a person qualified to act as mayor, as herein provided, to fill the unexpired term of the deceased mayor, and in the event of the absence or inability of the mayor to perform the duties of his office for a period of ninety days, then the office of mayor shall be declared vacant and a successor elected to fill said vacancy in the manner aforesaid, and complete the term of office of the original mayor. In the absence or inability of any appointive city officials to perform the duties of their respective offices, the person or body making the original appointment shall designate some one to fill such office temporarily; or if such absence or inability extends over a period of sixty days, he or it may appoint some one to fill such office permanently.

Nomination of Officers

Sec. 25. Between the fifteenth and thirty-first day of March preceding a municipal election for the purpose of electing city officials, each political party shall at some convenient place, to be designated by the chairman of the city committee thereof, hold a convention for the purpose of nominating a mayor, councilmember from each ward and two councilmembers at large, and for all municipal political party executive committees to select their chairmen, secretary and executive committee members. Each of the political parties having the right to make nominations for city officials under the election laws of the City of Welch and state of West Virginia, shall give notice of the date, time, place and manner of such nominations as a Class II legal advertisement, as defined in the Code of West Virginia, as amended, in some daily newspaper printed in the City of Welch.

The chairman and secretary of any convention so held shall certify to the council of the City of Welch the names of the candidates named for the respective offices and executive committee positions.

The city clerk is hereby designated as the person in the municipality to perform the same duties performed by the county clerk and the circuit clerk in a county election.
(Ord. No. 91-CH-2, 12-16-91)

Qualification of Voters

Sec. 26. Every person who has been a *bona fide* resident of the city for thirty days next preceding a city election therein, and who is a qualified voter under the constitution and laws of this state shall be entitled to vote at said city election in the election precinct in which he actually resides.
(Ord. No. 99-CH-1, 9-7-99)

Registration of Voters

Sec. 27. The registration of voters of the City of Welch shall be integrated with the system of permanent registration of voters established by West Virginia Code Section 3-2-1, et seq. No voter otherwise qualified shall be permitted to vote an unchallenged ballot at any election

In event of the death of the mayor, the city council shall elect a person qualified to act as mayor, as herein provided, to fill the unexpired term of the deceased mayor, and in the event of the absence or inability of the mayor to perform the duties of his office for a period of ninety days, then the office of mayor shall be declared vacant and a successor elected to fill said vacancy in the manner aforesaid, and complete the term of office of the original mayor. In the absence or inability of any appointive city officials to perform the duties of their respective offices, the person or body making the original appointment shall designate some one to fill such office temporarily; or if such absence or inability extends over a period of sixty days, he or it may appoint some one to fill such office permanently.

Nomination of Officers

Sec. 25. Between the fifteenth and thirty-first day of March preceding a municipal election for the purpose of electing city officials, each political party shall at some convenient place, to be designated by the chairman of the city committee thereof, hold a convention for the purpose of nominating a mayor, councilmember from each ward and two councilmembers at large, and for all municipal political party executive committees to select their chairmen, secretary and executive committee members. Each of the political parties having the right to make nominations for city officials under the election laws of the City of Welch and state of West Virginia, shall give notice of the date, time, place and manner of such nominations as a Class II legal advertisement, as defined in the Code of West Virginia, as amended, in some daily newspaper printed in the City of Welch.

The chairman and secretary of any convention so held shall certify to the council of the City of Welch the names of the candidates named for the respective offices and executive committee positions.

The city clerk is hereby designated as the person in the municipality to perform the same duties performed by the county clerk and the circuit clerk in a county election.
(Ord. No. 91-CH-2, 12-16-91)

Qualification of Voters

Sec. 26. Every person who has been a *bona fide* resident of the city for thirty days next preceding a city election therein, and who is a qualified voter under the constitution and laws of this state shall be entitled to vote at said city election in the election precinct in which he actually resides.
(Ord. No. 99-CH-1, 9-7-99)

Registration of Voters

Sec. 27. The registration of voters of the City of Welch shall be integrated with the system of permanent registration of voters established by West Virginia Code Section 3-2-1, et seq. No voter otherwise qualified shall be permitted to vote an unchallenged ballot at any election

CITY OF WELCH
ORDINANCE 06-01

AN ORDINANCE TO AMEND §28 OF THE CHARTER OF THE CITY OF WELCH, WEST VIRGINIA FOR ELECTION OF ALL CITY OFFICIALS; TO SET QUALIFICATIONS OF NOMINEES; TO PROVIDE FOR FILING OF CANDIDATES AND TO SET DATES FOR A NONPARTISAN GENERAL ELECTION

Be it That § 28 of the City Charter is amended by the City Council as follows:

Section____-1	Non-partisan elections of city officials
Section____-2	Requirements and qualifications for candidates for city offices
Section____-3	Provisions for filing for election, and setting filing period
Section____-4	Provision for the date of a non-partisan general election

SECTION 1: Non-partisan elections of city officials

Upon the passage of this ordinance the election of all elected city officers for the city of Welch will be by a non-partisan ballot without reference or preference to any political party or affiliation. Such offices will open to any qualifying individual regardless of current party affiliation. As Chapter 3.5 of the City Code is in conflict with the provisions of this ordinance it is hereby repealed and amended.

SECTION 2: Requirements and qualifications for candidates for city offices

Any candidate filing for any elected office for the city of Welch must file a certificate of announcement at Welch Town Hall, during the appointed filing period, indicating which office he wishes to run for as a candidate. That candidate must have been a resident of the city of Welch for at least 30 days prior to filing for any office of the city of Welch. Such candidate must be at least 18 year of age, and not have any prior conviction of a felony in the United States of America or in any of its political subdivisions; and that candidate must file his or her certificate of announcement in person, unless that candidate has a physical handicap that would make it impossible to file in person. Each candidate will be assessed a filing fee equal to one percent of the salary received by that office in the year prior to the election.

SECTION 3: Provisions for filing for election, and setting filing period.

The period for filing a certificate of announcement will begin the second Tuesday in March and will end 14 days later. All candidates will meet at the Welch Town Hall on the 15th day after the beginning of the filing period and will select the order their names

will appear on the ballot by a random drawing to be conducted by the City Clerk. Any candidate who does not appear at this drawing will be place on the ballot in alphabetical order by last name immediately after the last name randomly drawn for that particular office.

SECTION 4: Provision for the date of a non-partisan general election

The election among those qualified candidates who have properly filed certificates of announcement will be held on the second Tuesday in June. The candidate who garners the plurality of the votes for a particular office will be declared the winner of the race for that particular office.

1st Reading - February 23, 2006

2nd Reading - March 6, 2006

Martha H. Moore, Mayor

Robin Owens, City Clerk

Councilmember

Councilmember

Councilmember

Councilmember

Councilmember

for the purposes aforesaid, after having given at least five days' notice of the time, place and purpose of said meeting by publication in some newspaper of general circulation in said city.

The council may, and in the case of a special election shall, at a meeting to be held for that purpose at least fifteen days prior to the date of said election, register any legal voter or voters whose names have been omitted by said registrars, and said council shall give at least five days' notice of said meeting by publication in some newspaper of general circulation in said city, which notice shall state the time and place of said meeting and its intention to correct the registration of voters of said city, *however*, it shall not be necessary to have a special registration of voters for any special election, but the preceding registration of voters for the last general election, with such additions as are hereinbefore provided for, shall be the proper registration for such special election.

within the municipality unless he or she is duly registered under the provisions of West Virginia law. The registration records shall be maintained by and shall remain in the possession of the Clerk of the County Commission, except for use in municipal elections. (Ord. No. 99-CH-1, 9-7-99)

Compensation of Registrars

Each of said registrars appointed under the provisions of this act, shall receive as compensation for their services the sum of ten cents for each name so registered by them, which said amount shall also be allowed for each name thereafter added to said list, provided said registrars, when sitting for the purpose of amending, correcting and adding names to said registration list, as hereinabove provided, shall be paid a minimum fee of five dollars for their services. Compensation of the registrars shall be allowed by the council payable out of the city treasury.

Elections

Sec. 28. The first election for the mayor and council member under this charter (as amended by 97-CH-1) shall be held on the first Tuesday in June, one thousand nine hundred and ninety-eight, and every four years thereafter on the first Tuesday in June there shall be elected by the qualified voters of said city a mayor and two council members at large, and by the qualified voters of each of the three wards one council member.

The city clerk, immediately upon receiving certificate of nominations of candidates for city offices made by conventions held in the city, herein provided for, shall cause ballots to be printed with the names of candidates duly named placed thereon.

In all elections by the people, the mode of voting shall be by ballot, but the voters shall be left free to vote open, sealed or secret ballots, as they may elect. The election in said city shall be held and conducted, and the result thereof certified, returned and officially determined under the laws in force in this state relative to general elections, except that the persons conducting said election shall, on the day after the election is held, deliver the ballots, tally sheets and poll books to the city clerk, and thereafter the council of said city shall within five days (Sundays excepted) after said election, canvass the returns of said election and declare the results thereof, issuing certificates of election to the persons elected, as shown by said canvass of the returns thereof, and in all respects comply with the requirements of the laws of the state relating to elections in force at that time. The corporate authorities of said city shall perform all duties in relation to said elections required by general law of the county commission. And the provisions of the election laws of the state of West Virginia in effect on the date of said election, concerning elections by the people shall govern such elections and be applicable thereto, and the penalties therein prescribed for offenses relating to elections shall be enforced against the offenders of such corporate elections; and the said act shall have the same force and effect as if it were specially applicable in such corporate elections and was by this act re-enacted in *extenso;* except as above modified as to the time in which the returns of the election and canvass thereto shall be made.

Whenever two or more persons receive an equal number of votes for mayor or council member, the council in office at the time the election is held shall choose by lot which of the two or more persons receiving the same number of votes shall be entitled to the office for which he/she received the votes.

In the event of a demand by any candidate for a recount of the votes cast at said election or in event of the institution of a proceeding to contest said election, the council in office at the time of said election shall hold over and remain in office for the purpose of passing upon and deciding such recount or contest of election and for any other purpose; and nothing herein provided shall be construed to interfere with the duties, affairs and authority of the new and incoming council. The re-count or contest of election shall be made and conducted in the manner provided for as in contests for county and district officers, and the council by their proceedings in such cases shall, as nearly as practicable, conform with like proceedings of the county court in such cases.

The unsuccessful part in a recount or contested election shall have the right to appeal from the decision of the city council to the circuit court of McDowell county and upon an appeal being taken as aforesaid, it shall be the duty of the council to certify to the circuit court of said county, under the seal of the city, all the proceedings had in said recount or contested election.
(Ord. No. 97-CH-1, 11-3-97)

Corporate Powers

Sec. 29. The council of said city shall have, and is hereby granted power to have said city surveyed, to lay out, open, vacate, straighten, broaden, change grade of, grade, re-grade, curb, widen, narrow, repair, pave and re-pave streets, alleys, roads, squares, plots, sidewalks and gutters for public use, and to alter, improve, embellish and ornament and light the same, and to construct and maintain public sewers and laterals, and shall, in all cases, have power and authority to assess upon and collect from, the property benefited thereby, such part of the expense thereof as shall be fixed by ordinance, except as hereinafter provided; to have control of all streets, avenues, roads, alleys and grounds for public use in said city, and to regulate the use thereof and driving thereon, and to have the same kept free from obstruction, pollution or litter on or over them; to have the right to control all bridges within said city, and the traffic thereover; to change the name of any street, avenue or road within said city, and regulate and cause the numbering and re-numbering of houses on any street, avenue or road therein; to regulate the naming of streets, avenues and public places; to regulate and determine the width of streets, sidewalks, roads and alleys; to order and direct the curbing, re-curbing, paving and re-paving and repairing of sidewalks and footways for public use in said city to be done and kept clean and in good order by the owners of adjacent property; to prohibit and punish the abuse of animals; to restrain and punish vagrants, medicants, beggars, tramps, prostitutes, drunken or disorderly persons within the city, and to provide for their arrest and manner of punishment; to prohibit and punish by fine the bringing into the city by railroads or other carriers, persons known to be paupers, dangerous or objectionable characters or afflicted with contagious diseases; to control and suppress disorderly houses of prostitution or ill-fame,

Whenever two or more persons receive an equal number of votes for mayor or council member, the council in office at the time the election is held shall choose by lot which of the two or more persons receiving the same number of votes shall be entitled to the office for which he/she received the votes.

In the event of a demand by any candidate for a recount of the votes cast at said election or in event of the institution of a proceeding to contest said election, the council in office at the time of said election shall hold over and remain in office for the purpose of passing upon and deciding such recount or contest of election and for any other purpose; and nothing herein provided shall be construed to interfere with the duties, affairs and authority of the new and incoming council. The re-count or contest of election shall be made and conducted in the manner provided for as in contests for county and district officers, and the council by their proceedings in such cases shall, as nearly as practicable, conform with like proceedings of the county court in such cases.

The unsuccessful part in a recount or contested election shall have the right to appeal from the decision of the city council to the circuit court of McDowell county and upon an appeal being taken as aforesaid, it shall be the duty of the council to certify to the circuit court of said county, under the seal of the city, all the proceedings had in said recount or contested election.
(Ord. No. 97-CH-1, 11-3-97)

Corporate Powers

Sec. 29. The council of said city shall have, and is hereby granted power to have said city surveyed, to lay out, open, vacate, straighten, broaden, change grade of, grade, re-grade, curb, widen, narrow, repair, pave and re-pave streets, alleys, roads, squares, plots, sidewalks and gutters for public use, and to alter, improve, embellish and ornament and light the same, and to construct and maintain public sewers and laterals, and shall, in all cases, have power and authority to assess upon and collect from, the property benefited thereby, such part of the expense thereof as shall be fixed by ordinance, except as hereinafter provided; to have control of all streets, avenues, roads, alleys and grounds for public use in said city, and to regulate the use thereof and driving thereon, and to have the same kept free from obstruction, pollution or litter on or over them; to have the right to control all bridges within said city, and the traffic thereover; to change the name of any street, avenue or road within said city, and regulate and cause the numbering and re-numbering of houses on any street, avenue or road therein; to regulate the naming of streets, avenues and public places; to regulate and determine the width of streets, sidewalks, roads and alleys; to order and direct the curbing, re-curbing, paving and re-paving and repairing of sidewalks and footways for public use in said city to be done and kept clean and in good order by the owners of adjacent property; to prohibit and punish the abuse of animals; to restrain and punish vagrants, medicants, beggars, tramps, prostitutes, drunken or disorderly persons within the city, and to provide for their arrest and manner of punishment; to prohibit and punish by fine the bringing into the city by railroads or other carriers, persons known to be paupers, dangerous or objectionable characters or afflicted with contagious diseases; to control and suppress disorderly houses of prostitution or ill-fame,

houses of assignation and gaming houses or any part thereof, to punish those engaged in gaming and to suppress all gaming or gambling houses, and all places where gambling or betting is in any way connected therewith; to prohibit within the city or within one mile thereof, slaughter houses, soap or glue factories and houses and places of like kind, and any other thing or business dangerous, unwholesome, unhealthy, offensive, indecent or dangerous to life, health, peace or property; to provide for the entry into the examination of all dwellings, lots, yards, enclosures, buildings and structures, cars, and vehicles of every description, and to ascertain their condition for health, cleanliness or safety; to regulate the building and maintenance of party walls, partition fences or lines, fire walls, fire places,

chimneys, boilers, smoke stacks and stove pipes; to provide for and regulate the safe construction, inspection and repairs of all public and private buildings, bridges, basements, culverts, sewers, or other buildings or structures of any description; to take down and remove or make safe and secure, any and all buildings, walls, structures or super-structures at the expense of the owners thereof, that are or may become dangerous, or to require the owners or their agents to take down and remove them or put them in a safe and sound condition at their own expense; to regulate, restrain or prohibit the erection of wooden or other buildings within the city; to regulate the height, construction and inspection of all new buildings hereafter erected, and the alteration and repair of any buildings already erected or hereafter erected in said city, and to require permits to be obtained for such buildings and structures, and plans and specifications thereof to be first submitted to the city engineer; to regulate the limit within which it shall be lawful to erect any steps, porticos, bay windows, bow windows, show windows, awnings, signs, columns, piers or other projection or structural ornaments of any kind for the houses or buildings fronting on any street of said city; to establish fire limits and to provide the kind of buildings and structures that may be erected therein, and to enforce all needful rules and regulations to guard against fire and danger therefrom; to require, regulate and control the construction of fire escapes for any building or other structures in said city, to control the opening and construction of ditches, drains, sewers, cess-pools, and gutters, and to deepen, widen and clear the same of stagnant water or filth, and to prevent obstruction therein, and to fill, close or abolish the same and to determine at whose expense the same shall be done; and to build and maintain fire station houses, crematories, jails, lockups, and other buildings, police stations and police courts, and to regulate the management thereof; to acquire, establish, lay off, appropriate, regulate maintain and control public grounds, squares and parks, hospitals, market houses, city buildings, libraries and other educational or charitable institutions, either within or without the city limits, and when the council determines that any real estate rights therein, or materials in or out of the city is necessary to be acquired by said city for any such city purpose, or for any public purpose, or is necessary in the exercise of its powers herein granted, the power of eminent domain is hereby conferred upon said city, and it shall have the right to institute condemnation proceedings against the owner thereof, whether said property be in or out of said city, in the same manner, to the same extent, and upon the same conditions as such power is conferred upon public service corporations by chapter forty-two of the code of West Virginia of the edition of one thousand nine hundred and six, and is now or may be hereafter amended; to purchase, lease or contract for and take care of all public buildings and structures and real estate deemed proper for the use of such city; and for the protection of the public to cause the removal of unsafe walls, structures or buildings, and the filling of excavations; to prevent injury or annoyance to the business of individuals from anything dangerous, offensive or unwholesome; to abate or cause to be abated all nuisances and to that end and thereabout to summon witnesses and hear testimony; to regulate or prohibit the keeping of gunpowder and other combustible or dangerous articles and to regulate the transportation of same through the streets, alleys and public places; to regulate, restrain or prohibit the use of firecrackers or other explosives or fireworks, and all noises or performances which may be dangerous, indecent or annoying to persons or tend to frighten horses or other animals; to provide and maintain proper places for the burial of the dead, in or out of the city, and to regulate interments therein upon such terms and

conditions as to price and otherwise, as may be determined; to provide for shade and ornamental trees, shrubbery, grass, flowers and other ornamentation, and the protection of the same; to provide for the poor of the city; to make suitable and proper regulations in regard to the use of the streets, public places, sidewalks and alleys by foot passengers, animals, vehicles, motors, automobiles, traction engines, railroad engines and cars, and to regulate the running and operation of the same so as to prevent obstruction thereon, encroachment thereto, injury, inconvenience or annoyance to the public; and to regulate fares and operation of motor vehicles used in the public transportation of passengers or property; to purchase or otherwise secure life, health and accident policies on the group or other convenient plan upon the members of the city police force and fire department, and as an element of compensation of such members may appropriate the moneys necessary to defray the cost thereof. Whenever in its opinion the safety of the public so requires, the council may authorize or require by ordinance any railroad company operating railroad tracks upon or across any public street or streets of the city, to construct and maintain overhead or undergrade crossings wherever the tracks of said company are laid upon or across the public streets of such city; to apportion the cost of the construction and maintenance of such crossings between any such railroad company and city in accordance with the state law; to prohibit prize fighting and cock and dog fighting; to license, tax, regulate or prohibit theaters, moving pictures, circuses and exhibition of showmen and shows of any kind, and the exhibition of natural or artificial curiosities, carnivals, menageries and musical exhibitions and performances, and other things or business on which the state does or may exact a license tax; to organize and maintain fire companies and departments, and to provide necessary apparatus, engines and implements for the same and to regulate all matters pertaining to the prevention and extinguishing of fires; to make proper regulations for guarding against danger and damage from fires, water or other elements; to regulate and control the kind and manner of plumbing and electric wiring, air-ships, balloons, wireless stations, radio stations and other appliances for the protection of the health and safety of said city; to levy taxes on persons, property and licenses; to license and tax dogs and other animals and regulate, restrain and prohibit them and all other animals and fowls running at large; to provide revenue for the city and appropriate the same to its expenses; to adopt rules for the transaction of business of its own regulation and government; to promote the general welfare of the city, and to protect the persons and property of citizens therein; to regulate and provide for the weighing of produce and other articles sold in said city and to regulate the transportation thereof and other things, through the streets, alleys and public places; to have the right to grant, refuse or revoke any and all licenses for the carrying on of any business within said city on which the state exacts a license tax; to establish and regulate markets and to prescribe the time for holding the same, and what shall be sold in such market, and to let stalls or apartments and regulate the same; to acquire and hold property for market purposes; to regulate the placing of signs, billboards, posters and advertising on or over the streets, alleys, sidewalks and public grounds of said city; to preserve and protect the peace, order and safety and health of the city and its inhabitants, including the right to regulate the sale and use of cocaine, morphine, opium and poisonous or dangerous drugs; to appoint and fix the place of holding city elections; to erect, own, lease, authorize or prohibit the erection of gas works, electric light works or water works in or near the city, and to operate the same, and to sell the product or services thereon and to

conditions as to price and otherwise, as may be determined; to provide for shade and ornamental trees, shrubbery, grass, flowers and other ornamentation, and the protection of the same; to provide for the poor of the city; to make suitable and proper regulations in regard to the use of the streets, public places, sidewalks and alleys by foot passengers, animals, vehicles, motors, automobiles, traction engines, railroad engines and cars, and to regulate the running and operation of the same so as to prevent obstruction thereon, encroachment thereto, injury, inconvenience or annoyance to the public; and to regulate fares and operation of motor vehicles used in the public transportation of passengers or property; to purchase or otherwise secure life, health and accident policies on the group or other convenient plan upon the members of the city police force and fire department, and as an element of compensation of such members may appropriate the moneys necessary to defray the cost thereof. Whenever in its opinion the safety of the public so requires, the council may authorize or require by ordinance any railroad company operating railroad tracks upon or across any public street or streets of the city, to construct and maintain overhead or undergrade crossings wherever the tracks of said company are laid upon or across the public streets of such city; to apportion the cost of the construction and maintenance of such crossings between any such railroad company and city in accordance with the state law; to prohibit prize fighting and cock and dog fighting; to license, tax, regulate or prohibit theaters, moving pictures, circuses and exhibition of showmen and shows of any kind, and the exhibition of natural or artificial curiosities, carnivals, menageries and musical exhibitions and performances, and other things or business on which the state does or may exact a license tax; to organize and maintain fire companies and departments, and to provide necessary apparatus, engines and implements for the same and to regulate all matters pertaining to the prevention and extinguishing of fires; to make proper regulations for guarding against danger and damage from fires, water or other elements; to regulate and control the kind and manner of plumbing and electric wiring, air-ships, balloons, wireless stations, radio stations and other appliances for the protection of the health and safety of said city; to levy taxes on persons, property and licenses; to license and tax dogs and other animals and regulate, restrain and prohibit them and all other animals and fowls running at large; to provide revenue for the city and appropriate the same to its expenses; to adopt rules for the transaction of business of its own regulation and government; to promote the general welfare of the city, and to protect the persons and property of citizens therein; to regulate and provide for the weighing of produce and other articles sold in said city and to regulate the transportation thereof and other things, through the streets, alleys and public places; to have the right to grant, refuse or revoke any and all licenses for the carrying on of any business within said city on which the state exacts a license tax; to establish and regulate markets and to prescribe the time for holding the same, and what shall be sold in such market, and to let stalls or apartments and regulate the same; to acquire and hold property for market purposes; to regulate the placing of signs, billboards, posters and advertising on or over the streets, alleys, sidewalks and public grounds of said city; to preserve and protect the peace, order and safety and health of the city and its inhabitants, including the right to regulate the sale and use of cocaine, morphine, opium and poisonous or dangerous drugs; to appoint and fix the place of holding city elections; to erect, own, lease, authorize or prohibit the erection of gas works, electric light works or water works in or near the city, and to operate the same, and to sell the product or services thereon and to

do any and all things necessary and incidental to the conduct of such business; to provide for the purity of water, milk, meats and provisions offered for sale in said city, and to that end provide for a system of inspecting the same and making and enforcing rules for the regulation of their sale, and to prohibit the sale of any unwholesome or tainted milk, meats, fish, fruit, vegetables, or the sale of milk, containing water or other things not constituting a part of pure milk; to provide for inspecting dairies and slaughter houses, whether in or outside of the city, where the milk and meat therefrom are offered for sale within said city, and to prohibit the sale of any article deemed unwholesome, and to condemn the same or destroy or abate it as a nuisance; to provide for the regulation of public processions so as to prevent interference with public traffic, or prohibit any parade or demonstration wherein the participants are marked, and to promote the good order of the city; to prescribe and enforce ordinances and rules for the purpose of protecting the health, property, lives, decency, morality, cleanliness and good order of the city and its inhabitants, and to protect places of divine worship in and about the premises where held and to punish violations of all ordinances, if the offense under and against the same shall also constitute offenses under the laws of the state of West Virginia or the common law; to provide for the employment and safe keeping of persons who may be committed in default of payment of fines, penalties or costs under this act, who are otherwise unable to discharge the same, by putting them to work for the benefit of the city upon the streets or other places in or out of the city provided by said city, and to use such means to prevent their escape while at work as the council may deem expedient; and the council may fix a reasonable rate per day as wages to be allowed such persons until the fine and costs against him are thereby discharged; to compel the attendance at public meetings of the members of the council; to have and exercise such additional rights, privileges and powers as are granted to municipalities by chapter forty-seven of the code of West Virginia as amended.

For all such purposes, except that of taxation and for purposes otherwise limited by this act, the council shall have jurisdiction, when necessary, for one mile beyond the corporation within said one mile limit.

And the council shall have the right to establish, construct and maintain public markets and parking places on any ground which does or shall belong to said city, or which it shall acquire, by purchase or otherwise, and to sell, release, repair, alter or remove any public markets or buildings which have been or shall be so constructed; to maintain on property owned by the City of Welch, or on certain designated streets, stalls for taxi cars and busses and to levy and collect a reasonable monthly rental for said stalls and parking places.

To carry into effect these enumerated powers and all other powers conferred upon said city expressly or by implication in this and other acts of the legislature, the council of said city shall have the powers in the manner herein prescribed, to adopt and enforce all needful orders, rules and ordinances not contrary to the laws and constitution of this state; and to prescribe, impose and enforce reasonable fines and penalties, including imprisonment in the city lock-up, jail or stationhouse, and to work prisoners found guilty, as the council may prescribe, and market the products of such labor, and with the consent of the county court of McDowell county entered of record, shall have the right to use the jail of said county for any purpose necessary to the administration of its affairs.

Eminent Domain

Sec. 30. The City of Welch as herein created or continued shall have the right under the power of eminent domain to condemn, acquire and appropriate any property and acquire the fee simple title or any lesser estate or easement therein for any public use, whether said property be located within or outside of the corporate limits of said city, including the right to acquire property for opening and widening streets, alleys and public places, and for the construction and maintenance of sewer lines, sewerage disposal plants, water lines and mains, pump stations, reservoirs or reservoir sites, dams for storing water, and the right to create storage reservoirs by flooding adjacent properties, and for every other purpose required in the construction, maintenance, and operation of water systems and plants for the purpose of supplying water to the public. The proceedings to acquire such lands, estates, or easements shall be the same as provided by general laws of the state of West Virginia for condemning and appropriating private property for public use.

Nuisances

Sec. 31. "The council of the city upon its own motion, or upon the recommendation of the city health officer, board of health, chief of police or mayor, shall have authority to abate and remove all nuisances in said city. It may compel the owners, agents, assignees, occupants or tenants of any lot, premises, property, building, or structure upon, or in which any nuisance may be, to abate and remove the same by orders therefor, and by ordinance provide a penalty for the violation of such orders."

Said council may also by its own officers, appointees, and employees abate and remove nuisances, including all obstructions on the streets and alleys of said city. It may by ordinance regulate the location, construction, repair, use, emptying, and cleaning of all water closets, privies, cess-pools, sinks, plumbing, drains, yards, lots, air ways, pens, stables, and other places where offensive and dangerous substances or liquids are, or may accumulate, and provide suitable penalties for violations of such regulations, which may be enforced against the owner, agent, assignee, occupant, or tenant of any premises or structure where such violation may occur.

It shall be unlawful for any filling station, garage, auto shop, store, person or corporation to maintain and operate gas or oil tanks or any other fixtures within the streets or upon the sidewalks in the city, and the maintenance of gas tanks, oil tanks and other fixtures upon the streets and sidewalks of the city shall be deemed a nuisance, and the city shall have the right to abate and remove the same as herein provided.

The owner, agent, tenant, assignee, or occupant of any such premises, lot, property, building or structure, as is mentioned herein, or the owner or operator of any gas tanks, oil tanks and other fixtures in and upon the streets and sidewalks as mentioned herein, shall be notified in writing to abate and remove said nuisance, which said notice shall be served by a police officer in the same manner provided for the service of process to commence suits, at least fifteen days before any further action is taken. Said notice shall require the person or corporation to abate and remove said nuisance or forthwith appear before the council and show cause why the same should not be abated and removed.

Eminent Domain

Sec. 30. The City of Welch as herein created or continued shall have the right under the power of eminent domain to condemn, acquire and appropriate any property and acquire the fee simple title or any lesser estate or easement therein for any public use, whether said property be located within or outside of the corporate limits of said city, including the right to acquire property for opening and widening streets, alleys and public places, and for the construction and maintenance of sewer lines, sewerage disposal plants, water lines and mains, pump stations, reservoirs or reservoir sites, dams for storing water, and the right to create storage reservoirs by flooding adjacent properties, and for every other purpose required in the construction, maintenance, and operation of water systems and plants for the purpose of supplying water to the public. The proceedings to acquire such lands, estates, or easements shall be the same as provided by general laws of the state of West Virginia for condemning and appropriating private property for public use.

Nuisances

Sec. 31. "The council of the city upon its own motion, or upon the recommendation of the city health officer, board of health, chief of police or mayor, shall have authority to abate and remove all nuisances in said city. It may compel the owners, agents, assignees, occupants or tenants of any lot, premises, property, building, or structure upon, or in which any nuisance may be, to abate and remove the same by orders therefor, and by ordinance provide a penalty for the violation of such orders."

Said council may also by its own officers, appointees, and employees abate and remove nuisances, including all obstructions on the streets and alleys of said city. It may by ordinance regulate the location, construction, repair, use, emptying, and cleaning of all water closets, privies, cess-pools, sinks, plumbing, drains, yards, lots, air ways, pens, stables, and other places where offensive and dangerous substances or liquids are, or may accumulate, and provide suitable penalties for violations of such regulations, which may be enforced against the owner, agent, assignee, occupant, or tenant of any premises or structure where such violation may occur.

It shall be unlawful for any filling station, garage, auto shop, store, person or corporation to maintain and operate gas or oil tanks or any other fixtures within the streets or upon the sidewalks in the city, and the maintenance of gas tanks, oil tanks and other fixtures upon the streets and sidewalks of the city shall be deemed a nuisance, and the city shall have the right to abate and remove the same as herein provided.

The owner, agent, tenant, assignee, or occupant of any such premises, lot, property, building or structure, as is mentioned herein, or the owner or operator of any gas tanks, oil tanks and other fixtures in and upon the streets and sidewalks as mentioned herein, shall be notified in writing to abate and remove said nuisance, which said notice shall be served by a police officer in the same manner provided for the service of process to commence suits, at least fifteen days before any further action is taken. Said notice shall require the person or corporation to abate and remove said nuisance or forthwith appear before the council and show cause why the same should not be abated and removed.

After the notice aforesaid, and the hearing, if required, is had, and upon the failure of the party responsible to abate and remove said nuisance, then the council, by a proper order passed and entered in the minutes of the meeting, shall abate and remove said nuisance, and collect the expenses thereof from the owner, occupant, tenant, agent, or assignee, by distress or sale, in the same manner in which taxes levied upon real estate for the benefit of said city are herein authorized to be collected. In the case of non-resident owners of real estate, the notice herein provided may be served upon any tenant, occupant, assignee, or rental agent of the owner, or by publication thereof once a week for two successive weeks in some newspaper of general circulation in said city. The abatement or removal of any such nuisance herein provided, shall be *prima facie* proof that the said notice to the owner, occupant, tenant, agent or assignee was given as herein prescribed."

The council may require all owners, tenants or occupants of improved property which may be located upon or near any street or alley along which may extend any sewer or system of sewerage, which the said city may construct, own or control, to connect with such sewer or system of sewerage, all privies, ponds, water closets, cess-pools, drains, or sinks located upon their respective properties or premises so that their contents may be made to empty into such sewer or system of sewerage, and shall have the right to charge a reasonable amount for the right to connect to such sewer.

Establishment of Jails

Sec. 32. The City of Welch shall have the right to establish jails and places for the detention of prisoners of said city at any place within McDowell county, and all prisoners arrested and imprisoned when awaiting trial or after conviction shall be imprisoned in the jail so established and designated by the council as the city jail, or such prisoners may be imprisoned in the county jail of McDowell county, West Virginia, and the jailer of said McDowell county is hereby required to receive and safely keep any prisoners of said city who shall be sentenced to the county jail under the provisions hereof. *Provided, however*, that the said city shall reimburse the county for all expenses sustained in keeping such prisoners.

In the event the city council establishes a jail under the provisions of this act, then said council shall have the right to employ a jailor therefor at a reasonable salary, and to employ such other servants as may be necessary to properly maintain said jail.

The establishment and maintenance of said jail shall be paid for out of the general fund.

Franchises

Sec. 33. Franchises shall be granted by the council, allowing to persons or corporations, for a limited time, such occupancy of portions of the street as may be necessary for works of public utility and service, such as steam railway tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles and subways, electric light and other electric poles, wires and subways, and gas and steam pipe lines, water, water lines and pipes. But no such franchise shall hereafter be granted except under the following restrictions:

(1) No ordinance, granting any franchise for the use of the streets, alleys or public grounds of the city for any of the purposes of public utility above named, or for any other purpose of like nature, shall be passed unless it shall have been first proposed to the council, and notice of the object, nature and extent of the franchise shall have been published for at least thirty days by the applicant in some newspaper of general circulation in the City of Welch, before being acted upon, and shall have received a vote of the majority of the members of the council at a regular meeting after said publication. The votes thereon shall be taken by ayes and noes, and the same entered upon the minute book.

(2) Every grant of any such franchise shall be for a limited period of time. If no limit be expressly provided for in the grant, the franchise shall be valid for one year only. In no case shall the franchise extend for a period exceeding fifty years.

(3) No grant of any such franchise shall be made without, at the time of making it, providing that the grantee shall indemnify the city against all damages caused by the construction of such work. All reasonable additional provisions and conditions may be made for the protection of the public from unnecessary damage or inconvenience by reason of such works and the operation thereof. The franchise, when granted and reduced to writing, shall first be approved by the city attorney, before being executed by the mayor and city clerk.

(4) No grant of a franchise or the extension of, or an addition to, any line of such work, over any additional street or territory of the city, shall be made for a period extending beyond the time limited for the expiration of the franchise of the principal work of which it is an extension; and if the franchise of the principal company or work is one which was granted before this act goes into effect, and is not limited as to time, the franchise granted for the extension or addition shall nevertheless be made subject to the conditions hereof, including a time limit of not exceeding fifty years. If a franchise be secured from the city by an individual or by an independent or new company, and the work constructed thereunder afterwards becomes a part of it, or be operated as a part of a larger work of the same kind whose franchise was previously obtained and is limited to expire earlier, such later franchise shall, by reason of such annexation, merger, or single operation, expire simultaneously with such earlier franchise.

Ordinances

Sec. 34. All ordinances shall be adopted in accordance with the following requirements:

(1) The style of ordinances of the city shall be, "Be it enacted and ordained by the council of the City of Welch."

(2) All ordinances shall be presented in writing.

(3) No ordinance shall contain more than one subject which shall be clearly expressed in its title.

After the notice aforesaid, and the hearing, if required, is had, and upon the failure of the party responsible to abate and remove said nuisance, then the council, by a proper order passed and entered in the minutes of the meeting, shall abate and remove said nuisance, and collect the expenses thereof from the owner, occupant, tenant, agent, or assignee, by distress or sale, in the same manner in which taxes levied upon real estate for the benefit of said city are herein authorized to be collected. In the case of non-resident owners of real estate, the notice herein provided may be served upon any tenant, occupant, assignee, or rental agent of the owner, or by publication thereof once a week for two successive weeks in some newspaper of general circulation in said city. The abatement or removal of any such nuisance herein provided, shall be *prima facie* proof that the said notice to the owner, occupant, tenant, agent or assignee was given as herein prescribed."

The council may require all owners, tenants or occupants of improved property which may be located upon or near any street or alley along which may extend any sewer or system of sewerage, which the said city may construct, own or control, to connect with such sewer or system of sewerage, all privies, ponds, water closets, cess-pools, drains, or sinks located upon their respective properties or premises so that their contents may be made to empty into such sewer or system of sewerage, and shall have the right to charge a reasonable amount for the right to connect to such sewer.

Establishment of Jails

Sec. 32. The City of Welch shall have the right to establish jails and places for the detention of prisoners of said city at any place within McDowell county, and all prisoners arrested and imprisoned when awaiting trial or after conviction shall be imprisoned in the jail so established and designated by the council as the city jail, or such prisoners may be imprisoned in the county jail of McDowell county, West Virginia, and the jailer of said McDowell county is hereby required to receive and safely keep any prisoners of said city who shall be sentenced to the county jail under the provisions hereof. *Provided, however*, that the said city shall reimburse the county for all expenses sustained in keeping such prisoners.

In the event the city council establishes a jail under the provisions of this act, then said council shall have the right to employ a jailor therefor at a reasonable salary, and to employ such other servants as may be necessary to properly maintain said jail.

The establishment and maintenance of said jail shall be paid for out of the general fund.

Franchises

Sec. 33. Franchises shall be granted by the council, allowing to persons or corporations, for a limited time, such occupancy of portions of the street as may be necessary for works of public utility and service, such as steam railway tracks, street railway tracks, poles and trolley wires, telephone and telegraph poles and subways, electric light and other electric poles, wires and subways, and gas and steam pipe lines, water, water lines and pipes. But no such franchise shall hereafter be granted except under the following restrictions:

(4) A proposed ordinance shall be read by title at not less than two meetings of the council with at least one week intervening between each meeting, unless a member of the council demands that the ordinance be read in full at one or both meetings. If such demand is made, the ordinance shall be read in full as demanded.

(5) At least five days before the meeting at which a proposed ordinance, the principal object of which is the raising of revenue for the city, is to be finally adopted, the council shall cause notice of the proposed adoption of said proposed ordinance to be published as a legal advertisement one time in two qualified newspapers of opposite politics whose publication area shall be the City of Welch. The notice shall state the subject matter and general title or titles of such proposed ordinance, the date, time and place of the proposed final vote of adoption, and the place or places within the city where such proposed ordinance may be inspected by the public. A reasonable number of copies of the proposed ordinance shall be kept at such place or places and be made available for public inspection. Said notice shall also advise that interested parties may appear at the meeting and be heard with respect to the proposed ordinance.

(6) A proposed ordinance shall not be materially amended at the same meeting at which finally adopted.

(7) The council may adopt, by ordinance, building codes, housing codes, plumbing codes, sanitary codes, electrical codes, fire prevention codes, or any other technical codes dealing with general public health, safety or welfare, or a combination of the same, or a comprehensive code of ordinances, in the manner prescribed in this subsection (7). Before any such ordinance shall be adopted, the code shall be either printed or typewritten and shall be presented in pamphlet form to the council at a regular meeting, and copies of such code shall be made available for public inspection. The ordinance adopting such code shall not set out said code in full, but shall merely identify the same. The vote on adoption of said ordinance shall be the same as on any other ordinance. After adoption of the ordinance, such code or codes shall be certified by the mayor and shall be filed as a permanent record in the office of the city clerk, who shall not be required to transcribe and record the same in the ordinance book as other ordinances are transcribed and recorded. It shall not be necessary that the code itself be so published, but before final adoption of any such proposed ordinance, notice of the proposed adoption of such ordinance and code shall be given by publication as herein provided for ordinances the principal object of which is the raising of revenue for the city, which notice shall also state where, within the city, the code or codes will be available for public inspection.

(8) The council may enact an ordinance without complying with the rules prescribed in this section only (1) in the case of a pressing public emergency making procedure in accordance with the provisions of this section danger to the public health, safety or morals, and by affirmative vote of two thirds of the members elected to the governing body, or (2) when otherwise provided in this charter. The nature of any such emergency shall be set out in full in the ordinance.

(9) All ordinances passed by the council shall be kept in a well bound book, and shall be indexed.

(10) No ordinance shall become effective unless a majority of the members elected to council vote in the affirmative for the passage of the ordinance.

(Ord. No. 91-CH-1, 12-16-91)

Meetings of Council

Sec. 35. The regular meetings of the council shall be publicly held at the city hall on the first Monday in each calendar month, the hour of such meetings to be fixed by the council in the rules adopted by it.

Special meetings of the council shall be held when called by the mayor or three members of the council. In the latter case the call therefor shall be in writing and signed by the members issuing it and shall state the time and place of meeting and the purpose thereof; and a copy thereof shall be served upon each member of the governing body then in the city. No business other than that stated in such call shall be considered at such meeting.

The mayor shall be the presiding officer of all regular or special meetings of the council, and whenever for any reason he shall be absent from the city, or unable to attend the duties of his office temporarily, a member of the council shall be selected as president *pro tem* of the council and as such perform the duties of the mayor, and preside over said council meeting.

Unless otherwise herein provided, the vote upon any question or motion before the council may be *viva voce* when unanimous; but if the question or motion does not receive the unanimous vote of the members present, the vote shall be taken by roll call of the members and made a part of the minutes of the meeting, and when the vote is unanimous the minutes shall so state.

The mayor shall have a vote as a member of the council, and in the event his vote upon any motion, question, resolution or ordinance, shall cause a tie vote of the members of the council present then said motion, question, resolution or ordinance shall be declared lost and not carried. In no case shall the presiding officer vote twice on the same proposition.

At each meeting of the council the proceedings of the last meeting shall be read and corrected, if erroneous, and shall be signed by the presiding officer for the time being.

Quorum

Sec. 36. A majority of the whole number of members elected to the council shall be necessary for the transaction of business, 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. If a majority of the whole number of members elected to the council be present at a regular meeting they may proceed to business although the mayor be not present. In the absence of the mayor the councilmen present shall select one of their number as presiding officer *pro tem* of the council.

(9) All ordinances passed by the council shall be kept in a well bound book, and shall be indexed.

(10) No ordinance shall become effective unless a majority of the members elected to council vote in the affirmative for the passage of the ordinance.

(Ord. No. 91-CH-1, 12-16-91)

Meetings of Council

Sec. 35. The regular meetings of the council shall be publicly held at the city hall on the first Monday in each calendar month, the hour of such meetings to be fixed by the council in the rules adopted by it.

Special meetings of the council shall be held when called by the mayor or three members of the council. In the latter case the call therefor shall be in writing and signed by the members issuing it and shall state the time and place of meeting and the purpose thereof; and a copy thereof shall be served upon each member of the governing body then in the city. No business other than that stated in such call shall be considered at such meeting.

The mayor shall be the presiding officer of all regular or special meetings of the council, and whenever for any reason he shall be absent from the city, or unable to attend the duties of his office temporarily, a member of the council shall be selected as president *pro tem* of the council and as such perform the duties of the mayor, and preside over said council meeting.

Unless otherwise herein provided, the vote upon any question or motion before the council may be *viva voce* when unanimous; but if the question or motion does not receive the unanimous vote of the members present, the vote shall be taken by roll call of the members and made a part of the minutes of the meeting, and when the vote is unanimous the minutes shall so state.

The mayor shall have a vote as a member of the council, and in the event his vote upon any motion, question, resolution or ordinance, shall cause a tie vote of the members of the council present then said motion, question, resolution or ordinance shall be declared lost and not carried. In no case shall the presiding officer vote twice on the same proposition.

At each meeting of the council the proceedings of the last meeting shall be read and corrected, if erroneous, and shall be signed by the presiding officer for the time being.

Quorum

Sec. 36. A majority of the whole number of members elected to the council shall be necessary for the transaction of business, 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. If a majority of the whole number of members elected to the council be present at a regular meeting they may proceed to business although the mayor be not present. In the absence of the mayor the councilmen present shall select one of their number as presiding officer *pro tem* of the council.

set out in this act, on the presentation by the land or lot owner of any of the certificates issued as aforesaid against him or his predecessor in the title to such lot or land, the clerk of the county court shall mark upon the margin of the trust deed book at which said certified report is recorded, that the lien is released as to the land or lot mentioned in such certificate to the extent of the amount of the certificates thus exhibited; and the county clerk shall thereupon write across the face of said certificates the date of their production to him for the release of lien, and shall sign his name thereto in his official capacity, for which he shall receive in advance a fee of twenty-five cents for each certificate so marked, from the person demanding the release of the lien aforesaid; but if more than one of the serial certificates against the land or lot or lots shall be produced at the same time, the fee to the county clerk shall not exceed twenty-five cents for the release of the liens as to all of the certificates thus produced and relating to the same real estate.

Provided, that the owner of any lot or land against which any paving or sewer certificate is an unreleased lien of record shall make and produce to the county clerk, or some person for such owner shall make and produce an affidavit setting out therein such certificate (or certificates) has been paid in full, and after diligent search, cannot be found, said county clerk shall upon the payment of a fee of twenty-five cents, file and preserve said affidavit as a public document and shall forthwith note the release of said lien to the extent of said lost certificate (or certificates) and the lots or land against which it is a lien upon the margin of the trust deed book as aforesaid, and noting therewith the filing of said affidavit, which shall operate as a release of such lien to the extent of such marginal notation. If the affidavit so filed be false, the person making oath and subscribing thereto shall be guilty of a felony and upon conviction thereof shall be fined not to exceed one thousand dollars, or sentenced to be confined in the penitentiary for a term of not more than two years, or both, in the discretion of the court passing sentence.

Provided, further, that any paving or sewer lien, which may be created in consequence of the provisions of this act, the last payment of which is not yet due, shall not, under any circumstances, be a lien against the lot or land or fractional part of a lot or land, against which it may have been assessed and made a lien for a longer period than two years after the last assessment or certificate of the same date and group, representing such lien, shall have become due and payable, unless some suit or action, at the termination of said two years period, shall be pending for the enforcement of the lien, or unless the amount of the lien or some part thereof is in some way involved in a suit or action pending at the end of said two year period.

All of the assessment certificates, which may be issued under the provisions of this act, shall be made payable at the office of the treasurer, who shall receive payments thereon when due, if tendered to him, and interest thereon from the date of such payments shall cease. The treasurer shall keep a separate and special account of all said sums of money received by him, and he shall hold said money in trust for the person who thereafter delivers to the treasurer for cancellation any and all certificates on which the treasurer has received full payment as aforesaid; but the owner of said certificate shall not be entitled to interest on said sum after the date of payment thereof to the treasurer. When the whole amount of any such assessment lien shall have been paid to the treasurer as aforesaid, or the treasurer shall be convinced that

or other person, if the council deem it expedient; *provided*, the city, in negotiating and selling such certificates, shall not be held as guarantor or in any way liable for payment thereof, except upon the direct action of the council as expressed by resolution of record. But the owner of the land or lot so assessed may, at any time, anticipate and pay such assessment or certificates with interest thereon until the day on which the next undue assessment shall become due. And if such assessment shall not exceed fifty dollars, then such amount shall be covered by only one set of said coupons, payable thirty days after date of its issue of certificate. If over fifty dollars and not more than one hundred dollars, then such amount shall be covered by only two principal installments and interest coupons, each, payable in thirty days and on the first day of May of the year succeeding the year in which the certificate was issued, respectively; if over one hundred dollars and not more than one hundred and fifty dollars, then such amount shall be covered by only three principal installments and interest coupons, each, payable in thirty days and on the first day of May of the year succeeding the year in which the certificate was issued, and on the first day of May one year thereafter respectively; if over one hundred and fifty dollars and not more than two hundred dollars then such amount shall be covered by only four principal installments and interest coupons, each payable in thirty days, and on the first day of May of the year succeeding the year in which the certificate was issued, and on the first day of May in one and two years thereafter, respectively; and if more than two hundred dollars, then such amount shall be covered by five principal installment and interest coupons payable in thirty days and on the first day of May of the year succeeding the year in which the certificate was issued, and on the first day of May in one, two and three years thereafter, respectively; and the term equal amounts herein shall mean as nearly equal as practicable, that is, four installments being expressed in terms of dollars only, and, when practicable, in multiples of ten, the cents and odd amounts being covered by the first installment.

All assessments along with accrued interest thereon, made under this section shall constitute and be a lien upon said lots or lands, respectively, which shall have priority over all other liens except for state, county and municipal taxes.

The certificates and principal installment and interest coupons provided for in this section may be made and issued in form or to the same effect as provided for certificates and principal and interest coupons for street improvements in section forty-eight.

If two newspapers of opposite politics are not published in the city at the time of the passage of any of the ordinances provided in this act to be published, then the same may be published in one newspaper of general circulation in the city, as provided by this act, and if the publication of the ordinance cannot be procured in any newspaper in said city at reasonable rates or for any other cause, then the same may be posted for the period provided in this act for publication, at the front door of the city hall, and such posting shall be equivalent to publication as herein provided.

All certificates, principal installment and interest coupons provided for in this act shall be made payable at the office of the treasurer of the City of Welch.

Sec. 50. In addition to the provisions for the release of said assessment liens, either for street paving or other permanent street improvements, or construction of sewers, or elsewhere

in which a sewer is constructed, it may be assessed on both said streets, or street and road, or street (or road) and alley. Said council shall enter an order upon its records setting forth the location and owner of each lot or piece of land, and the amounts of said sewer assessments there against, calculated in the same way as provided for street paving in (c) of section forty-six herein. The city clerk shall file a certified copy of said order with the clerk of the county court of McDowell county, who shall record the same in the proper trust deed book, and index the same in the name of each owner, and any lot or land thus charged with said assessment. The entry of such order shall constitute and be an assessment for such proportionate amounts so fixed therein against respective lots and land and the owners thereof; and said council shall thereupon certify the same to the treasurer for collection; and for the purpose of facilitating the collection of such assessments against the properties as hereinbefore set out, the council may issue assessment certificates, with principal installment and interest coupons attached thereto, in form and manner provided for street improvement certificates and coupons in section forty-eight to be delivered to and charged against the city treasurer, who shall collect the same, and as such coupons and certificates are paid he shall deliver the cancelled coupons and certificates to the party paying the same:

Provided, the council, if they so elect, may, after passage and publication of ordinance or resolution, as provided in (g) of section forty-six, order and cause the construction of any such sewer, and may acquire or take land or easement therein, either in or outside said city, or both, for said sewer purposes, and assess all or any part of the cost thereof upon and against the abutting, adjacent, contiguous and other lots of land specially benefitted by the construction of such sewer, as provided in (g) of section forty-six and said assessments along with accrued interest thereon shall be a lien upon such lots or land, and a debt against the owners thereof for the amount so charged against them respectively, which debt may be collected as provided by law for the collection of other debts of like kind, and which lien may be enforced in the same manner as provided for the enforcement of paving liens in this act; and the city shall have exclusive ownership and control of that part of any such sewer constructed outside of said city, unless otherwise provided by some ordinance of the city.

The amounts so assessed against said abutting lots or land, or lots or lands specially benefitted, and which shall be a lien there against, shall be collected in the manner provided in this act for the collection of paving liens.

Said assessments shall be divided into five installments each for one-fifth of the amount thereof, as near as practicable (making four in terms of dollars only, and when practicable, in multiples of ten, the cents and odd amounts to be covered by the first installment), the first due and payable in thirty days, the second on the first day of May of the year succeeding the year in which said certificates were issued and a like amount on the first day of May for each succeeding year thereafter from the time of receiving said sewer (except as hereinafter provided in this section), all bearing interest at six *per centum per annum* from such date, interest payable on the due date of each principal installment; and the council may issue sewer certificates, and principal installment and interest coupons thereon as of such date, as provided in section forty-eight of this act for street improvement assessments, as further evidence of said indebtedness and lien therefor, and said certificates may be sold or negotiated, at not less than par and without any kind of discount to the contractors doing such work,

in which a sewer is constructed, it may be assessed on both said streets, or street and road, or street (or road) and alley. Said council shall enter an order upon its records setting forth the location and owner of each lot or piece of land, and the amounts of said sewer assessments there against, calculated in the same way as provided for street paving in (c) of section forty-six herein. The city clerk shall file a certified copy of said order with the clerk of the county court of McDowell county, who shall record the same in the proper trust deed book, and index the same in the name of each owner, and any lot or land thus charged with said assessment. The entry of such order shall constitute and be an assessment for such proportionate amounts so fixed therein against respective lots and land and the owners thereof; and said council shall thereupon certify the same to the treasurer for collection; and for the purpose of facilitating the collection of such assessments against the properties as hereinbefore set out, the council may issue assessment certificates, with principal installment and interest coupons attached thereto, in form and manner provided for street improvement certificates and coupons in section forty-eight to be delivered to and charged against the city treasurer, who shall collect the same, and as such coupons and certificates are paid he shall deliver the cancelled coupons and certificates to the party paying the same:

Provided, the council, if they so elect, may, after passage and publication of ordinance or resolution, as provided in (g) of section forty-six, order and cause the construction of any such sewer, and may acquire or take land or easement therein, either in or outside said city, or both, for said sewer purposes, and assess all or any part of the cost thereof upon and against the abutting, adjacent, contiguous and other lots of land specially benefitted by the construction of such sewer, as provided in (g) of section forty-six and said assessments along with accrued interest thereon shall be a lien upon such lots or land, and a debt against the owners thereof for the amount so charged against them respectively, which debt may be collected as provided by law for the collection of other debts of like kind, and which lien may be enforced in the same manner as provided for the enforcement of paving liens in this act; and the city shall have exclusive ownership and control of that part of any such sewer constructed outside of said city, unless otherwise provided by some ordinance of the city.

The amounts so assessed against said abutting lots or land, or lots or lands specially benefitted, and which shall be a lien there against, shall be collected in the manner provided in this act for the collection of paving liens.

Said assessments shall be divided into five installments each for one-fifth of the amount thereof, as near as practicable (making four in terms of dollars only, and when practicable, in multiples of ten, the cents and odd amounts to be covered by the first installment), the first due and payable in thirty days, the second on the first day of May of the year succeeding the year in which said certificates were issued and a like amount on the first day of May for each succeeding year thereafter from the time of receiving said sewer (except as hereinafter provided in this section), all bearing interest at six *per centum per annum* from such date, interest payable on the due date of each principal installment; and the council may issue sewer certificates, and principal installment and interest coupons thereon as of such date, as provided in section forty-eight of this act for street improvement assessments, as further evidence of said indebtedness and lien therefor, and said certificates may be sold or negotiated, at not less than par and without any kind of discount to the contractors doing such work,

mayor and clerk, and the principal installment and interest coupons, respectively hereunto attached, to be signed by its mayor and clerk this _____ day of _____, 19____.

_____ _____

Clerk. Mayor.

No. _____ $ _____

PRINCIPAL INSTALLMENT COUPON

On the _____ day of _____, 19____, there will be due and payable to the bearer hereof, from _____ the sum of _____ dollars, being the _____ installment on certificate No. _____, of the City of Welch, West Virginia, for the curbing, grading and paving of _____ from _____ to _____.

_____ _____

Clerk. Mayor.

No. _____ $ _____

INTEREST COUPON

On the _____ day of _____, 19____ there will be due and payable to the bearer hereof, from _____ the sum of _____ dollars, representing interest at six *per centum* from _____ to _____ of certificate No. _____ of the City of Welch, West Virginia, for curbing, grading and paving of _____ from _____ to _____.

_____ _____

Clerk. Mayor.

Sec. 49. The council of said city is authorized and empowered to order and cause to be constructed, in said city, or part within and part outside of the limits of said city, a public sewer or sewers, either main or lateral, or both, by contract or direct by the city, for the benefit of said city or any part thereof, and to purchase land or easement therein or to condemn land or easement therein, for such sewer; and when the council shall order and complete the construction of any such sewer or any part thereof in said city, the owners of the property abutting thereon or abutting upon an avenue, street, road, or alley in which such sewer shall be constructed, or abutting on any land or easement therein specially procured for the purpose of the construction of a sewer therein, may be charged with all or any part of the cost thereof, including the cost of such sewer at and across intersections of avenues, streets, roads and alleys adjacent thereto. If said work is let to contract the provisions of (i) of section forty-six shall apply.

When said sewer is completed in any one block, or between two designated points, the council shall cause a report to be made in writing setting forth the total cost of such sewer and a description of the lots or lands as to location, frontage and ownership liable therefor, including the cost of acquiring or taking land or easement therein for such purpose and cost of surveys, notices, etc., therefor, together with the amount chargeable against each lot or piece of land and the owner thereof. If any lot fronts on two streets, or on a street (or road) and alley,

After a contract has been made by the council to pave or otherwise permanently improve any public road, avenue, street or alley in said city under this act, and the paving or other permanent improvement, or stipulated part thereof, has been completed, or the cost of acquiring or taking land as aforesaid, has been ascertained, the council shall assess the amount each lot shall bear and shall make a written report, stating the number of lots and the blocks or tracts of land, when not laid off into lots, the names of the owners of such lots or land when known, and the amount assessed thereon; and when the said council approves said report, or modifies it and then approves it, a copy of said report, so adopted by the council, when certified to by the city clerk of said city, shall be recorded in the clerk's office of the county court of McDowell county, in a trust deed book and shall be a continuing tax lien upon the lot or ground against which the assessment is made until the certificates as aforesaid are paid, except as otherwise provided in this act, and the clerk shall index the same in the name of each lot or land owner mentioned therein. *Provided*, any property owner shall have the right to pay the whole amount of any such assessment against his property as soon as the same shall have been ascertained, but before the day on which the city enters such assessments of record after the two weeks' notice provided in section forty-six; and such payment shall be made to the city clerk, who shall give the proper receipt therefor, and such assessment, so paid, shall not be included in the report to be recorded in the office of the county clerk as set out in this section; and the amount so paid to the clerk shall forthwith be paid to the contractor or other person entitled thereto, which shall operate as full discharge of the amount of such indebtedness of such property owner. The certificates and principal installment and interest coupons herein provided for may be made in the following form or to the same effect:

No. _____ STATE OF WEST VIRGINIA $ _____(State Coat of Arms)

PAVING ASSESSMENT CERTIFICATE:

This certifies that _____ as the owner of a lot, piece or parcel of real estate, situate in the City of Welch, known and designated as Lot No. _____ in Block No. _____, has been duly assessed the sum of _____ dollars, with interest from this date at the rate of six *per centum per annum*, payable on the due date of each principal installment coupon as hereinafter set out, which assessment has been made to pay the cost of the public improvement hereinafter recited.

This certificate is one of a series issued pursuant to the provisions of the charter of the City of Welch, West Virginia, and the laws of the state of West Virginia, to pay the cost of grading, curbing and paving _____ from _____ to _____ in the City of Welch, West Virginia.

The charter of the City of Welch, West Virginia, requires assessments for such improvements to be made payable in installments as follows:

(a) If not more than fifty dollars in one installment, due in thirty days after date of certificate.

(b) If more than fifty dollars and not more than one hundred dollars, in two installments, due in thirty days and on the first day of May of the year succeeding the year in which the certificate was issued.

(c) If more than one hundred dollars and not more than one hundred and fifty dollars, in three installments, due in thirty days, and on the first day of May of the year succeeding the year in which the certificate was issued, and on the first day of May, one year thereafter.

(d) If more than one hundred and fifty dollars and not more than two hundred dollars, in four installments, due in thirty days, and on the first day of May of the year succeeding the year in which the certificate was issued, and on the first day of May in one and two years thereafter, respectively.

(e) If more than two hundred dollars, in five installments, due in thirty days, and on the first day of May of the year succeeding the year in which the certificate was issued, and on the first day of May in one, two and three years thereafter, respectively.

Said assessments to draw interest at the rate of six *per centum per annum*, payable on the due date of each principal installment.

Installments of this certificate, therefore, are evidenced by _____ principal installment coupons hereunto attached, which show the amounts of such installments, the due date thereof, and are signed by the mayor and the clerk of the City of Welch, West Virginia.

The interest on this certificate and the installments thereof are evidenced by interest coupons hereunto attached, which show the amount of such interest, the due date thereof, and are signed by the mayor and clerk of the City of Welch, West Virginia.

Upon the due date of any principal installment coupon, excepting the first, the accrued interest on so much of said assessments as remains unpaid, shall be due and payable in accordance with, and as evidenced by interest coupons hereto attached. The interest on the first principal installment coupon shall be paid when the said principal installment coupon is paid.

The said several principal installment and interest coupons respectively, are payable at the office of the treasurer of the City of Welch.

The amount of the assessment represented by this certificate and principal installment coupons attached has been duly levied, equalized and confirmed, and along with accrued interest is a lien upon the real estate herein mentioned, and is also a debt against the owner of said real estate and the holder or bearer of this certificate may enforce the debt evidenced thereby, as provided by law.

It is hereby certified and recited that all the acts, conditions and things required to be done precedent to and in the letting of the contract for said improvement, the equalization and making of said assessment, and the issuing of this certificate, have been done and performed in regular and due manner and form, as required by the charter of the City of Welch, West Virginia, and the constitution and laws of the state of West Virginia.

In testimony whereof, the City of Welch, a municipal corporation created and existing under the laws of the state of West Virginia, has caused this certificate to be signed by its

After a contract has been made by the council to pave or otherwise permanently improve any public road, avenue, street or alley in said city under this act, and the paving or other permanent improvement, or stipulated part thereof, has been completed, or the cost of acquiring or taking land as aforesaid, has been ascertained, the council shall assess the amount each lot shall bear and shall make a written report, stating the number of lots and the blocks or tracts of land, when not laid off into lots, the names of the owners of such lots or land when known, and the amount assessed thereon; and when the said council approves said report, or modifies it and then approves it, a copy of said report, so adopted by the council, when certified to by the city clerk of said city, shall be recorded in the clerk's office of the county court of McDowell county, in a trust deed book and shall be a continuing tax lien upon the lot or ground against which the assessment is made until the certificates as aforesaid are paid, except as otherwise provided in this act, and the clerk shall index the same in the name of each lot or land owner mentioned therein. *Provided*, any property owner shall have the right to pay the whole amount of any such assessment against his property as soon as the same shall have been ascertained, but before the day on which the city enters such assessments of record after the two weeks' notice provided in section forty-six; and such payment shall be made to the city clerk, who shall give the proper receipt therefor, and such assessment, so paid, shall not be included in the report to be recorded in the office of the county clerk as set out in this section; and the amount so paid to the clerk shall forthwith be paid to the contractor or other person entitled thereto, which shall operate as full discharge of the amount of such indebtedness of such property owner. The certificates and principal installment and interest coupons herein provided for may be made in the following form or to the same effect:

No. _____ STATE OF WEST VIRGINIA $ _____(State Coat of Arms)

PAVING ASSESSMENT CERTIFICATE:

This certifies that _____ as the owner of a lot, piece or parcel of real estate, situate in the City of Welch, known and designated as Lot No. _____ in Block No. _____, has been duly assessed the sum of _____ dollars, with interest from this date at the rate of six *per centum per annum*, payable on the due date of each principal installment coupon as hereinafter set out, which assessment has been made to pay the cost of the public improvement hereinafter recited.

This certificate is one of a series issued pursuant to the provisions of the charter of the City of Welch, West Virginia, and the laws of the state of West Virginia, to pay the cost of grading, curbing and paving _____ from _____ to _____ in the City of Welch, West Virginia.

The charter of the City of Welch, West Virginia, requires assessments for such improvements to be made payable in installments as follows:

(a) If not more than fifty dollars in one installment, due in thirty days after date of certificate.

(b) If more than fifty dollars and not more than one hundred dollars, in two installments, due in thirty days and on the first day of May of the year succeeding the year in which the certificate was issued.

much of said assessment as remains unpaid shall be due and payable and shall be represented by interest coupons as hereinabove set out. The interest on the first principal installment coupon shall be paid when the said principal installment coupon is paid, both the principal installment and interest coupons shall be signed by the mayor and clerk, or other person or persons designated, of record by the council, either in person or by stamp bearing a *fac simile* of the written name of person signing or lithographed in *fac simile* on said principal installments and interest coupons.

The certificates herein provided for may be sold either to the contractor doing the paving or other improvements, or to any other person, and which shall cover the entire cost of such work provided for in the ordinance or resolution, including the cost of acquiring or taking land for street or park purposes, the cost of surveys, notices and other things pertaining thereto; *provided*, when the entire amount to be assessed against any lot or piece of ground under the provisions of this section does not exceed fifty dollars, then such amount shall be covered by only one set of said coupons, payable in thirty days after date of its issue; if only fifty and not more than one hundred dollars, then such amount shall be covered by only two principal installment and interest coupons, payable in thirty days after date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued, respectively; if over one hundred and not more than one hundred and fifty dollars, then such amount shall be covered by only three principal installment and interest coupons, payable in thirty days from date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued and on the first day of May in one year thereafter, respectively; if over one hundred and fifty dollars and not more than two hundred dollars, then such amount shall be covered by only four principal installment and interest coupons payable in thirty days after date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued and on the first day of May in one and two years thereafter, respectively; if more than two hundred dollars, then such amount shall be covered by five principal installment and interest coupons payable in thirty days after date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued and on the first day of May in one, two and three years thereafter, respectively; *provided, further*, the city in negotiating and selling such certificates, shall not be held as guarantor or in any way liable for payment thereof, except upon the direct action of the council as expressed by resolution of record. And the certificate and coupons covering the amount of the assessment and interest shall be paid by the owner of the land, lot or fractional part thereof, so assessed for the cost of said improvement on such avenue, street, road or alley so paved or improved, or land acquired or taken as aforesaid. The amount specified in said assessment certificates shall be a lien in the hands of the holder thereof upon the lands, lots or parts thereof so assessed, and shall also be a debt against the owner of such real estate, and said amount shall draw interest from the date of said certificates, payable on the due date of each principal installment coupon; and the payment of any debt may be enforced as provided by law for the collection of other debts or such lien may be enforced in the name of the holder of such certificate in the manner provided by law for the enforcement of other liens against real estate, and accrued interest shall be a lien the same as amount set out in assessment certificate.

much of said assessment as remains unpaid shall be due and payable and shall be represented by interest coupons as hereinabove set out. The interest on the first principal installment coupon shall be paid when the said principal installment coupon is paid, both the principal installment and interest coupons shall be signed by the mayor and clerk, or other person or persons designated, of record by the council, either in person or by stamp bearing a *fac simile* of the written name of person signing or lithographed in *fac simile* on said principal installments and interest coupons.

The certificates herein provided for may be sold either to the contractor doing the paving or other improvements, or to any other person, and which shall cover the entire cost of such work provided for in the ordinance or resolution, including the cost of acquiring or taking land for street or park purposes, the cost of surveys, notices and other things pertaining thereto; *provided*, when the entire amount to be assessed against any lot or piece of ground under the provisions of this section does not exceed fifty dollars, then such amount shall be covered by only one set of said coupons, payable in thirty days after date of its issue; if only fifty and not more than one hundred dollars, then such amount shall be covered by only two principal installment and interest coupons, payable in thirty days after date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued, respectively; if over one hundred and not more than one hundred and fifty dollars, then such amount shall be covered by only three principal installment and interest coupons, payable in thirty days from date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued and on the first day of May in one year thereafter, respectively; if over one hundred and fifty dollars and not more than two hundred dollars, then such amount shall be covered by only four principal installment and interest coupons payable in thirty days after date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued and on the first day of May in one and two years thereafter, respectively; if more than two hundred dollars, then such amount shall be covered by five principal installment and interest coupons payable in thirty days after date of certificate and on the first day of May of the year succeeding the year in which the certificate was issued and on the first day of May in one, two and three years thereafter, respectively; *provided, further*, the city in negotiating and selling such certificates, shall not be held as guarantor or in any way liable for payment thereof, except upon the direct action of the council as expressed by resolution of record. And the certificate and coupons covering the amount of the assessment and interest shall be paid by the owner of the land, lot or fractional part thereof, so assessed for the cost of said improvement on such avenue, street, road or alley so paved or improved, or land acquired or taken as aforesaid. The amount specified in said assessment certificates shall be a lien in the hands of the holder thereof upon the lands, lots or parts thereof so assessed, and shall also be a debt against the owner of such real estate, and said amount shall draw interest from the date of said certificates, payable on the due date of each principal installment coupon; and the payment of any debt may be enforced as provided by law for the collection of other debts or such lien may be enforced in the name of the holder of such certificate in the manner provided by law for the enforcement of other liens against real estate, and accrued interest shall be a lien the same as amount set out in assessment certificate.

cause to be enforced the payment of said assessment and interest and penalty in all respects as herein provided for the collection of taxes due the city; and said assessment shall be a lien upon the property liable therefor the same as for taxes, which lien may be enforced in the same manner as provided for the sale of property for the payment of taxes and tax liens; and the liens herein provided for shall have priority over all other liens except those for taxes due the state and county, and shall be on a parity with taxes and assessments due the city.

(e) When all of said assessments shall be paid in full to the treasurer, he shall deliver to the owner of said property a release of the lien therefor, which may be recorded in the office of the clerk of the county court as other releases of liens are recorded.

Under this plan for the payment of the costs of such permanent improvements of avenues, streets, roads and alleys, and the construction of sewers, the contractor (if the work is let to contract) shall look only to the city for the payment of the work, and in no sense to the abutting land owners.

(f) If the abutting land on any such avenue, street, road or alley sought to be improved as aforesaid, or in which a sewer is ordered laid, is not laid off into lots by a map of record, the council may, for the purpose of making the assessments provided for in this section and other sections herein, lay off said land into lots of such size as the council deems advisable for the purpose of laying the proper assessment against such land.

Sec. 48. The council may contract for such paving (including grading and curbing), or other said improvements, to be done as aforesaid, and may acquire or take land for street and park purposes, as aforesaid, and may, if the council so elect stipulate that the cost thereof, in whole or in part, shall be paid in installments by the abutting property owners, as provided in (a) and (c) of section forty-six, or specially benefitted property owners, as provided in (g) of said section, in five equal or nearly equal installments (making four in terms of dollars only and when practicable in multiples of ten, the cents and odd amounts to be covered by the first installment), except as hereinafter provided in this section, to be evidenced by a certificate issued therefor against each separate lot or tract of land, setting out the total amount of such assessment against the same, payable in five installments except as hereinafter provided, as follows: The first in thirty days after date of certificate, the second on the first day of May of the year following the year in which the certificate is issued, and the remaining three on the first day of May of the three following years respectively. The date of certificate in case of permanent improvement of streets or other roadways shall be the day on which the city received said work from the contractor, and it shall bear interest at the rate not to exceed six per cent *per annum*, payable on the due date of each principal installment, which certificates are to be signed in person by the mayor and clerk, or other person or persons designated of record by the council. Said certificates shall bear coupons designated "principal installment coupons," representing the respective amounts of the installments to be paid under the same, and which coupons shall be due and payable on the dates provided for the payment of the installments in this section, and said certificate shall also bear interest coupons representing the interest to be paid on said assessment and which said interest coupons shall be due and payable at the same time the principal installment coupons are due and payable. Upon the due date of any principal installment coupons excepting the first, the accrued interest on so

bonds provided for in this section. In the issuance and sale of said bonds the said city shall be governed by the restriction and limitations of the constitution of this state and the restriction and limitations of the state laws of this state relating to the issuance and sales of bonds, so far as such state laws are not in conflict with the provisions of this act; and the assessments as provided for and required to be paid herein shall be applied to the liquidation of said bonds and interest thereon, and if, by reason of the penalties collected with the delinquent assessments there be any balance after the payment of the bonds and all accrued interest and costs, it shall be turned into the city treasury to the credit of the interest and sinking fund of the city.

(b) And it shall be the duty of the council to immediately certify such assessments to the treasurer for collection, as herein provided; and for the purpose of facilitating the collection of such assessments against the properties herein, the council may issue assessment certificates, with the interest coupons attached thereto, to be delivered to and charged against the city treasurer who shall collect the same and as such certificates and coupons are paid he shall deliver the cancelled certificates to the party paying the same. A copy of the said order shall be certified by the city clerk to the clerk of the county court of the county, who is hereby required to record and index the same in the proper trust deed book in the name of each person against whose property assessments appear therein.

(c) The amounts so assessed against said lots and owners thereof, respectively, if assessed for the liquidation of the five bonds payable in two, four, six, eight and ten years, respectively, after date, shall be paid in ten payments as follows: that is to say, one-tenth of said amount, together with the interest on the whole assessment for one year, shall be paid into the treasury of the city before the first day of the following January; and a like one-tenth part, together with the interest for one year on the whole amount remaining unpaid, shall be paid before the first day of January of each succeeding year thereafter, until all shall have been paid; and the amount so assessed against said lots and owners thereof, respectively, if for the liquidation of the four bonds payable in one, two, three and four years, respectively, after date, shall be paid in five payments, as follows: that is to say, one-fifth of said amount, with interest, shall be paid in thirty days from date of assessment; and one-fifth of said amount, together with interest on the whole unpaid assessment, shall be paid into the treasury of the city before one year from date of such assessment; and a like one-fifth part together with the interest on the whole amount remaining unpaid, before two years from the date of such assessment, and a like amount in each succeeding year thereafter, until all shall have been paid. All of said installments shall bear interest at six *per centum per annum*, payable annually from the date of assessment. *Provided, however*, that the owner of any land, so assessed for the cost of any of the permanent improvements herein mentioned, shall have the right at any time to anticipate and pay the whole of such undue assessment and interest thereon until the day on which the next undue assessment shall become due, and have the lien against the property so assessed released as hereinafter provided.

(d) If any assessment shall not be paid when due, then a penalty of four per cent *per annum* shall be added and collected on the amount of such assessment after it is due until its payment, and such four per cent penalty shall be in addition to the six per cent interest which the assessment carries, and shall be a lien the same as the assessment, and the council shall

bonds provided for in this section. In the issuance and sale of said bonds the said city shall be governed by the restriction and limitations of the constitution of this state and the restriction and limitations of the state laws of this state relating to the issuance and sales of bonds, so far as such state laws are not in conflict with the provisions of this act; and the assessments as provided for and required to be paid herein shall be applied to the liquidation of said bonds and interest thereon, and if, by reason of the penalties collected with the delinquent assessments there be any balance after the payment of the bonds and all accrued interest and costs, it shall be turned into the city treasury to the credit of the interest and sinking fund of the city.

(b) And it shall be the duty of the council to immediately certify such assessments to the treasurer for collection, as herein provided; and for the purpose of facilitating the collection of such assessments against the properties herein, the council may issue assessment certificates, with the interest coupons attached thereto, to be delivered to and charged against the city treasurer who shall collect the same and as such certificates and coupons are paid he shall deliver the cancelled certificates to the party paying the same. A copy of the said order shall be certified by the city clerk to the clerk of the county court of the county, who is hereby required to record and index the same in the proper trust deed book in the name of each person against whose property assessments appear therein.

(c) The amounts so assessed against said lots and owners thereof, respectively, if assessed for the liquidation of the five bonds payable in two, four, six, eight and ten years, respectively, after date, shall be paid in ten payments as follows: that is to say, one-tenth of said amount, together with the interest on the whole assessment for one year, shall be paid into the treasury of the city before the first day of the following January; and a like one-tenth part, together with the interest for one year on the whole amount remaining unpaid, shall be paid before the first day of January of each succeeding year thereafter, until all shall have been paid; and the amount so assessed against said lots and owners thereof, respectively, if for the liquidation of the four bonds payable in one, two, three and four years, respectively, after date, shall be paid in five payments, as follows: that is to say, one-fifth of said amount, with interest, shall be paid in thirty days from date of assessment; and one-fifth of said amount, together with interest on the whole unpaid assessment, shall be paid into the treasury of the city before one year from date of such assessment; and a like one-fifth part together with the interest on the whole amount remaining unpaid, before two years from the date of such assessment, and a like amount in each succeeding year thereafter, until all shall have been paid. All of said installments shall bear interest at six *per centum per annum*, payable annually from the date of assessment. *Provided, however*, that the owner of any land, so assessed for the cost of any of the permanent improvements herein mentioned, shall have the right at any time to anticipate and pay the whole of such undue assessment and interest thereon until the day on which the next undue assessment shall become due, and have the lien against the property so assessed released as hereinafter provided.

(d) If any assessment shall not be paid when due, then a penalty of four per cent *per annum* shall be added and collected on the amount of such assessment after it is due until its payment, and such four per cent penalty shall be in addition to the six per cent interest which the assessment carries, and shall be a lien the same as the assessment, and the council shall

purposes, as provided in (a) of this section, or shall deem it expedient and proper to cause the construction of any public sewer in or under such avenue, street, road or alley or land or easement therein to be acquired or taken therefor, or elsewhere, or cause any other permanent improvements to be undertaken, contemplated by this or any other section, or sections, they shall, by ordinance or resolution, order the work done, stating the method of payment thereof, and, if it be let to contract, notice shall be in the following manner, to-wit:

(i) The notice for the bids or proposals for doing such work and making such improvements, shall be published for at least fifteen days in two newspapers of opposite politics, or in one newspaper, if two such newspapers be not published in the city. If the publication of the notice cannot be procured in any newspaper in said city at reasonable rates, then said notice may be given in the manner directed by the council. Said notice shall state, when, where and how the bids or proposals shall be made; and whether so stated in the notice or not, the city may reject any and all bids for such proposed work. Before advertising for bids on the work, the city shall approve and adopt plans and specifications therefor, and the advertisement for bids, and the contract awarded thereon, shall refer to such plans and specifications. The fact that such contract shall be let for said work shall be *prima facie* proof that the notice mentioned above was given as required herein.

(j) The cost of said paving, macadamizing or otherwise permanent improvement may be paid in either one of the two ways provided for in this act (to be specified by ordinance by the council).

(k) If the abutting land on any such avenue, street, road or alley sought to be improved as aforesaid, or in which a sewer is ordered laid, is not laid off into lots by a map of record, the council may, for the purpose of making the assessments provided for in this section and other sections herein, lay off said land into lots of such sizes as the council deems advisable for the purpose of laying the proper assessment against such land.

Sec. 47. [(a)] Said city of Welch is hereby authorized to issue its bonds for the purpose of providing for the costs of grading, paving and curbing, or macadamizing, or otherwise permanently improving the avenues, streets, roads and alleys of said city, or acquiring ground for opening public avenues, streets, roads, alleys or parks, or constructing main and lateral sewers, or both in anticipation of special assessments to be made upon the property abutting upon the avenues, streets, roads and alleys so improved or benefited. Said bonds may be in such an amount as shall be sufficient to pay the entire costs and expenses of said improvements for which such special assessment are to be levied; and said city is authorized to sell said bonds, but not below the par value thereof. The amount for which said bonds are to be issued may be made of five bonds, payable in two, four, six, eight and ten years, respectively, from the date of their issue, and shall bear interest not to exceed six per cent *per annum*, payable annually; or may be of four bonds, payable in one, two, three and four years, respectively from the date of their issue, and shall bear interest not to exceed six per cent *per annum*, payable annually, and the date of said four year bonds, when issued, shall conform, as near as can be, to the date of assessment laid against real estate for the purpose of procuring revenue to retire said bonds; *provided*, the city shall have the right to redeem and pay off, at any interest paying period, all or any number of said undue bonds of the said four year issue of

(f) And if any such avenue, street, road, or alley be occupied by street car track, or tracks of other railroads, the cost of said improvements of the space between the rails and two additional feet outside of each rail shall be assessed to and borne and paid entirely by the person or company owning or operating such street car or other railway line, unless otherwise provided by the franchise of such street car or other railway company granted previous to the passage of this act.

(g) *Provided*, the council, if they so elect, may order and cause any avenue, street, road or alley, including intersections, public park or public place, to be widened, graded or changed in grade, and curbed or recurbed, and paved or repaved, with brick, concrete, asphalt or any other suitable materials, or macadamized or otherwise permanently improved, including the construction or [of] retaining walls, sewers, drains, water pipes, water dams and water courses in connection therewith and may purchase land, or condemn land for any public avenue, street, road or alley, or part thereof, or park or other public purpose, and the council may assess all or any part of the entire cost of such improvements (or taking of land or both) upon the abutting, adjacent, contiguous and other lots or land especially benefited by such improvement in the proportion in which such lot or land is especially benefited by the improvement. The council, when they decide to order the improvements under this plan, shall, by ordinance or resolution, before doing the same, fix the approximate total amount of the special benefits to be derived from such improvements to the abutting, adjacent, contiguous and other specially benefited land or lots assessed and setting out the names of the owners, the approximate amount of the special benefits to the lot or land of each owner and the approximate amount of the total cost of the proposed improvements, the council may in fixing such assessments take into consideration the assessed value of the lots or land as fixed for the last assessment year for state and county purposes.

Provided, further, that if the said council proposes to order and cause such improvements to be made under this clause of this section, it shall first enact an ordinance or resolution setting forth the work and improvements proposed to be done, the extent of said improvements and manner of paying for the same, which ordinance or resolution shall be published once a week for two consecutive weeks in two newspapers of opposite politics published and of general circulation in said city, in which publication the council shall set a time of at least ten days from the date of the first publication in which objection may be made against the proposed improvement as aforesaid by the owners of the property against which said assessment is proposed to be made.

The publication of the ordinance herein provided for shall be sufficient if the title to the same is published with a statement of the purposes of the ordinance setting out at what place the improvement is proposed to be made, and the method under which payment for the same is to be made, the lots and land with the names of the owners of record thereof and the approximate amounts to be assessed against each lot, and the owner thereof, and stating the time at which objections may be filed.

(h) When the council shall deem it expedient and proper to cause any avenue, street, road or alley, or any portion thereof, in such city, to be graded, or graded and paved, curbed, or macadamized, or otherwise permanently improved, or land to be acquired or taken for street

(f) And if any such avenue, street, road, or alley be occupied by street car track, or tracks of other railroads, the cost of said improvements of the space between the rails and two additional feet outside of each rail shall be assessed to and borne and paid entirely by the person or company owning or operating such street car or other railway line, unless otherwise provided by the franchise of such street car or other railway company granted previous to the passage of this act.

(g) *Provided*, the council, if they so elect, may order and cause any avenue, street, road or alley, including intersections, public park or public place, to be widened, graded or changed in grade, and curbed or recurbed, and paved or repaved, with brick, concrete, asphalt or any other suitable materials, or macadamized or otherwise permanently improved, including the construction or [of] retaining walls, sewers, drains, water pipes, water dams and water courses in connection therewith and may purchase land, or condemn land for any public avenue, street, road or alley, or part thereof, or park or other public purpose, and the council may assess all or any part of the entire cost of such improvements (or taking of land or both) upon the abutting, adjacent, contiguous and other lots or land especially benefited by such improvement in the proportion in which such lot or land is especially benefited by the improvement. The council, when they decide to order the improvements under this plan, shall, by ordinance or resolution, before doing the same, fix the approximate total amount of the special benefits to be derived from such improvements to the abutting, adjacent, contiguous and other specially benefited land or lots assessed and setting out the names of the owners, the approximate amount of the special benefits to the lot or land of each owner and the approximate amount of the total cost of the proposed improvements, the council may in fixing such assessments take into consideration the assessed value of the lots or land as fixed for the last assessment year for state and county purposes.

Provided, further, that if the said council proposes to order and cause such improvements to be made under this clause of this section, it shall first enact an ordinance or resolution setting forth the work and improvements proposed to be done, the extent of said improvements and manner of paying for the same, which ordinance or resolution shall be published once a week for two consecutive weeks in two newspapers of opposite politics published and of general circulation in said city, in which publication the council shall set a time of at least ten days from the date of the first publication in which objection may be made against the proposed improvement as aforesaid by the owners of the property against which said assessment is proposed to be made.

The publication of the ordinance herein provided for shall be sufficient if the title to the same is published with a statement of the purposes of the ordinance setting out at what place the improvement is proposed to be made, and the method under which payment for the same is to be made, the lots and land with the names of the owners of record thereof and the approximate amounts to be assessed against each lot, and the owner thereof, and stating the time at which objections may be filed.

(h) When the council shall deem it expedient and proper to cause any avenue, street, road or alley, or any portion thereof, in such city, to be graded, or graded and paved, curbed, or macadamized, or otherwise permanently improved, or land to be acquired or taken for street

opening or widening), shall not include any portion or amount paid for the paving or improvement of intersections of avenues, streets, roads or alley, unless the work be done, and the payment made therefor, as especially provided in (c) and (g) of this section.

(c) *Provided*, the council of the City of Welch may order and cause any work to be done, and improvements made, set out in (a) of this section and in addition to the assessment provided for in (a) of this section, may assess proportionately the property abutting or abounding on such avenue, street, road or alley so improved with the total cost of the paving, grading and curbing or macadamizing or other permanent improvements of the intersections of the avenue, streets, roads or alleys so paved or otherwise permanently improved.

Provided, further, that if the said council propose, order and cause such improvements to be made under this clause of this section they shall first enact an ordinance or resolution setting forth the work and improvements to be done, the extent of said improvement and manner of paying for the same, which ordinance or resolution shall be published once a week for two consecutive weeks in two newspapers of opposite politics, published and of general circulation in said city. In such publication the council shall set a time of at least ten days from the date of the first publication in which objection and protest may be made against the proposed improvement as aforesaid by the owners of the property against which said assessment is proposed to be made, and if, at or before such time so set by the directors, the *bona fide* owners of more than three-fifths in lineal feet of the property abutting upon the avenue, street, road or alley proposed to be improved as aforesaid, shall file separately or jointly their written protest setting forth the fact, under oath, that they are the *bona fide* owners of said property, with the council, objecting to and protesting against the work to be done and the improvement to be made under this clause in this section, the council shall proceed no further hereunder and shall make note of the discontinuance of such proposed work and improvement under this clause of this section in their minute book. If the owners of more than three-fifths of said property do not file objection or protest as herein provided, the council may immediately by ordinance or resolution, order and direct such work to be done, improvement made and the assessments levied against said property in manner set out in this section, and the other sections of this act. The publication of the ordinance herein provided for shall be sufficient if the title to the same is published, with a statement of the purpose of the ordinance setting out between what points the improvement is proposed to be made, and the method under which payment for the same is to be made, and stating the time at which objections may be heard.

(d) The city itself, after any work or improvement is finally ordered to be done or made in manner and form provided in this act, may, at its election, do such work and make such improvement, and collect the cost thereof, in the manner set out in this act. The decision of the city to do such work, or make such improvement, may be without notice or after the publication of the notice to contractors mentioned in this section, or after the rejection of all bids for doing the same.

(e) The cost of grading, curbing and paving, or otherwise improving the intersections, or parts of intersections, of avenues, streets, roads or alleys, on the plans adopted by the council for such work, shall be paid by the city, except as otherwise provided in (c) and (g) of this section.

assessed valuation of the taxable property therein according to the last assessment next preceding said date. The said council shall provide a fund for the payment of the interest annually on the said indebtedness so created, and to pay the principal thereof within and not exceeding thirty-four years; *provided*, that no debt shall be contracted hereunder, unless all questions connected with the same be first submitted to a vote of the qualified voters of said city, and have received three-fifths of all the votes cast for and against the same.

Indebtedness Prohibited

Sec. 45. The council of the said city shall not, at any time, or for any purpose, create any indebtedness against the said city except as provided in the next preceding section, exceeding the available assets of the said city for the current year; and if the said council shall create such indebtedness or issue orders on the city for an amount exceeding the amount of money collected for that year for said city from all sources, and the amount of money then in the treasury appropriated, the members of said council shall be severally and jointly liable for the payment of the excess of such indebtedness or orders over the amount of money applicable thereto, and the same may be recovered in any court having jurisdiction thereof. Any councilman violating the provisions of this section shall be deemed guilty of malfeasance in office, and may be removed as such councilman in pursuance of section twenty-three of this act. *Provided, however*, this shall not be applicable to such members who have voted against said excess; and, *provided, further*, that the vote of each member of council shall be recorded.

Street Paving and Improvements

Sec. 46. (a) The council of the City of Welch may order and cause any avenue, street, road or alley therein to be graded, or curbed or recurbed with stone, concrete or other suitable material, or paved or repaved, between curbs, with brick, wooden blocks, asphalt or other suitable materials, or to be graded and curbed or recurbed and paved or repaved as aforesaid or to be macadamized or to be otherwise permanently improved or repaired, under such supervision as may be directed by ordinance or resolution, upon the best bid to be obtained by advertising for proposals therefor, except the city may do the work without letting it to contract as hereinafter provided in (d) of this section; and may purchase or condemn land for opening or widening avenues, streets, roads and alleys. The entire cost, or any part thereof, designated by the council, of such grading, curbing and paving or macadamizing, or other permanent improvements, of any of the avenues, streets, roads and alleys as aforesaid, from and including the curb of either side thereof to the middle thereof and the cost, or any part thereof, of purchasing or condemning land as aforesaid for street purposes, may be assessed to and required to be paid by the owners of the land, lots or fractional parts of the lots, fronting or bounding on such avenue, street, road or alley so improved, except as otherwise provided in (c) and (g) of this section.

(b) Payment is to be made by all land owners on either side of such portion of any avenue, street, road or alley so paved, opened, widened, or improved in such proportion to the total cost (less the portion, if any, chargeable to the street or other railway company) as the frontage in feet of his abutting land bears to the total frontage of all the land so abutting on said avenue, street, road or alley or portion thereof opened, widened, paved or improved as aforesaid; but the cost of such paving or improvement on said avenue, street, road or alley (not including

assessed valuation of the taxable property therein according to the last assessment next preceding said date. The said council shall provide a fund for the payment of the interest annually on the said indebtedness so created, and to pay the principal thereof within and not exceeding thirty-four years; *provided*, that no debt shall be contracted hereunder, unless all questions connected with the same be first submitted to a vote of the qualified voters of said city, and have received three-fifths of all the votes cast for and against the same.

Indebtedness Prohibited

Sec. 45. The council of the said city shall not, at any time, or for any purpose, create any indebtedness against the said city except as provided in the next preceding section, exceeding the available assets of the said city for the current year; and if the said council shall create such indebtedness or issue orders on the city for an amount exceeding the amount of money collected for that year for said city from all sources, and the amount of money then in the treasury appropriated, the members of said council shall be severally and jointly liable for the payment of the excess of such indebtedness or orders over the amount of money applicable thereto, and the same may be recovered in any court having jurisdiction thereof. Any councilman violating the provisions of this section shall be deemed guilty of malfeasance in office, and may be removed as such councilman in pursuance of section twenty-three of this act. *Provided, however*, this shall not be applicable to such members who have voted against said excess; and, *provided, further*, that the vote of each member of council shall be recorded.

Street Paving and Improvements

Sec. 46. (a) The council of the City of Welch may order and cause any avenue, street, road or alley therein to be graded, or curbed or recurbed with stone, concrete or other suitable material, or paved or repaved, between curbs, with brick, wooden blocks, asphalt or other suitable materials, or to be graded and curbed or recurbed and paved or repaved as aforesaid or to be macadamized or to be otherwise permanently improved or repaired, under such supervision as may be directed by ordinance or resolution, upon the best bid to be obtained by advertising for proposals therefor, except the city may do the work without letting it to contract as hereinafter provided in (d) of this section; and may purchase or condemn land for opening or widening avenues, streets, roads and alleys. The entire cost, or any part thereof, designated by the council, of such grading, curbing and paving or macadamizing, or other permanent improvements, of any of the avenues, streets, roads and alleys as aforesaid, from and including the curb of either side thereof to the middle thereof and the cost, or any part thereof, of purchasing or condemning land as aforesaid for street purposes, may be assessed to and required to be paid by the owners of the land, lots or fractional parts of the lots, fronting or bounding on such avenue, street, road or alley so improved, except as otherwise provided in (c) and (g) of this section.

(b) Payment is to be made by all land owners on either side of such portion of any avenue, street, road or alley so paved, opened, widened, or improved in such proportion to the total cost (less the portion, if any, chargeable to the street or other railway company) as the frontage in feet of his abutting land bears to the total frontage of all the land so abutting on said avenue, street, road or alley or portion thereof opened, widened, paved or improved as aforesaid; but the cost of such paving or improvement on said avenue, street, road or alley (not including

prescribed by this act, from the first day of January following the date when said taxes are due and payable as herein provided. Said lien may be enforced in any court of record in McDowell county by proper suit, provided such suit be entered within five years after said liens attach as herein provided, such suit may either be by or in the name of the City of Welch as plaintiff or said city may intervene by petition in any suit to sell or enforce the lien against real estate which is subject to such liens for said taxes. The liens herein created shall have priority over all other liens except those for taxes due the state and county. It shall be the duty of the city clerk at the expiration of the tax collection period to return to the auditor of the state of West Virginia, real estate delinquent for the nonpayment of taxes in the same manner as the sheriff of McDowell county is authorized, empowered and directed to make return of real estate delinquent for the nonpayment of taxes. And the laws of the state of West Virginia in relation to delinquent taxes and the sale of property therefor are hereby in all respects adopted as to all proceedings in relation to taxes for city purposes delinquent in said city. And the powers and duties conferred by the laws of said state upon county courts and their clerks and sheriffs in regard to delinquent taxes and their collection, are hereby in all things conferred upon said city council, its city clerk and other city officials whose duties are of a similar nature as those of said county officials, in so far as the same may be directly or by implication applicable in the collection of delinquent taxes due said city.

Licenses

Sec. 43. Whenever anything for which state license is required is to be done within the city, the city council may require a city license to be had for doing the same and may in any case require from any person licensed a bond with surety in such penalty and with such conditions as may be proper for the protection of the public health, safety or morals. The council shall prescribe by ordinance the time and manner in which licenses of all kinds shall be applied for and granted and shall require the payment of the taxes thereon to the city clerk before the delivery thereof to the person applying therefor, which tax shall include the same fees for the issuance of such license as are charged for similar services of state and county officers, which fee shall be paid into the city treasury.

The council may refuse to grant license to any person or corporation for good cause shown and shall have the right to revoke any such license granted for a breach of any of the conditions or for other good cause shown, but the person or corporation holding such license shall first be given reasonable notice of the time and place of hearing and adjudicating the matter of the revocation of said license, as well as the cause alleged for said revocation, and shall be entitled to be heard in person, or by counsel, in opposition to such revocation. The term for which license provided for in this chapter is granted shall be governed by the general laws of the state relative to state licenses.

Bond Issues

Sec. 44. The council of the said city shall have the right to bond the said city for the purpose of paving the said streets, or for other permanent improvements, or for the purpose of taking up paying off or refunding any already outstanding city bonds or items of indebtedness, whenever the council thereof may deem the same necessary; but the aggregate indebtedness of the said city for all purposes shall never at any time exceed five *per centum* of the

council for as many years as may be necessary to pay off said present outstanding bonded indebtedness and the interest coupons that may become due thereon, but no longer. Also, in addition to the above, the said council, beginning with the year one thousand nine hundred and twenty-five, is empowered to and shall lay a special annual levy not to exceed five cents on each one hundred dollars valuation of the property in the said city for the purpose of paying off any outstanding orders issued against the treasury of said city prior to July the first, one thousand nine hundred and twenty-four, and for the purpose of paying off any debts contracted prior to said date, or any judgment taken against the said city prior to said date. And both of the aforesaid special levies, when collected, shall be used for no other purpose than for the aforesaid purposes for which they shall be laid as aforesaid.

Assessment and Collection of Taxes

Sec. 42. For the purpose of taxation the assessed valuation of real and personal property within the city, subject to taxation, shall be the same as the assessed valuation placed thereon by the assessor of McDowell county for real and personal property lying within the corporate limits of the city. The city clerk shall list all real and personal property subject to taxation within the city, together with the names of the owners thereof and return the same to the council on or before the first day of October of each year. He shall ascertain the assessed valuation of all real and personal property fixed by the county assessor and place said valuation opposite the names of the owners of said real and personal property.

He shall make out proper tax tickets in the following manner, to-wit: There shall be a single ticket for the whole amount charged to any person, firm or corporation, and after the tickets have been examined, compared and found to be correct by the council, they shall be turned over to the chief of police by the first day of November following the levy. The chief of police shall receipt for the gross amount and then give notice by publication in a newspaper of general circulation in the city and posting thereof in conspicuous places in said city for at least ten days, stating that the tax tickets are in his hands for collection, the penalty for non-payment thereof, and where the same may be paid; *provided, however*, that the chief of police may first mail to the taxpayers tax tickets for tax on their property and in the event of non-payment proceed to collect the same in the manner herein provided. Immediately upon the payment of said taxes or any part thereof, any amount so collected shall be turned over to the city clerk who shall receipt therefor. All taxes shall be due and payable within thirty days after expiration of the notice posted and published or mailed as aforesaid, and in case the same are not paid within that time, the chief of police may distrain and sell therefor in like manner as the officer collecting state taxes may distrain therefor, and he shall have in all other respects the same power to enforce the payment and collection thereof. On all tickets remaining uncollected in the hands of the chief of police on the first day of January following notice and publication of taxes aforesaid, a penalty of five per cent shall be added and collected, together with six per cent interest until paid.

A discount of two and one-half per cent may be allowed on all taxes paid on or before November thirtieth.

There shall be a lien upon all real estate within said city for the city taxes assessed thereon, including such penalties and interest added thereto for nonpayment thereof as are

council for as many years as may be necessary to pay off said present outstanding bonded indebtedness and the interest coupons that may become due thereon, but no longer. Also, in addition to the above, the said council, beginning with the year one thousand nine hundred and twenty-five, is empowered to and shall lay a special annual levy not to exceed five cents on each one hundred dollars valuation of the property in the said city for the purpose of paying off any outstanding orders issued against the treasury of said city prior to July the first, one thousand nine hundred and twenty-four, and for the purpose of paying off any debts contracted prior to said date, or any judgment taken against the said city prior to said date. And both of the aforesaid special levies, when collected, shall be used for no other purpose than for the aforesaid purposes for which they shall be laid as aforesaid.

Assessment and Collection of Taxes

Sec. 42. For the purpose of taxation the assessed valuation of real and personal property within the city, subject to taxation, shall be the same as the assessed valuation placed thereon by the assessor of McDowell county for real and personal property lying within the corporate limits of the city. The city clerk shall list all real and personal property subject to taxation within the city, together with the names of the owners thereof and return the same to the council on or before the first day of October of each year. He shall ascertain the assessed valuation of all real and personal property fixed by the county assessor and place said valuation opposite the names of the owners of said real and personal property.

He shall make out proper tax tickets in the following manner, to-wit: There shall be a single ticket for the whole amount charged to any person, firm or corporation, and after the tickets have been examined, compared and found to be correct by the council, they shall be turned over to the chief of police by the first day of November following the levy. The chief of police shall receipt for the gross amount and then give notice by publication in a newspaper of general circulation in the city and posting thereof in conspicuous places in said city for at least ten days, stating that the tax tickets are in his hands for collection, the penalty for non-payment thereof, and where the same may be paid; *provided, however*, that the chief of police may first mail to the taxpayers tax tickets for tax on their property and in the event of non-payment proceed to collect the same in the manner herein provided. Immediately upon the payment of said taxes or any part thereof, any amount so collected shall be turned over to the city clerk who shall receipt therefor. All taxes shall be due and payable within thirty days after expiration of the notice posted and published or mailed as aforesaid, and in case the same are not paid within that time, the chief of police may distrain and sell therefor in like manner as the officer collecting state taxes may distrain therefor, and he shall have in all other respects the same power to enforce the payment and collection thereof. On all tickets remaining uncollected in the hands of the chief of police on the first day of January following notice and publication of taxes aforesaid, a penalty of five per cent shall be added and collected, together with six per cent interest until paid.

A discount of two and one-half per cent may be allowed on all taxes paid on or before November thirtieth.

There shall be a lien upon all real estate within said city for the city taxes assessed thereon, including such penalties and interest added thereto for nonpayment thereof as are

not otherwise. All warrants for the disbursement of funds for the city shall be signed by the city clerk and countersigned by the mayor.

Estimate of Expenses

Sec. 40. A financial committee shall be appointed from the council members, by the mayor, which, together with the mayor shall constitute a finance committee which shall on or before the first day of August in each year, prepare and submit to the council a budget or estimate of the amount of money necessary and advisable to be expended by the city for the current year next ensuing and to be provided for by the tax levy as herein provided for such current year, in which estimate the finance committee shall ascertain and present a detailed and itemized account or estimate of the money necessary to pay interest on the bonded indebtedness of the city, the amount required for the several sinking funds, for the reduction of the principals thereof, the amount to be expended severally for the streets, alleys, curbing, water works, police department, fire department, street paving, sewers, salaries, parks, real and personal property, contingent expenses and other proper municipal expenditures and expenses, together with an itemized statement of the estimated receipts, other than that to be derived from the annual levy, and after receiving such estimates, and before making the levy the council shall apportion the rate thereof (including estimated receipts for licenses and all other sources), among the several funds to ascertain and provide for, which said apportionment when adopted, shall be spread upon the records of the council.

Taxation

Sec. 41. The council shall be governed in all respects in laying the annual levy or any additional or special levy by chapter nine of the acts of the extraordinary session of the legislature of West Virginia of one thousand nine hundred and eight and by chapter eighty-five of the acts of the session of the legislature of one thousand nine hundred and fifteen as the same is amendatory of certain sections of the said chapter nine of the said acts of one thousand nine hundred and eight, except that they may include a poll tax of not exceeding one dollar each year upon each able-bodied man therein, who is above the age of twenty-one years and not over fifty years of age, which poll tax shall be used exclusively for opening, improving and maintaining roads, streets and alleys of the city, and shall designate the same as the "street taxes"; and the said council may also impose such license tax upon dogs and other animals as they may deem proper, and collect the same from the owners of such animals as other taxes are collected, and prescribe such rules, regulations and penalties governing the payment of such tax on animals as they may deem reasonable. And the general annual levy upon the taxable property within the corporate limits of said city shall not exceed the sum of eighty cents upon each one hundred dollars valuation. But in addition to said levies above mentioned, and in addition to any levies provided by the general law, with which these are not meant to conflict, the council of said city is empowered to and shall lay a special annual levy not to exceed ten cents on each one hundred dollars valuation of the property in said city for the purpose of creating a sinking fund with which to pay off the principal of the present outstanding bonded indebtedness of said city when the same becomes due and for the purpose of paying annually, when due, the interest coupons of the said present outstanding bonded indebtedness of the said city, which said special levy shall be continued annually by the

Record Books

Sec. 37. The council shall cause to be kept by the city clerk in a well bound book to be called the "Minute Book" an accurate record of all its proceedings, ordinances, acts, orders and resolutions, and in another to be called "Ordinance Book," accurate copies of all general ordinances adopted by the council; both of which shall be accurately indexed and open to the inspection of anyone required to pay taxes in the city, or who may be otherwise interested therein.

All oaths and bonds of officers in the city, and all papers of the council shall be endorsed, filed and securely kept by the city clerk. The bonds of officers shall be recorded in a well bound book to be called "Record of Bonds."

The council shall from time to time cause such additional books to be kept by the city clerk as are necessary to properly record the proceedings of the council and keep in an orderly condition records of the financial and other affairs of the city.

Auditing Books

Sec. 38. The council shall by proper ordinance provide for the auditing of all the books and accounts of the city, at least once each year, and shall appoint or employ a reputable person for such purpose, and such audit shall show the complete financial condition of the city at the time thereof, and the receipts and disbursements of all monies during such year. The council shall also provide by ordinance for the publication of such audit of the financial condition of the city at least once each year, and such audit shall be spread upon the records of the council and be a public record for all purposes.

City Funds—Receipt and Disbursement

Sec. 39. All monies belonging to the city shall be paid over to the city clerk who shall be *ex officio* treasurer of the city, and no money shall be paid out by the city clerk, except as the same shall have been appropriated by the council and upon an order signed by the mayor, and

set out in this act, on the presentation by the land or lot owner of any of the certificates issued as aforesaid against him or his predecessor in the title to such lot or land, the clerk of the county court shall mark upon the margin of the trust deed book at which said certified report is recorded, that the lien is released as to the land or lot mentioned in such certificate to the extent of the amount of the certificates thus exhibited; and the county clerk shall thereupon write across the face of said certificates the date of their production to him for the release of lien, and shall sign his name thereto in his official capacity, for which he shall receive in advance a fee of twenty-five cents for each certificate so marked, from the person demanding the release of the lien aforesaid; but if more than one of the serial certificates against the land or lot or lots shall be produced at the same time, the fee to the county clerk shall not exceed twenty-five cents for the release of the liens as to all of the certificates thus produced and relating to the same real estate.

Provided, that the owner of any lot or land against which any paving or sewer certificate is an unreleased lien of record shall make and produce to the county clerk, or some person for such owner shall make and produce an affidavit setting out therein such certificate (or certificates) has been paid in full, and after diligent search, cannot be found, said county clerk shall upon the payment of a fee of twenty-five cents, file and preserve said affidavit as a public document and shall forthwith note the release of said lien to the extent of said lost certificate (or certificates) and the lots or land against which it is a lien upon the margin of the trust deed book as aforesaid, and noting therewith the filing of said affidavit, which shall operate as a release of such lien to the extent of such marginal notation. If the affidavit so filed be false, the person making oath and subscribing thereto shall be guilty of a felony and upon conviction thereof shall be fined not to exceed one thousand dollars, or sentenced to be confined in the penitentiary for a term of not more than two years, or both, in the discretion of the court passing sentence.

Provided, further, that any paving or sewer lien, which may be created in consequence of the provisions of this act, the last payment of which is not yet due, shall not, under any circumstances, be a lien against the lot or land or fractional part of a lot or land, against which it may have been assessed and made a lien for a longer period than two years after the last assessment or certificate of the same date and group, representing such lien, shall have become due and payable, unless some suit or action, at the termination of said two years period, shall be pending for the enforcement of the lien, or unless the amount of the lien or some part thereof is in some way involved in a suit or action pending at the end of said two year period.

All of the assessment certificates, which may be issued under the provisions of this act, shall be made payable at the office of the treasurer, who shall receive payments thereon when due, if tendered to him, and interest thereon from the date of such payments shall cease. The treasurer shall keep a separate and special account of all said sums of money received by him, and he shall hold said money in trust for the person who thereafter delivers to the treasurer for cancellation any and all certificates on which the treasurer has received full payment as aforesaid; but the owner of said certificate shall not be entitled to interest on said sum after the date of payment thereof to the treasurer. When the whole amount of any such assessment lien shall have been paid to the treasurer as aforesaid, or the treasurer shall be convinced that

all of the paving or sewer certificates against any land, lot or fractional part of lot, shall have been paid in full, he shall when demanded, execute a release of said lien in the manner hereinbefore provided for the release of paving liens. If the city shall have no person for treasurer, the clerk, unless some other person is designated by ordinance or resolution, which the council is hereby authorized to enact, shall perform the duties herein required to be performed by the treasurer.

Sec. 51. It shall be lawful for said City of Welch to issue and sell its bonds, as provided in this act for the sale of other paving and sewer bonds, to pay the city's part of the cost of construction of said sewers and for the paving or other permanent improvements of streets and alleys, as required by this act; and said city may levy taxes, in addition to all other taxes, authorized by law, to pay such bonds and interest thereon; *provided*, that the total indebtedness of the city for all purposes shall not exceed five *per centum* of the total value of all taxable property therein.

It is expressly provided that no bonds shall be issued under the provisions of this act, unless and until the question of issuing said bonds shall have first been submitted to a vote of the people of said city and shall have received three-fifths of all votes cast at said election for and against the same. The council of said city may provide by ordinance for submitting to the people at any regular election, or special election called for that purpose, the question whether or not said city shall be authorized to issue bonds for the purpose specified in this act; but the ordinance relating to the issuance of said bonds, and the submission of the same to the vote of the people, need not specify in detail the location of the improvements contemplated to be paid for out of, and works to be constructed with, the proceeds of sale of said aggregated issue authorized thereby; and if at such election the people by their vote thereon shall authorize the issuance of said bonds, said council may order the sale of same, as needed for said improvements, and works, dealing with all the requirements set forth in this act; and notwithstanding any other provisions of law it shall be sufficient description of the purpose for which said election is held for the ordinance calling the same or submitting said question to a vote at any general election, if it shall recite that it authorized the council to issue bonds for the purpose of grading, paving, curbing, sewering or otherwise permanently improving the streets, roads and alleys of said city.

The provisions of state law concerning bond elections shall, so far as they are not in conflict with the provisions of this act, apply to the bond election herein provided for.

Sec. 52. In setting forth the lots and land abutting upon the improvement it shall be sufficient to describe them as the lots and lands abounding and abutting upon said improvements, between and including the termini of said improvements, or by the description by which they are described on the land books of the county, and this rule of description shall apply in all proceedings in which lots or lands are to be charged with special assessments.

Sec. 53. When work shall have been completed on any avenue, street, road or alley or part thereof as provided in section forty-six or forty-eight or the construction of any sewer or other work shall have been completed on any avenue, street, road or alley, or part thereof, or elsewhere, as provided in section forty-nine and said assessments there against shall have been calculated as provided in this act, the council shall give notice, by publication at least

once a week for two successive weeks in two newspapers of opposite politics published in said city, or in one newspaper if two such papers be not published therein, that an assessment under this act is about to be made against the property so assessed and the owners thereof, mentioning the kind of work and the location thereof; and the owners of said property shall have a right to appear before said council, either in person or by attorney or agent, at any regular or special meeting called for that purpose within two weeks of the first publication thereof, and move the council to correct any apportionment of the assessment excessive or improperly made; and the council shall have the power to make any such corrections before it enters the same, as corrected, upon its records.

If the publication in the newspapers aforesaid cannot be had at reasonable rates, or for any other cause, the notice may be given in some other manner designated of record by the council. The fact that said assessments shall have been entered of record, as provided by this act, shall be *prima facie* proof that the notice mentioned herein was given as prescribed in this section.

Additional Method of Street Improvement

Sec. 54. In addition to the methods herein provided for the construction and improvement of streets and sewers, the city council shall have the power, upon the petition in writing of the owners, of the greater amount of frontage of the lots abutting on any street or alley or between any two cross streets, or alleys, to provide for the construction, reconstruction, repair and maintenance of all local improvements including the grading, paving, sewering and otherwise permanently improving of streets and alleys of the city, and to provide for the assessment of the cost thereof, including all incidental expenses and the cost of intersections of streets, with interest payable annually, against the abutting or other specially benefitted properties, according to their frontages, on each side of such streets or alleys, and against the owners thereof, upon the following conditions:

(a) Plan and resolution. The city council, when deemed expedient by it, shall cause plans, specifications, profiles and estimates of the proposed improvements by grading, paving, curbing, sewering or otherwise locally improving any streets or alleys, to be made and filed in the office of the mayor, and shall by ordinance and resolution prescribe generally the location and character of the proposed improvement and refer to such plans, specifications, profiles and estimates.

(b) Notice and hearing. The city council shall then cause notice thereof to be published once in some newspaper published in said city, fixing the date for a hearing thereon not less than one week after the adoption of such resolution. At the date stated in such resolution and notice, or at any adjourned meeting, the city council shall hear objections to the proposed improvement and may correct, amend or modify such plans, specifications, profiles and estimates, not extending such improvement to any other street or part of street, and may pass or adopt a resolution or ordinance providing for such improvement, by direct employment of labor or by contract with the lowest responsible bidder, and for the assessment of the cost thereof against the abutting or specially benefitted properties on each side of such street or alley.

once a week for two successive weeks in two newspapers of opposite politics published in said city, or in one newspaper if two such papers be not published therein, that an assessment under this act is about to be made against the property so assessed and the owners thereof, mentioning the kind of work and the location thereof; and the owners of said property shall have a right to appear before said council, either in person or by attorney or agent, at any regular or special meeting called for that purpose within two weeks of the first publication thereof, and move the council to correct any apportionment of the assessment excessive or improperly made; and the council shall have the power to make any such corrections before it enters the same, as corrected, upon its records.

If the publication in the newspapers aforesaid cannot be had at reasonable rates, or for any other cause, the notice may be given in some other manner designated of record by the council. The fact that said assessments shall have been entered of record, as provided by this act, shall be *prima facie* proof that the notice mentioned herein was given as prescribed in this section.

Additional Method of Street Improvement

Sec. 54. In addition to the methods herein provided for the construction and improvement of streets and sewers, the city council shall have the power, upon the petition in writing of the owners, of the greater amount of frontage of the lots abutting on any street or alley or between any two cross streets, or alleys, to provide for the construction, reconstruction, repair and maintenance of all local improvements including the grading, paving, sewering and otherwise permanently improving of streets and alleys of the city, and to provide for the assessment of the cost thereof, including all incidental expenses and the cost of intersections of streets, with interest payable annually, against the abutting or other specially benefitted properties, according to their frontages, on each side of such streets or alleys, and against the owners thereof, upon the following conditions:

(a) Plan and resolution. The city council, when deemed expedient by it, shall cause plans, specifications, profiles and estimates of the proposed improvements by grading, paving, curbing, sewering or otherwise locally improving any streets or alleys, to be made and filed in the office of the mayor, and shall by ordinance and resolution prescribe generally the location and character of the proposed improvement and refer to such plans, specifications, profiles and estimates.

(b) Notice and hearing. The city council shall then cause notice thereof to be published once in some newspaper published in said city, fixing the date for a hearing thereon not less than one week after the adoption of such resolution. At the date stated in such resolution and notice, or at any adjourned meeting, the city council shall hear objections to the proposed improvement and may correct, amend or modify such plans, specifications, profiles and estimates, not extending such improvement to any other street or part of street, and may pass or adopt a resolution or ordinance providing for such improvement, by direct employment of labor or by contract with the lowest responsible bidder, and for the assessment of the cost thereof against the abutting or specially benefitted properties on each side of such street or alley.

(c) Assessment, docketing and payment. The assessment and docketing of liens and other matters pertaining to certain improvements when the method provided in this section is used by the city council shall be the same in all manner and respects as provided in sections forty-six to fifty-three of this charter.

Sidewalks

Sec. 55. The council may cause any sidewalk to be constructed, laid, relaid or otherwise permanently improved in the City of Welch in the following manner and upon the following terms: Notice shall first be given to the abutting property owners by publication in one newspaper by giving location, estimated frontage and depth, but no error in said publication shall in any way affect the validity of the certificate hereinafter provided for, or any of them. The contract for same shall, after due advertisement in which the council shall reserve the right to reject any and all bids, be let to the lowest bidder and upon completion and acceptance of the work the council shall order the mayor and city clerk to issue to the contractor doing the work a certificate for the amount of the assessment to be paid by the owner of any lot or fractional part thereof fronting on such sidewalk, and the amount specified in said assessment certificate shall be a lien in the hands of the holder thereof upon the lot or part of a lot fronting on such sidewalk, and such certificate shall draw interest from the date of said assessment, and the payment may be enforced in the name of the holder of such certificate by a proper suit in equity in any court having proper jurisdiction to enforce such liens and the council shall fix the amount of such assessment and do all things in connection therewith necessary as is provided for paving and improving streets and alleys and such certificate shall be issued for each abutting lot or portion thereof payable six months from the date of the completion and acceptance of the work and shall be a lien in the hands of the holder thereof upon the particular lot against which they are assessed in the same way and manner as assessments for street paving liens. Nothing herein shall be construed to prevent any abutting lot owners from having his own sidewalk put in if done before the advertising hereinbefore mentioned and provided same is done according to the lines, grades and specifications of the city engineer, for which no charge shall be made. The total cost of constructing, laying, relaying or otherwise permanently improving any sidewalk or walks shall be borne by the owners of the land abutting upon said sidewalk or sidewalks according to the following plan, that is to say, payment is to be made according to the proportion of square feet in front of any lot or portion thereof bears to the whole assessments or cost of improvements.

Inconsistent Ordinances and Acts Repealed

Sec. 56. All ordinances of the City of Welch, as they exist at the time of the passage of this act, which are inconsistent herewith, are hereby abrogated and repealed, and all acts and parts of acts inconsistent with any of the provisions of this act are hereby repealed.

[The next page is 93]

CITY OF WELCH

RESOLUTION ON OPEN GOVERNMENTAL PROCEEDINGS RULES

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

1. **Regular Meetings.** A notice shall be posted and maintained by the City Clerk at the front door or bulletin board of the Welch City Hall of the date, time and place fixed and entered of record by Council for the holding of regularly scheduled meetings. In addition, a copy of the agenda for each regularly scheduled meeting shall be posted at the same location by the City Clerk not less than 48 hours before such regular meeting is to be held. If a particular regularly scheduled meeting is canceled or postponed, a notice of such cancellation or postponement shall be posted at the same location as soon as feasible after such cancellation or postponement has been determined.

2. **Special Meetings.** A notice shall be posted by the City Clerk at the front door or bulletin board of the Welch City Hall not less than 48 hours before a specially scheduled meeting is to be held, stating the date, time, place and purpose for which such special meeting shall be held. If the special meeting is canceled, a notice of such cancellation shall be posted at the same location as soon as feasible after such cancellation has been determined.

These rules regarding notice of meetings shall replace any and all previous rules heretofore adopted by Council and apply to all City Board, Commissions, etc.

NOW, THEREFORE, BE IT RESOLVED that the Welch City Council hereby adopts these Open Governmental Proceedings Rules.

ADOPTED this 6 day of March, 2000.

[signature] Mayor

Robin Owens Acting City Clerk

[signature] Councilmember

James Ray Ingle Councilmember

William R [signature] Councilmember

Frank Cooley Councilmember

Councilmember

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

MAYOR, CITY CLERK, COUNCIL MEMBERS
August 22, 2006

MAYOR

Martha H. Moore
Term: 7-1-06 – 6-30-2010

CITY CLERK

Robin G. Lee
Appointed

COUNCILMEMBERS

Terms: 7-1-06 – 6-30-2010

James R. Ingole, Sr.

Emily W. Yeager

Mark W. Jones

William R. Spencer

Frank Cooley

3

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Office of the Mayor of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

Martha H. Moore

Martha H. Moore, Mayor

Subscribed and sworn to before me, the undersigned authority, this day of July, 2006

Robin G. Lee

Robin G. Lee, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 4 years
July 1, 2006 thru June 30, 2010

3

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Member of the City Council of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

Frank Cooley

Frank Cooley, Councilmember

Subscribed and sworn to before me, the undersigned authority, this day of July, 2006

Robin G. Lee

Robin G. Lee, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 4 years
July 1, 2006 thru June 30, 2010

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Member of the City Council of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

William Spencer

William Spencer, Councilmember

Subscribed and sworn to before me, the undersigned authority, this day of July, 2006

Robin G. Lee

Robin G. Lee, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 4 years
July 1, 2006 thru June 30, 2010

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Member of the City Council of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

Mark W. Jones

Mark Jones, Councilmember

Subscribed and sworn to before me, the undersigned authority, this day of July, 2006

Robin G. Lee

Robin G. Lee, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 4 years
July 1, 2006 thru June 30, 2010

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Member of the City Council of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

Emily Yeager

Emily Yeager, Councilmember

Subscribed and sworn to before me, the undersigned authority, this day of July, 2006

Robin G. Lee

Robin G. Lee, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 4 years
July 1, 2006 thru June 30, 2010

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Member of the City Council of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

James Ray Ingole

James R. Ingole, Sr., Councilmember

Subscribed and sworn to before me, the undersigned authority, this day of July, 2006

Robin G. Lee

Robin G. Lee, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 4 years
July 1, 2006 thru June 30, 2010

Sec. 12-33. Bonding of employees.

The water board may from time to time, in its discretion, require any of its employees to furnish a good and suitable indemnity bond, with a recognized and reputable surety, conditioned upon the faithful discharge of their duties as such, and to deliver up and pay over all money as provided by law. The board shall require all persons who collect or otherwise handle funds of the board to furnish a good and proper bond, with a recognized and reputable corporate surety conditioned upon the faithful performance of their duties and for the proper handling and care of such funds in their hands. The bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person or persons, as may be determined by the board.
(Ord. of 8-19-85, § 8)

Secs. 12-34—12-55. Reserved.

ARTICLE III. SANITARY BOARD

Sec. 12-56. Created.

The city council does hereby create and establish a sanitary board, with all powers and duties as provided in and pursuant to the act.
(Ord. of 5-13-85(4), § 1)

Sec. 12-57. Composition; chairman; appointment of members.

The sanitary board shall be composed of the mayor and two (2) persons appointed by the council, one (1) of whom, during the construction period of the system, must be a registered professional engineer. The engineer member of the board need not be a resident of the municipality. After the construction of the system has been completed, the engineer may be succeeded by a person not an engineer. Such appointees shall originally be appointed for terms of two (2) and three (3) years respectively, and upon the expiration of each such term and each succeeding term, appointment of a successor shall be made in like manner for a term of three (3) years. Vacancies shall be filled for an unexpired term in the same manner as the original appointment. No officer or employee of the city, whether holding a paid or unpaid office, shall be eligible to appointment on the sanitary board until at least one (1) year after the expiration of the term of his public office.
(Ord. of 5-13-85(4), § 2)

Sec. 12-58. Organizational meetings; vice chairman, secretary, treasurer; official bonds.

As soon as may be practicable following the appointment of a new member of the sanitary board, the board shall hold an organizational meeting and choose a vice chairman from among its members, and a secretary and treasurer, who may be one (1) person and need not be a board member, and such officers shall hold office at the will of the board. No bond shall be required of the board members as such, but the treasurer, whether a member of the board or

not, shall give bond in the penalty of two thousand dollars ($2,000.00) for the proper application of all money received by him as treasurer of the board and otherwise conditioned according to law.
(Ord. of 5-13-85(4), § 3)

Sec. 12-59. Compensation and expenses of board members.

The chairman of the sanitary board shall be paid a salary of two hundred seventy-five dollars ($275.00) per month, and the other two (2) members of the sanitary board shall each be paid a salary of thirty-five dollars ($35.00) per month. During the construction period of the Welch Wastewater Facilities Project, the chairman of the sanitary board shall be paid a salary of eight hundred dollars ($800.00) per month and the other two (2) members of the sanitary board shall each be paid a salary of two hundred dollars ($200.00) per month. The construction period of the Welch Wastewater Facilities Project shall be defined as the first date of publicly advertising for construction bids, through the construction of the Welch Wastewater Facilities Project and ninety (90) days after the acceptance of the final contract. All members of the board shall be reimbursed from sewerage system funds for all necessary expenses incurred in the discharge of their duties, but there shall be no liability upon the city for any salary or expense so incurred.
(Ord. of 5-13-85(4), § 4; Ord. of 1-16-87(2))

State law reference—Authority to determine compensation, W. Va. Code, Article 13, Chapter 16.

Sec. 12-60. Powers, duties and limitations.

(a) The sanitary board shall have the supervision and control of the custody, administration, operation and maintenance of any and all works for the collection, treatment and disposal of sewage, which are now owned or may hereafter be acquired by the city.

(b) The sanitary 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 the powers granted to such board by this article and under and by virtue of W. Va. Code, Chapter 16, Article 13, as the same now exists and may be amended; but the powers of the sanitary board shall be subject to all restrictions and limitations contained in such Article 13 as the same now exists or may be amended.

(c) The sanitary board may employ engineers, architects, inspectors, superintendents, a manager, collectors, attorneys and such other personnel 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 such Article 13 shall be paid solely and only from funds provided under the authority or power given it so as to bind the board or the town beyond the extent to which money shall have been or may be provided under the authority of such Article 13. No contract or agreement with any contractor or contractors for labor or material exceeding in amount the sum of one thousand dollars ($1,000.00) 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 and all bids.

(d) 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 the sanitary board.

(e) After the construction, installation and completion of such works the sanitary 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 made available as provided by law, 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 to do all things necessary or expedient for the successful operation thereof, and the board shall have in addition hereto any and all powers granted to it by such Article 13, or which may be granted to it by amendments to such article, hereafter made, subject to any and all restrictions and limitations therein contained.
(Ord. of 5-13-85(4), § 5)

Sec. 12-61. Duty of board to restore property damaged by its activities.

All public ways or public works damaged or destroyed by the sanitary 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 the proper authorities, out of the funds provided pursuant to the provisions of W. Va. Code, Chapter 16, Article 13.
(Ord. of 5-13-85(4), § 6)

Sec. 12-62. Publication of financial statement.

The sanitary board shall prepare a financial statement and cause it to be published as a Class I legal advertisement in compliance with the provisions of W. Va. Code, Chapter 59, Article 3, 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. The statement shall be sworn to by the chairman and secretary and treasurer of the board.
(Ord. of 5-13-85(4), § 7)

Sec. 12-63. Procedure for disbursement of funds.

All funds under the supervision of the sanitary board shall be disbursed, as disbursements are required, by check drawn upon the proper fund or account, and such checks shall be

properly signed by the authorized officer or agent of the board. All such disbursements shall be approved by the board.
(Ord. of 5-13-85(4), § 8)

Sec. 12-64. Bonding of employees who handle money.

The sanitary board may from time to time, in its discretion, require any of its employees to furnish a good and suitable indemnity bond, with a recognized and reputable surety, conditioned upon the faithful discharge of their duties as such, and to deliver upon and pay over all money as provided by law. The board shall require all persons who collect or otherwise handle funds of the board to furnish a good and proper bond, with a recognized and reputable corporate surety conditioned upon the faithful performance of their duties and for the proper handling and care of such funds in their hands. Such bond shall be in an amount equal to the sum of money which might at any one time be in the hands of such person, as may be determined by the board.
(Ord. of 5-13-85(4), § 9)

Secs. 12-65—12-80. Reserved.

ARTICLE IV. WATER RATES

Sec. 12-81. Generally.

(a) The schedules under this article contain water rates by the city for furnishing water service to customers in the city and county.

(b) The schedules under this article shall be applicable in the entire areas served.

(c) In addition to the rates set forth in this article, there shall be a twenty-five (25) percent surcharge on all customers living outside of the city limits.
(Ord. of 6-21-83; Ord. No. 90-7, 10-22-90)

Sec. 12-82. Schedule number 1.

(a) *Availability.* The city's water service under schedule no. 1 shall be available for general domestic, commercial and industrial service.

(b) *Rate:*

(1) First 400 cubic feet used per month: $3.27 per 100 cubic feet;

(2) Next, 1,600 cubic feet used per month: $2.64 per 100 cubic feet;

(3) Next, 2,000 cubic feet used per month: $2.34 per 100 cubic feet;

(4) Next, 3,000 cubic feet used per month: $2.02 per 100 cubic feet;

(5) All over 7,000 cubic feet used per month: $1.56 per 100 cubic feet.

(c) *Reconnection fee.* If any delinquent bill is not paid within thirty (30) days after renderation, services to the premises may be disconnected or shut off and a reconnection

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

SANITARY BOARD MEMBERS
August 22, 2006

Martha H. Moore, Mayor& Chairman

John E. Caffrey, Member
Term: 5-13-06 – 5-12-09

W. Claude Banner, Member
Term: 5-13-05 – 5-13-08

OATH OF OFFICE

State of West Virginia, County of McDowell, to wit:

I do solemnly swear that I will support the Constitution of the United States, the Constitution of the State of West Virginia, and that I will faithfully discharge the duties of the Welch Sanitary Board of the City of Welch, McDowell County, West Virginia, to the best of my skill and judgement: So Help Me God.

~~Jack~~ John Caffrey, Member, Welch Sanitary Board

Subscribed and sworn to before me, the undersigned authority, this 10th day of May, 2006

Robin Owens, City Clerk

CORPORATE SEAL
INCORPORATED
JULY 12, 1894
CHARTERED
FEBRUARY 21, 1919
CITY OF WELCH, WEST VIRGINIA

Term of Office - 3 years
May 13, 2006 thru May 12, 2009

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Welch (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $3,000,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Directed this 15th day of January, 2008.

SANITARY BOARD OF THE CITY OF WELCH

By: Martha H Moore
Its: Chairman

10.09.07
950640.00002

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

ORDINANCE 06-12
CHAPTER 12-102

AN ORDINANCE TO INCREASE SEWER RATES;

Be it Ordained and Enacted by the City Council:
Sec. 12-102

(1) Applicability. This schedule of rates shall be applicable to entire area served.

(2) Availability of service. The service under this section shall be available for general domestic, commercial, and industrial sanitary sewer service.

(3)Rates: Rates pursuant to this section shall be as follows:
Metered users:

(1) First 2,000 gallons at $7.65 per 1000 gallons

(2) Next 13,000 gallons at $6.85 per 1000 gallons

(3) Next 50,000 gallons at $6.15 per 1000 gallons

(4) All over 65,000 gallons at $5.65 per 1000 gallons

The minimum monthly charge shall be $15.30

RECEIVED
2006 DEC -7 AM 8:51
W VA PSC SERVICE
COMMISSION
SECRETARY'S OFFICE

Unmetered Residential users:

Flat Rate-$32.42

(4) Delayed Payment Penalty Charge

A penalty of ten (10) percent shall be added to all charges not paid within twenty (20) days from the date of the billing. The delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

If any bill is not paid within sixty (60) days from the date of billing, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty and reconnection charges.

(5) Connection Charge:

For existing customers currently charged for use of sanitary sewer system there will be no connection charge. For all other customers there will be a connection charge to the system of five hundred dollars ($500.00).

(6) Rain and surface water:

Charge for roof drains, downspouts, storm sewer or similar facilities connected to the sanitary sewer system will be calculated by the following formula:

S= A x R x 0.00062333 x C
S- The surcharge in dollars
R- The measured monthly rainfall in inches
A- Area draining into collection system (square feet)
C- The approved rate per thousand gallons of metered water usage

The surcharge will not be imposed unless and until the customer is notified by certified mail return receipt or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer, and that the customer has thirty (30) days to divert the water from the sanitary sewer.

These rates will be effective 45 days from passage.

First reading – November 16, 2006
Second reading- December 4, 2006

A public hearing will be held prior to the second reading on December 4, 2006 at 5:30 p.m. at Welch City Hall.

1st Reading-November 16, 2006

2nd Reading-December 4, 2006

Martha H. Moore, Mayor

Robin G. Lee, City Clerk

Councilmember

Councilmember

Councilmember

Councilmember

Councilmember

RECEIVED
2006 DEC -7 AM 8:51
W.V. PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

AFFIDAVIT OF PUBLICATION:

State of West Virginia
County of McDowell, to wit:

I, Irene Wooten, being first duly sworn upon my oath, do depose and say that I am the Legal Editor of the Welch News, Inc., a corporation, publisher of the newspaper entitled The Welch News, a Republican newspaper; that I have duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published 3 times a week except weekends and holidays, for at least fifty weeks during the calendar year, in the Municipality of Welch, McDowell County, West Virginia; that such newspaper is a newspaper of "general circulation", as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and McDowell County, West Virginia; that such newspaper averages in length four or more pages, exclusive of any cover per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of Sewer Rates - City of Welch

88 Howard St., Welch, WV 24801

was duly published in said newspaper once a week for 2 successive weeks, (Class II), commencing with the issue of the 11 day of Dec., 20 06, and ending with the issue of the 18 day of Dec., 20 06 (and was posted at the (if required)

_____

_____ on the

day of _____, 20____ that said annexed notice was published on the following dates: 12/11/06 & 12/18/06

and that the cost of publishing said annexed notice as aforesaid was $ 94.19.

Irene Wooten
Irene Wooten, Legal Editor
The Welch News

Taken subscribed and sworn to before me in my said county this 22 day of Dec., 20 06.

Lisha A. Ratliff
Notary Public, State of West Virginia

LEGAL NOTICE

Tariff Form No. 12
(Tariff Rule 44)
PUBLIC NOTICE OF CHANGE IN RATES BY MUNICIPALITIES

Notice is hereby given that the City of Welch Sewer, a public utility has adopted by ordinance on December 4, 2006 a tariff containing increased rates, tolls, and charges for furnishing sewer service to 980 customers at the City of Welch in McDowell County, West Virginia.

The proposed increased rates and charges will become effective January 18, 2007 unless otherwise ordered by Public Service Commission and will produce approximately $30,106 annually in additional revenue, an increase of 4%. The average monthly bill for the various classes of customers will be changed as follows:

	($) INCREASE	(%) INCREASE
Residential	1.07	4%
Commercial	2.69	4%
Public Authorities	10.95	4%

The increases shown are based on averages of all customers in the indicated class. Individual customers may receive increases that are greater or less than average. Furthermore, the requested rates and charges are only a proposal and are subject to change (increases or decreases) by the Public Service Commission in its review of this filing. The Commission shall review and approve or modify the increased rates only upon the filing of a petition within thirty (30) days of the adoption of the ordinance changing said rates or charges, by:

(1) Any customer aggrieved by the changed rates or charges who presents to the Commission a petition signed by not less than twenty-five percent of the customers served by such municipally operated public utility; or

(2) Any customer who is served by a municipally operated public utility and who resides outside the corporate limits and who is affected by the change in said rates or charges and who presents to the Commission a petition alleging discrimination between customers within and without the municipal boundaries. Said petition shall be accompanied by evidence of discrimination; or

(3) Any customer or group of customers who are affected by said change in rates who reside within the municipal boundaries and who present a petition to the Commission alleging discrimination between said customer or group of customers of the municipal utility. Said petition shall be accompanied by evidence of discrimination.

All petitions should be addressed to the Executive Secretary, Public Service Commission of West Virginia, 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

A complete copy of the proposed rates, as well as a representative of the utility to provide any information requested concerning it, is available to all customers, prospective customers, or their agents at the following offices of the utility:

City of Welch
88 Howard Street
Welch, WV 24801

A copy of the proposed rates if available for public inspection at the office of the Executive Secretary of the Public Service Commission at 201 Brooks Street, P.O. Box 812, Charleston, West Virginia 25323.

12/11,18,2tc

W VA PUBLIC SERVICE COMMISSION SECRETARY'S OFFICE
2006 DEC 28 AM 8:43
RECEIVED

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LEA... RATLIFF
... 603
... WV 24844
My comm... res August 29, 2011
F&W Printing, Welch, WV 436-8111 LP20279 D03

AFFIDAVIT OF PUBLICATION:

State of West Virginia
County of McDowell, to wit:

I, Irene Wooten, being first duly sworn upon my oath do depose and say that I am the Legal Editor of the Welch News, Inc., a corporation, publisher of the newspaper entitled The Welch News, a Republican newspaper; that I have duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published 3 times a week except weekends and holidays, for at least fifty weeks during the calendar year in the Municipality of Welch, McDowell County, West Virginia; that such newspaper is a newspaper of "general circulation", as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication area or areas of the aforesaid municipality and McDowell County, West Virginia; that such newspaper averages in length four or more pages, exclusive of any cover per issue; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous reading matters, advertisements, and other notices; that the annexed notice of

Sewer System - City of Welch

88 Howard St., Welch, WV 24801

was duly published in said newspaper once a week for 2 successive weeks, (Class II), commencing with the issue of the 22 day of Nov., 20 06 , and ending with the issue of the 29 day of Nov., 20 06 (and was posted at the (if required)

_____ on the

day of _____, 20____ that said annexed notice was published on the following dates: 11/22/09 & 11/29/09

and that the cost of publishing said annexed notice as aforesaid was $ 116.51 .

Irene Wooten
Irene Wooten, Legal Editor
The Welch News

Taken subscribed and sworn to before me in my said county this 8 day of Dec., 20 06.

Bishia A. Ratliff
Notary Public, State of West Virginia

RECEIVED
2006 DEC 13 AM 8:35
W.V. PUBLIC SERVICE COMMISSION
SECRETARY'S OFFICE

LEGAL NOTICE

NOTICE

CITY OF WELCH, WEST VIRGINIA

Notice is hereby given that the City of Welch, a municipal corporation, will hold a hearing before the final vote on a proposed ordinance, the principal object of which is the increase of sewer rates for customers of the sewer system operated by the City of Welch. The title of such ordinance is "Ordinance to Increase Sewer Rates". The final vote on adoption of said proposed ordinance shall be held in the Council Chambers of the City of Welch, City Hall, 88 Howard Street, Welch, West Virginia on December 4, 2006 at 5:30 p.m. Interested parties may appear and be heard at such time with respect to the passage of the proposed ordinance. Copies of the proposed ordinance are available at the Office of the Clerk, Welch City Hall, Welch, West Virginia.

ORDINANCE 06-12
CHAPTER 12-102

AN ORDINANCE TO INCREASE SEWER RATES;
Be It Ordained and Enacted by the City Council:
Sec. 12-102

(1) Applicability. This schedule of rates shall be applicable to entire area served.

(2) Availability of service. The service under this section shall be available for general domestic, commercial and industrial sanitary sewer service.

(3) Rates: Rates pursuant to this section shall be as follows:

Metered users:
(1) First 2,000 gallons at $7.65 per 1000 gallons
(2) Next 13,000 gallons at $6.85 per 1000 gallons
(3) Next 50,000 gallons at $6.15 per 1000 gallons
(4) All over 65,000 gallons at $5.65 per 1000 gallons
The minimum monthly charge shall be $15.30

Unmetered Residential users:
Flat Rate $32.42

(4) Delayed Payment Penalty Charge

A penalty of ten (10) percent shall be added to all charges not paid within twenty (20) days from the date of the billing. The delayed payment is not interest and is only to be collected once for each bill where it is appropriate.

If any bill is not paid within sixty (60) days from the date of billing, water service to the customer will be discontinued and will not be restored until all past due bills have been paid in full, together with all penalty and reconnection charges.

(5) Connection Charge:

For existing customers currently charged for use of sanitary sewer system there will be no connection charge. For all other customers there will be a connection charge to the system of five hundred dollars ($500.00).

(6) Rain and surface water:

Charge for roof drains, downspouts, storm sewer or similar facilities connected to the sanitary sewer system will be calculated by the following formula:

S= A x R x 0.00062333 x C
S - The surcharge in dollars
R - The measured monthly rainfall in inches
A - Area draining into collection system (square feet)
C- The approved rate per thousand gallons of metered water usage

The surcharge will not be imposed unless and until the customer is notified by certified mail return receipt or by hand delivery, that it has been established by smoke testing, dye testing, or on-site inspection that rain or surface water is being introduced into the sanitary sewer, and that the customer has thirty (30) days to divert the water from the sanitary sewer.

These rates will be effective 45 days from passage.
First reading - November 16, 2006
Second reading - December 4, 2006

A public hearing will be held prior to the second reading on December 4, 2006 at 5:30 p.m. at Welch City Hall.

1st Reading - November 16, 2006
2nd Reading - December 4, 2006

11/22,29, 2tc

0596
081-516-5200
116.51

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LESHIA A. RATLIFF
P. O. BOX 603
IAEGER, WV 24844
My commission expires August 29, 2011

F&W Printing, Welch, WV 436-8111 LP20279 003

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

City of Welch Council Meeting
Minutes of November 16, 2006

A special meeting of the Welch City Council was held November 16, 2006 at 5:00pm in the Welch City Hall, Present were: Martha Moore, Mayor, Frank Cooley, William Spencer, Emily Yeager, Mark Jones, Councilors, Danny Barie and Robin Lee, City Clerk

Visitors
John Ford, Accountant, Claude Banner and Jack Caffrey, members of the Welch Water Board.

Mayor Moore opened the meeting as properly advertised.

✓**Ordinance #06-11 Water Rates**
Mr. Ford addressed the Council and presented financial statements regarding an increase to the current water rates. He explained and recommended a change to re-block the rate structure. Re-blocking the rate structure will more fair to lower usage and high usage customers. He recommended an increase of 12% in rates in needed for the Water Fund. Discussion was held. Motion was made by Councilor Jones to approve the 1st reading of an increase to the water rates by 12% and to re-block the rate structure. Motion was seconded by Councilor Yeager, motion passed unanimously.

Ordinance #06-12 Sewer Rates
Mr. Ford explained to the Council with financial statements showing an increase is also needed for the sewer rates. He explained and recommended a change to re-block the rate structure. He also recommended an increase of 4% in rates. Discussion was held. Motion was made by Councilor Spencer to approve the 1st reading of an increase to the sewer rates by 4% and to re-block the rate structure. Motion was seconded by Councilor Yeager, motion passed unanimously.

Adjournment
There being no other business to come before the council, Councilor Yeager made a motion to adjourn the meeting.

Respectfully Submitted,

Robin Lee
City Clerk

Approved
Martha H. Moore, Mayor

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

City of Welch Council Meeting
December 4, 2006

A regular meeting of the Welch City Council held on Monday, December 4, 2006 at 5:30pm in the Welch City Hall, present were: Martha Moore, Mayor, Emily Yeager, James R. Ingole, Sr., Mark Jones, Councilors, Danny Barie and Robin Lee, City Clerk

Visitors Present
John R. Tyson, Bob McKinney, citizens and Anthony Barlage, JetBroadband TV

Mayor Moore opened the meeting as properly advertised.

Approval of Minutes
The minutes of November 13 and November 16, 2006 were approved upon a motion by Councilor Yeager, seconded by Councilor Ingole, motion carried unanimously.

Approval of Invoices
Councilor Yeager moved to approve the invoices for the General and Garbage Funds totaling $40,902.70 except for Jim's Engine & Radiator Shop invoices. Councilor Jones seconded, motion carried unanimously. Councilor Yeager moved to approve Jim's Engine and Radiator Shop invoices, Councilor Jones seconded, motion carried with one abstention by Councilor Ingole.

Police, Fire, Department Reports
The Police Department Report was reviewed.

Building Permits
The Building Permits administered by the McDowell County Redevelopment Authority for the City of Welch were not received before the meeting.

JetBroadband Cable TV
Mr. Anthony Barlage, JetBroadband Cable TV addressed the council regarding the JetBroadband Cable purchasing Rapid Communications. JetBroadband Cable TV will have the same franchise agreement as Rapid Communications. A public hearing will be held in January, 2007 to receive public comments.

2nd Reading-Ordinance No. 06-11 Water Rates
The second reading of Ordinance No. 06-11 to increase the water rates was held. Motion was made by Councilor Jones to approve the ordinance, seconded by Councilor Yeager, motion passed unanimously.

2nd Reading-Ordinance No. 06-12 Sewer Rates

The second reading of Ordinance No. 06-12 to increase the sewer rates was held. Motion was made by Councilor Ingole to approve the ordinance, seconded by Councilor Yeager, motion passed unanimously.

Resolutions, Personnel, Business & Occupation Tax, Parking, Budget Revisions, Legal Matters, Flood Prevention/Information, Property Issues, Utility Updates, Economic Updates, Airport

No discussion was held.

Adjournment

There being no other business to come before the council, Councilor Yeager made a motion to adjourn the meeting and the meeting was adjourned.

Respectfully Submitted,

Robin Lee

Robin Lee
City Clerk

Martha H. Moore, Approved
Martha H. Moore, Mayor

AFFIDAVIT OF PUBLICATION:
State of West Virginia
County of McDowell, to wit:

I, Irene Wooten, being first duly sworn upon my oath, do depose and say that I am the Legal Editor of the Welch News, Inc., a corporation, publisher of the newspaper entitled The Welch News, a Republican newspaper; that I have duly authorized by the board of directors of such corporation to execute this affidavit of publication; that such newspaper has been published 3 times a week except weekends and holidays, for at least fifty weeks during the calendar year, in the Municipality of Welch, McDowell County, West Virginia; that such newspaper is a newspaper of "general circulation", as that term is defined in article three, chapter fifty-nine of the Code of West Virginia, 1931, as amended, within the publication are or areas of the aforesaid municipality and McDowell County, West Virginia; that such newspaper is circulated to the general public at a definite price or consideration; that such newspaper is a newspaper to which the general public resorts for passing events of a political, religious, commercial and social nature, and for current happenings, announcements, miscellaneous, reading matters, advertisements, and other notices; that the annexed notice of

Public Hearing
Steptoe & Johnson
PO Box 1588
Charleston, WV 25326

was duly published in said newspaper once a week for 2 successive weeks, (Class II), commencing with the issue of the 20 day of Feb., 20 08, and ending with the issue of the 27 day of Feb., 20 08 (and was posted at the (if required)

_____

_____ on the

day of _____, 20____ that said annexed notice was published on the following dates: 2/20/08 & 2/27/08

and that the cost of publishing said annexed notice as aforesaid was $ 82.11.

Irene Wooten
Irene Wooten, Legal Editor
The Welch News

Taken subscribed and sworn to before me in my said county this 29 day of Feb., 20 08.

Leshia A. Pettit
Notary Public, State of West Virginia

LEGAL NOTICE

NOTICE OF PUBLIC HEARING ON
CITY OF WELCH BOND ORDINANCE

A public hearing will be held on the following-entitled Ordinance at a regular meeting of the Council of the City of Welch (the "City") to be held on Monday, March 3, 2008, at 5:30 p.m. at the City Hall, 88 Howard Street, Welch, West Virginia, and at such hearing any person interested may appear before the City and present protests, and all protests and suggestions shall be heard by the City and it shall then take such actions as it shall deem proper in the premises upon an Ordinance entitled:

CITY OF WELCH, WEST VIRGINIA
ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF ADDITIONS, BETTERMENTS AND IMPROVEMENTS TO THE EXISTING PUBLIC SEWERAGE SYSTEM OF THE CITY OF WELCH AND THE FINANCING OF THE COST THEREOF, NOT OTHERWISE PROVIDED,THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $3,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM); PROVIDING FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE REGISTERED OWNERS OFSUCH BONDS;AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BONDS; APPROVING, RATIFYING AND CONFIRMING A BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS; AUTHORIZING THE SALE AND PROVIDING FOR THE TERMS AND PROVISIONS OF SUCH BONDS AND ADOPTING OTHER PROVISIONS RELATING THERETO.

The above-quoted title of the Ordinance describes generally the contents thereof and the purposes of the Bonds contemplated thereby. The City contemplates the issuance of the Bonds described in the Ordinance. The proceeds of the Bonds will be used to provide permanent financing of the costs of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the City of Welch and to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely from revenues to be derived from the ownership and operation of the system of the City. No taxes may at any time be levied for payment of the Bonds or the interest thereon.

The above-entitled Ordinance was adopted by the Council of the City of Welch on January 22, 2008. A certified copy of the above-entitled Ordinance is on file with the City for review by interested parties during regular office hours.

Following the public hearing, the City intends to enact the Ordinance upon final reading.

Martha Moore
Mayor

1/20, 27, 2tp

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF WEST VIRGINIA
LESHIA A. PATTIT

CONNER PRINTING, INC. 1-800-442-3051

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

EXCERPT OF MINUTES ON ADOPTION
OF SUPPLEMENTAL RESOLUTION

The undersigned Recorder of the City of Welch (the "City") hereby certifies that the following is a true and correct excerpt of the minutes of a regular meeting of the said City:

*** *** ***

The Council of the City met in regular session, pursuant to notice duly posted, on the 15th day of April, 2008, in Welch, West Virginia, at the hour of 5:00p.m.

PRESENT:	Martha Moore	-	Mayor
	James Ingole	-	Councilmember
	Emily Yeager	-	Councilmember
	Mark Jones	-	Councilmember
	William Spencer	-	Councilmember
	Robin Lee	-	Clerk
ABSENT:	Frank Cooley	-	Councilmember

Martha Moore, Mayor, presided, and Robin Lee, acted as Clerk. The Mayor announced that a quorum of members was present and that the meeting was open for any business properly before it.

The Mayor presented a proposed Supplemental Resolution in writing entitled:

SUPPLEMENTAL RESOLUTION PROVIDING AS TO PRINCIPAL AMOUNTS, DATES, MATURITY DATES, REDEMPTION PROVISIONS, INTEREST RATES, INTEREST AND PRINCIPAL PAYMENT DATES, SALE PRICES AND OTHER TERMS OF THE SEWER REVENUE BONDS, SERIES 2008 A (WEST VIRGINIA SRF PROGRAM) OF THE CITY OF WELCH; APPROVING AND RATIFYING THE BOND PURCHASE AGREEMENT RELATING TO SUCH BONDS AND THE SALE AND DELIVERY OF SUCH BONDS TO THE WEST VIRGINIA WATER DEVELOPMENT AUTHORITY; DESIGNATING A REGISTRAR, PAYING AGENT AND DEPOSITORY BANK; AND MAKING OTHER PROVISIONS AS TO THE BONDS.

and caused the same to be read and there was discussion. Thereupon, upon motion duly made by Emily Yeager and seconded by James Ingole, it was unanimously ordered that the said Supplemental Resolution be adopted and be in full force and effect 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.

[Remainder of Page Intentionally Blank]

CERTIFICATION

I hereby certify that the foregoing is a true copy of the minutes of the City of Welch and that such actions remain in full force and effect and have not been amended, rescinded, superseded, repealed or changed.

WITNESS my signature on this 6th day of May, 2008.

Robin G. Lee
Recorder

04.15.08
950640.00002

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

City of Welch Council Meeting
January 15, 2008

A special meeting of the Welch City Council held on Tuesday, January 15, 2008 at 5:30pm in the Welch City Hall, present were: Martha Moore, Mayor, Frank Cooley, William Spencer, Emily Yeager, James R. Ingole, Sr., Mark Jones, Councilors, Danny Barie, Attorney and Robin Lee, City Clerk

Visitors Present
There were no visitors present.

Mayor Moore opened the meeting as properly advertised. The meeting was called for the purpose of the 1st Reading of the Sewer Bond Ordinance, 2nd Reading Ordinance No. 08-01, No. 08-02 and review proposals for the Downtown & Indian Ridge Redevelopment. Councilor Spencer gave the invocation; Councilor Cooley led the Pledge of Allegiance.

Sewer Bond Ordinance-1st Reading
Mayor Moore stated the Welch Sanitary Board had previously met and approved petitioning the Welch City Council to enact an ordinance for Sewer Revenue Bonds for the Indian Ridge Sewer Project. Mayor Moore read the petition as follows:

PETITION OF SANITARY BOARD

The Sanitary Board of the City of Welch (the "City") hereby petitions the Council of the City to enact an ordinance directing that sewer revenue bonds of the City be issued pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended, such bonds to be in an amount not to exceed $3,000,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, betterments and improvements to the existing sewerage system of the City, together with all necessary appurtenances, and the costs of issuance and related costs.

Mayor Moore conducted the first reading of the Sewer Bond Ordinance authorizing the acquisition and construction of additions, betterments and improvements to the existing public sewerage system of the City of Welch and the financing of the cost thereof, not otherwise provided, through the issuance by the City of not more than $3,000,000 in aggregate principal amount of sewer revenue bonds, series 2008 a (West Virginia SRF Program); providing for the rights and remedies of and security of the registered owners of such bonds; authorizing execution and delivery of all documents relating to such bonds; approving, ratifying and confirming a bond purchase agreement relating to such bonds; authorizing the sale and providing for the terms and provisions of such bonds and adopting other provisions relating thereto. Council reviewed the budget and other

funding agencies for the City of Welch Indian Ridge Industrial Park Water and Sewer Project. Other funding agencies are: Federal Grant (EPA SAP Grant) $4,751,200, HUD EDI Grant, $1,240,000, Bureau of Prisons $4,909, 530 and Bond $2,322,783. Discussion held. Motion was made by Councilor Jones to approve the first reading, seconded by Councilor Ingole, motion passed unanimously.

Proposals-Architects/Engineers-Downtown & Indian Ridge Industrial Park Project Redevelopment Plan

Mayor Moore stated that Architect/Engineers Proposals have been received on the Downtown & Indian Ridge Industrial Park Project Redevelopment Plan. Council reviewed the proposals. Proposals were received from the following firms: Anderson & Associates, Inc., Beckley, WV, Michael Baker, Jr., Inc., Charleston, WV, E. T. Boggess, Architect, Inc., Princeton, WV, Buchart Horn, Inc., Charleston, WV, Chapman Technical Group, St. Albans, WV, Stafford Consultants, Inc., Princeton, WV, and Triad Engineering, Inc., Scott Depot, WV. Discussion was held. The following firms were selected to be interviewed: E. T. Boggess, Architect, Inc., Chapman Technical Group, Stafford Consultants and Triad Engineering.

2nd Reading Ordinance No. 08-01- Regulate Parades

Mayor Moore conducted the second reading of an ordinance regulating parades thru the City of Welch. Discussion held. Motion was made by Councilor Cooley to approve the 2nd reading, Councilor Jones seconded, motion passed unanimously.

2nd Reading Ordinance No. 08-02 – Property Maintenance

Mayor Moore conducted the second reading of an ordinance regulating the upkeep and maintenance of properties. Discussion held. Motion was made by Councilor Jones to approve the 2nd reading, Councilor Yeager seconded, motion passed unanimously.

Adjournment

There being no other business to come before the council, Councilor Yeager made a motion to adjourn the meeting and the meeting was adjourned.

Respectfully Submitted,

Robin Lee

Robin Lee
City Clerk

Martha H. Moore, Approved
Martha H. Moore, Mayor

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

City of Welch Council Meeting
January 22, 2008

A special meeting of the Welch City Council held on Tuesday, January 22, 2008 at 5:30pm in the Welch City Hall, present were: Martha Moore, Mayor, Frank Cooley, James Ray Ingole, Sr., and William Spencer, Councilors and Robin G. Lee, City Clerk

Sewer Bond Ordinance-2nd Reading/Indian Ridge Industrial Park Sewer Project
Mayor Moore conducted the second reading of the Sewer Bond Ordinance authorizing the acquisition and construction of additions, betterments and improvements to the existing public sewerage system of the City of Welch and financing of the cost thereof, through the issuance by the City of not more than $3,000,000 for the purpose of financing a portion of the cost of acquisition and construction of certain additions, improvements to the existing sewerage system of the City. Motion was made by Councilor Spencer to approve the second reading, motion seconded by Councilor Cooley, motion passed unanimously.

Adjournment
There being no other business to come before the council, Councilor Cooley made a motion to adjourn the meeting and the meeting was adjourned.

Respectfully Submitted,

Robin Lee
Robin Lee
City Clerk

Martha H. Moore, Approved
Martha H. Moore, Mayor

City of Welch
88 Howard Street
Welch, WV 24801
Phone 304-436-3113 email: welchwv@mcswv.net Fax 304-436-2546

City of Welch Council Meeting
March 3, 2008

A regular meeting of the Welch City Council held on Monday, March 3, 2008 at 5:30pm in the Welch City Hall, present were: Martha Moore, Mayor, Frank Cooley, William Spencer, Emily Yeager, James R. Ingole, Sr., Councilors, Danny Barie, Michael Griffith, CPA and Robin Lee, City Clerk

Visitors Present
Jack Caffrey, member of the Welch Water Board and Welch Sanitary Board, David Falin, member of the Welch Water Board

Mayor Moore opened the meeting as properly advertised. Councilor Spencer gave the invocation. Councilor Cooley led the Pledge of Allegiance.

Approval of Minutes
The minutes of February 19, 2008 were approved upon a motion by Councilor Spencer, seconded by Councilor Ingole, motion carried unanimously.

Approval of Invoices
The invoices will be presented at the next regular meeting of the Council for approval.

Police, Fire, Department Reports
The Police Department Report was reviewed.

Building Permits
The Building Permits administered by the McDowell County Redevelopment Authority for the City of Welch were reviewed. Total collected for the month of December, 2007 was $5.00.

3rd Reading-Sewer Bond Ordinance, Public Hearing
Mayor Moore opened the public hearing to receive comments regarding the Sewer Bond. There being no comments, the public hearing was closed. Mayor Moore stated the Sewer Bond is needed to assist in funding the Indian Ridge Industrial Park Sewer Project. The issuance of the Bonds will be used (i) to pay a portion of the costs of the acquisition and construction of certain extensions, additions, betterments, and improvements to the public sewerage system of the Issuer (the Project) and (ii) to pay certain costs of issuance of the Bonds and related costs. The Bonds are payable solely form revenues to be derived from the ownership and operation of the system of the city. There will be no rate increase to the citizens as a result of the Sewer Bond. She and Michael Griffith, CPA stated that minimum sewer bill received from the Bureau of Prisons will cover the costs of the

Sewer Bond. Discussion was held. Motion was made by Councilor Spencer to approve the 3rd reading, motion seconded by Councilor Cooley, motion passed unanimously.

Ordinances -1st Reading Water and Sewer Rate Ordinance

Mayor Moore conducted the first reading of the Water and Sewer Rate Increase Ordinance. Mr. Griffith presented and explained the financial forms and schedule of increases. Mr. Griffith stated there is a deficit in the Water and Sewer Fund operations. He stated there will be a significant loss to the Water Fund and Sewer Fund in there are no rate increases. He reported that if there is no increase to the water rates, the Water Fund will be in critical shape. Mr. Griffith explained the three year increase plan to the water and sewer rates. The increase will cover the operation and maintenance expenses and capital needs. The water rates will increase 40.2 % over a three year period and the sewer rates will increase 17.2%. The rates are based on costs of service. The rates will also cover the financing of the Water tanks that need to be upgraded. The funding application is pending at the Infrastructure Council. Discussion was held on other cities and towns and their rates. Discussion was held. Motion to pass the first reading was made by Councilor Spencer, seconded by Councilor Cooley, motion passed with one opposition from Councilor Yeager.

Downtown Redevelopment Project

Mayor Moore presented the engineering/architect agreement from Triad Engineering for the Downtown Redevelopment Project. Triad Engineering listed $65,100 as their costs for the project. Discussion was held. Motion was made by Councilor Yeager to approve the agreement, seconded by Councilor Ingole, motion passed unanimously.

Resolutions, Personnel, Business & Occupation Tax, Parking, Budget Revisions, Legal Matters, Flood Prevention/Information, Property Issues, Utility Updates, Economic Updates, Airport

No discussion was held.

Adjournment

There being no other business to come before the council, Councilor Yeager made a motion to adjourn the meeting and the meeting was adjourned.

Respectfully Submitted,

Robin Lee

Robin Lee
City Clerk

Martha H. Moore, Approved
Martha H. Moore, Mayor

WV MUNICIPAL BOND COMMISSION
#8 Capitol Street
Terminal Building, Suite 500
Charleston, WV 25301
(304) 558-3971

NEW ISSUE REPORT FORM

Date of Report: May 6, 2008

(See Reverse for Instructions)

ISSUE: City of Welch Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program)

ADDRESS: 88 Howard Street, Welch, West Virginia 24801 COUNTY: McDowell

PURPOSE OF ISSUE: New Money: X
Refunding: _____

REFUNDS ISSUE(S) DATED: N/A

ISSUE DATE: May 6, 2008

CLOSING DATE: May 6, 2008

ISSUE AMOUNT: $ 2,000,000

RATE: 0%; Administrative Fee 0.5%

1ST DEBT SERVICE DUE: June 1, 2010

1ST PRINCIPAL DUE: June 1, 2010

1ST DEBT SERVICE AMOUNT: $ 13,158

PAYING AGENT: Municipal Bond Commission

BOND
COUNSEL: Steptoe & Johnson PLLC
Contact Person: John Stump, Esquire
Phone: (304) 353-8196

UNDERWRITERS
COUNSEL: Jackson Kelly PLLC
Contact Person: Samme L. Gee, Esquire
Phone: (304) 340-1318

CLOSING BANK: MCNB Bank and Trust Company
Contact Person: Carol Miller
Phone: 436-4112

ESCROW TRUSTEE: _____
Contact Person: _____
Phone: _____

KNOWLEDGEABLE ISSUER CONTACT
Contact Person: Martha Moore
Position: Mayor
Phone: (304) 436.3113

OTHER:
West Virginia Department of Environmental Protection
Contact Person: Rosalie Brodersen
Function: Program Manager
Phone: (304) 926.0499 x 1608

DEPOSITS TO MBC AT CLOSE:
By: X Wire
____ Check

____ Accrued Interest: $_____
____ Capitalized Interest: $_____
X Reserve Account: $ 52,632
____ Other: _____ $_____

REFUNDS & TRANSFERS BY MBC AT CLOSE
By: _____ Wire
_____ Check
_____ IGT

____ To Escrow Trustee: $_____
____ To Issuer $_____
____ To Cons. Invest. Fund $_____
____ To Other: _____ $_____

NOTES: The Series 2008 A Bonds Reserve Account to be fully funded with bond proceeds

FOR MUNICIPAL BOND COMMISSION USE ONLY:
DOCUMENTS REQUIRED: _____
TRANSFERS REQUIRED: _____

CH3477644.1

The purpose of the NEW ISSUE REPORT FORM is to provide the WV Municipal Bond Commission with an early warning of three basic facts no later than the day of closing on any issue for which the Commission is to act as fiscal agent. These are:

1. Formal notification that a new issue is outstanding.
2. Date of first action or debt service.
3. Contact people should we lack documents, information, or funds needed to administer the issue by the date of the first action or debt service.

The commission recognizes that as bond transcripts become increasingly long and complex, it has become more difficult to assemble and submit them to the Commission within the 30 days specified by the West Virginia Code 13-3-8. This notice is not intended to provide all the information needed to administer an issue, but to alert the Commission and ensure that no debt service payments are missed due to delays in assembling bond transcripts. If, at the time of closing, documents such as the ordinance and all supplements, debt service schedules, and a specimen bond or photostat are available and submitted with this form, it will greatly aid the Commission in the performance of its duties. These documents are needed to set up the proper accounts and to advise the issuer of monthly deposit requirements as far in advance of the first debt service as possible.

It is not necessary to complete all items if they are not pertinent to your issue. Indicate the County of the issuer. With PSDs that overlap more than one county, indicate the county of their business office. Complete "Rate" only if the issue has only one rate. Please complete a separate form for each series of an issue. Other important information can be recorded under "Notes."

Again, please submit this form on each new issue on the day of closing. If fund transfers into or out of the Commission at closing are required, please submit this form before closing. If no significant facts change by closing, no resubmission at closing is required. If, however, there are changes, please submit an updated form, with changes noted, at closing.

If you should have any questions concerning this form, please call the Commission.

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

ACCEPTANCE OF APPOINTMENT AS DEPOSITORY BANK

MCNB Bank and Trust Company, Welch, West Virginia, hereby accepts appointment as Depository Bank in connection with a Bond Ordinance of the City of Welch (the "Issuer") enacted by the Issuer on March 3, 2008, and a Supplemental Resolution adopted by the Issuer on April 15, 2008 (collectively, the "Bond Legislation"), authorizing issuance of the Issuer's Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated May 6, 2008, in the aggregate principal amounts of $2,000,000 (the "Bonds"), and agrees to serve as Depository Bank in connection with the Bonds, all as set forth in the Bond Legislation.

WITNESS my signature on this 6th day of May, 2008.

MCNB Bank and Trust Company

By: _____
Its: Authorized Officer

04.08.08
950640.00002

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

ACCEPTANCE OF DUTIES AS REGISTRAR

The Huntington National Bank, Charleston, West Virginia, hereby accepts appointment as Registrar in connection with the City of Welch Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), dated May 6, 2008, in the aggregate principal amount of $2,000,000 (the "Series 2008 A Bonds"), and agrees to perform all duties of Registrar in connection with the Series 2008 A Bonds, all as set forth in the Bond Legislation authorizing issuance of the Series 2008 A Bonds.

WITNESS my signature on this 6th day of May, 2008.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.08.08
950640.00002

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

REGISTRAR'S AGREEMENT

THIS REGISTRAR'S AGREEMENT, dated as of the 7th day of May, 2008, by and between the City of Welch, a municipal corporation and political subdivision of the State of West Virginia (the "Issuer"), and THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia (the "Registrar").

WHEREAS, the Issuer has, contemporaneously with the execution hereof, issued and sold its $2,000,000 Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program), in fully registered form (the "Bonds"), pursuant to a Bond Ordinance of the Issuer duly enacted March 3, 2008, and a Supplemental Resolution of the Issuer duly adopted April 15, 2008 (collectively, the "Bond Legislation");

WHEREAS, capitalized words and terms used in this Registrar's Agreement and not otherwise defined herein shall have the respective meanings given them in the Bond Legislation, a copy of which is attached as EXHIBIT A hereto and incorporated herein by reference;

WHEREAS, the Bond Legislation provides for an appointment by the Issuer of a Registrar for the Bonds; and

WHEREAS, the Issuer desires to appoint, and by the Bond Legislation and this Registrar's Agreement does appoint, the Registrar to act as Registrar under the Bond Legislation and to take certain other actions hereinafter set forth;

NOW, THEREFORE, it is agreed by and between the parties hereto as follows:

1. Upon the execution of this Registrar's Agreement by the Issuer and the Registrar and during the term hereof, the Registrar does accept and shall have and carry out the powers and duties of Registrar for the Bonds, all as set forth in the Bond Legislation, such duties including, among other things, the duties to authenticate, register and deliver Bonds upon original issuance and when properly presented for exchange or transfer, and shall do so with the intention of maintaining the exemption of interest on the Bonds from federal income taxation, in accordance with any rules and regulations promulgated by the United States Treasury Department or by the Municipal Securities Rulemaking Board or similar regulatory bodies as the Issuer advises it of and with generally accepted industry standards.

2. The Registrar agrees to furnish the Issuer with appropriate records of all transactions carried out by it as Registrar and to furnish the Issuer with the names and specimen signatures of the Registrar's authorized officers for the purposes of acting as the Registrar and with such other information and reports as the Issuer may from time to time reasonably require.

3. The Registrar shall have no responsibility or liability for any action taken by it at the specific direction of the Issuer.

4. As compensation for acting as Registrar pursuant to this Registrar's Agreement, the Issuer hereby agrees to pay to the Registrar the compensation for services rendered as provided in the annexed schedule.

5. It is intended that this Registrar's Agreement shall carry out and implement provisions of the Bond Legislation with respect to the Registrar. In the event of any conflict between the terms of this Registrar's Agreement and the Bond Legislation, the terms of the Bond Legislation shall govern.

6. The Issuer and the Registrar each warrants and represents that it is duly authorized and empowered to execute and enter into this Registrar's Agreement and that neither such execution nor the performance of its duties hereunder or under the Bond Legislation will violate any order, decree or agreement to which it is a party or by which it is bound.

7. This Registrar's Agreement may be terminated by either party upon 60 days' written notice sent by registered or certified mail to the other party, at the following respective addresses:

ISSUER: City of Welch
88 Howard Street
Welch, West Virginia 24801
Attention: Mayor

REGISTRAR: The Huntington National Bank
One Huntington Square
Charleston, West Virginia 25301
Attention: Corporate Trust Department

8. The Registrar is hereby requested and authorized to authenticate and deliver the Bonds in accordance with the Bond Legislation.

9. This document may be executed in one or more counterparts each of which shall be deemed an original and all of which shall constitute but one and the same document.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have respectively caused this Registrar's Agreement to be signed in their names and on their behalf, all as of the day and year first above-written.

CITY OF WELCH

By: Martha H. Moore
Its: Mayor

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.08.08
950640.00002

EXHIBIT A

Bond Legislation included in bond transcript as Documents No. 1 and No. 2

SCHEDULE OF COMPENSATION

(See attached)

Private Financial Group
P.O. Box 633 - WE3013
Charleston, West Virginia 25322-0633

Huntington

STATEMENT OF REGISTRAR'S FEES
Invoice Date April 16, 2008

City of Welch
Account Number 6089001809

City of Welch
Sewer Revenue Bonds, Series 2008 A
C/o John C. Stump
Steptoe & Johnson, PLLC
P.O. Box 1588
Charleston, WV 25326-1588

SUMMARY OF ACCOUNT

****

FEE CALCULATION FOR April, 2008

****

TOTAL AMOUNT	$	500.00
TOTAL DUE	**$**	**500.00**

* FEE INVOICES ARE PAYABLE WITHIN 30 DAYS. IF PAYMENT *
* IS NOT RECEIVED, FEES WILL BE DEDUCTED FROM THE PLAN *
* .. MAIL CHECK TO: HUNTINGTON NATIONAL BANK, ATTN: BARRY. . *
* .. GRIFFITH, PO BOX 633, CHARLESTON, WV 25322-0633 . . . . . .*

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT
Barry Morgan Griffith at (304)348-5035

CITY OF WELCH

Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

CERTIFICATE OF REGISTRATION OF BONDS

THE HUNTINGTON NATIONAL BANK, Charleston, West Virginia, as Registrar under the Bond Legislation and Registrar's Agreement providing for the above-captioned Bonds of the City of Welch (the "Issuer"), hereby certifies that on the date hereof, the single, fully registered Sewer Revenue Bond, Series 2008 A (West Virginia SRF Program), of the Issuer, dated May 6, 2008, in the principal amount of $2,000,000, numbered AR-1, was registered as to principal only in the name of "West Virginia Water Development Authority" in the books of the Issuer kept for that purpose at our office, by a duly authorized officer on behalf of The Huntington National Bank, as Registrar.

WITNESS my signature on this 6th day of May, 2008.

THE HUNTINGTON NATIONAL BANK

By: _____
Its: Authorized Officer

04.08.08
950640.00002

CH3477468.2

State of West Virginia

OFFICE OF ENVIRONMENTAL HEALTH SERVICES

CAPITOL and WASHINGTON STREETS 1 DAVIS SQUARE, SUITE 200 CHARLESTON, WEST VIRGINIA 25301
TELEPHONE 304-558-2981

PERMIT

(Sewer)
PROJECT: McDowell Federal Correction Institute PERMIT NO.: 17,551

LOCATION: near Welch County: McDowell DATE: 6-22-2007

THIS IS TO CERTIFY that after reviewing plans, specifications, application forms, and other essential information that

Federal Bureau of Prisons
320 First Street, NW, Room 5006
Washington, D. C. 20534

is hereby granted approval to: install approximately 10,200 LF of 6" through 10" sewer lines; necessary manholes and cleanouts; an auger monster building with bar screen and auger monster; with connection to the City of Welch sewage system.

Facilities are to serve one (1) commercial customer (1,200 inmates and staff) at the McDowell Federal Correction Institute.

NOTE: **This permit is contingent upon maintaining a minimum ten (10) feet horizontal separation between sewer and water lines, and a minimum 18" vertical separation between crossing sewer and water lines; with the water line to be above the sewer line.**

The Environmental Engineering Division of the **OEHS Beckley District Office** (304) 256-6666 is to be notified when construction begins.

Validity of this permit is contingent upon conformity with plans, specifications, application forms, and other information submitted to the West Virginia Bureau for Public Health.

FOR THE DIRECTOR

William S. Herold, Jr., P.E., Assistant Manager
Infrastructure and Capacity Development
Environmental Engineering Division

WSH:emt

pc: Thrasher Engineering, Inc
City of Welch
Katheryn Emery, P.E., DEP
James W. Ellars, P.E., PSC
Amy Swann, PSC
McDowell County Health Department
OEHS-EED Beckley District Office

RECEIVED
JUN 26 2007
CITY OF WELCH

OWR Permit Details

(1)OWR Permit	
PERMITTEE	WELCH CITY OF
DEP OFFICE	OWR
PERMIT ID	WV0024589
ISSUE/REISSUE DATE	03/18/08
EXPIRATION DATE	03/17/13
FACILITY NAME	WELCH CITY OF
DESCRIPTION	
No. of CUSTOMERS	1348
DISTURBED ACRES	
SLUDGE TONNAGE	
DESIGN FLOW(MGD)	1.120000
AVERAGE FLOW(MGD)	
MAJOR FACILITY	Y
EXTENSION DATE	

(1)Permit Status	
ACTIVE YES/NO	Y
OPEN/CLOSED	O
STATUS	Renewed

(1) County / Quad	
County: McDowell	Quad: WELCH

(33) Inspectable Units	
INSPECTABLE UNIT CODE	TYPE
C010	Combined Sewer Overflow
C009	Combined Sewer Overflow
C008	Combined Sewer Overflow
C007	Combined Sewer Overflow
C006	Combined Sewer Overflow
C005	Combined Sewer Overflow
C004	Combined Sewer Overflow
C011	Combined Sewer Overflow
C012	Combined Sewer Overflow
C013	Combined Sewer Overflow
C014	Combined Sewer Overflow
C015	Combined Sewer Overflow
C016	Combined Sewer Overflow

CITY OF WELCH

Sewer Revenue Bond, Series 1996
and
Sewerage System Interim Construction Financing

BOND AND NOTES ORDINANCE

Table of Contents

Subject		Page
	ARTICLE I STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS	
Section 1.01	Authority for This Ordinance	1
Section 1.02	Findings and Determinations	1
Section 1.03	Ordinance Constitutes Contract	4
Section 1.04	Definitions	4
	ARTICLE II AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT	
Section 2.01	Authorization of Acquisition and Construction of the Project	10
	ARTICLE III AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND	
Section 3.01	Authorization of Bond	11
Section 3.02	Description of Bond	11
Section 3.03	Negotiability, Registration, Transfer and Exchange of Bonds	11
Section 3.04	Bond Registrar	11
Section 3.05	Execution of Bond	12
Section 3.06	Bonds Mutilated, Destroyed, Stolen or Lost	12

Section 3.07	Bond Secured by Pledge of Net Revenues	12
Section 3.08	Form of Bond	13
	FORM OF BOND	14

ARTICLE IV
INTERIM CONSTRUCTION FINANCING

Section 4.01	Authorization and General Terms	20
Section 4.02	Terms of and Security for Notes	20
Section 4.03	Notes are Special Obligations	20
Section 4.04	Letters of Credit	20

ARTICLE V
SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

Section 5.01	Establishment of Funds and Accounts with Depository Bank	21
Section 5.02	Bond Proceeds; Project Construction Account	21
Section 5.03	Covenants of the Issuer as to Revenues and Funds	22

ARTICLE VI
GENERAL COVENANTS

Section 6.01	General Statement	26
Section 6.02	Rates	26
Section 6.03	Sale of the System	26
Section 6.04	Issuance of Additional Parity Bonds or Obligations	26
Section 6.05	Insurance and Bonds	26
Section 6.06	Statutory Mortgage Lien	28
Section 6.07	Events of Default	28
Section 6.08	Enforcement	29
Section 6.09	Fiscal Year; Budget	29
Section 6.10	Covenant to Proceed and Complete	30
Section 6.11	Books and Records; Audits	30
Section 6.12	Maintenance of System	30
Section 6.13	No Competition	30
Section 6.14	Mandatory Connections	30

ARTICLE VII
RATES, ETC.

Section 7.01	Initial Schedule of Rates and Charges; Rules	32

ARTICLE VIII
MISCELLANEOUS

Section 8.01	Payment of Bond	33
Section 8.02	Modification or Amendment	33
Section 8.03	Delivery of Bond	33
Section 8.04	Severability of Invalid Provisions	33
Section 8.05	Conflicting Provisions Repealed	33
Section 8.06	Table of Contents and Headings	33
Section 8.07	Covenant of Due Procedure, Etc.	33
Section 8.08	Effective Time	34
Section 8.09	Statutory Notice and Public Hearing	34
	SIGNATURES	34
	CERTIFICATION	35

CITY OF WELCH

ORDINANCE AUTHORIZING THE ACQUISITION AND CONSTRUCTION OF PUBLIC SEWERAGE FACILITIES OF THE CITY OF WELCH AND THE FINANCING OF THE COST, NOT OTHERWISE PROVIDED, THEREOF THROUGH THE ISSUANCE BY THE CITY OF NOT MORE THAN $2,900,000 IN PRINCIPAL AMOUNT OF SEWER REVENUE BOND, SERIES 1996; AND NOT MORE THAN $5,000,000 INTERIM CONSTRUCTION FINANCING, CONSISTING OF BOND ANTICIPATION NOTES, GRANT ANTICIPATION NOTES OR A LINE OF CREDIT EVIDENCED BY NOTES, OR ANY COMBINATION OF THE FOREGOING; AUTHORIZING EXECUTION AND DELIVERY OF A TRUST INDENTURE SECURING THE NOTES; AUTHORIZING THE SALE OF, AND DEFINING AND PRESCRIBING THE TERMS AND PROVISIONS OF THE BOND AND THE NOTES; PROVIDING GENERALLY FOR THE RIGHTS AND REMEDIES OF AND SECURITY FOR THE HOLDER OF THE BOND AND THE HOLDERS OF THE NOTES; AUTHORIZING EXECUTION AND DELIVERY OF ALL DOCUMENTS RELATING TO THE ISSUANCE OF SUCH BOND; AND PROVIDING WHEN THIS ORDINANCE SHALL TAKE EFFECT

BE IT ORDAINED AND ENACTED BY THE COUNCIL OF THE CITY OF WELCH:

ARTICLE I

STATUTORY AUTHORITY, FINDINGS AND DEFINITIONS

Section 1.01. Authority for This Ordinance. This Ordinance is adopted pursuant to the provisions of Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and other applicable provisions of law. The City of Welch (the "Issuer") is a duly created and validly existing municipal corporation and political subdivision of the State of West Virginia in McDowell County of said State.

Section 1.02. Findings and Determinations. It is hereby found, determined and declared as follows:

A. The Issuer currently owns and operates a public sewerage collection system, but desires to acquire, construct and operate sewerage facilities, and additions, extensions and improvements thereto. The inhabitants of the Issuer and surrounding area urgently require that certain sewerage facilities be acquired and constructed as herein provided. The Sanitary Board of the Issuer has duly petitioned the Council for passage of this Ordinance, which petition was heretofore filed with the City Clerk.

B. It is deemed essential, convenient and desirable for the health, welfare, safety, advantage and convenience of the inhabitants of the Issuer and, accordingly, it is hereby ordered, that there be acquired and constructed certain sewerage facilities of the Issuer, consisting of a new wastewater treatment plant and replacing existing sewer interceptor lines, with all necessary appurtenant facilities (the "Project"), particularly described in and according to the plans and specifications prepared by the Consulting Engineer and heretofore filed in the office of the City Clerk of the Issuer. The acquisition and construction of the Project and the financing hereby authorized and provided for are public purposes of the Issuer and are ordered for the purpose of meeting and serving public convenience and necessity.

C. The estimated revenues to be derived in each year from the operation of the System (hereinafter defined) after completion of the Project will be sufficient to pay all costs of operation and maintenance of the System, the principal of and interest on the Bond (hereinafter defined) and all debt service, reserve fund and other payments provided for herein.

D. The estimated maximum cost of the acquisition and construction of the Project is $13,552,480, of which $2,900,000 will be obtained from the proceeds of sale of the Bond herein authorized, approximately $1,373,000 from a grant by the Purchaser (hereinafter defined), approximately $1,384,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia), approximately $5,429,480 from a grant by the United States Environmental Protection Agency, approximately $776,982 from a grant by the Appalachian Regional Commission, approximately $1,339,018 from a grant from the West Virginia Solid Waste Tipping Fee Fund, and approximately $350,000 from funds of the Issuer.

E. It is necessary for the Issuer to issue its sewer revenue bond in the aggregate principal amount of $2,900,000 (the "Bond"), to finance a portion of the cost of acquisition and construction of the Project. It is also deemed necessary for the Issuer (at its option) to issue its sewerage system bond anticipation notes prior to issuance of the Bond, or to issue, contemporaneously therewith or as soon as practicable thereafter, its sewerage system grant anticipation notes and/or a note or notes evidencing a line of credit, or any combination of the foregoing (collectively, the "Notes"), in the aggregate principal amount of not more than $5,000,000, to temporarily finance a portion of the cost of acquisition and construction of the Project. The cost of such acquisition and construction shall be deemed to include, without being limited to, the acquisition and construction of the

Project; the cost of all property rights, easements, franchises and equipment deemed necessary or convenient therefor; interest upon the Notes during the term thereof and on the Bond prior to and during acquisition and construction and for a period not exceeding six months after completion of such acquisition or construction of the Project; engineering and legal expenses; expenses for estimates of costs and revenues; expenses for plans, specifications and surveys; and other expenses necessary or incident to determining the feasibility or practicability of the Project, administrative expense, commitment fees, discount, initial fees for the services of registrars, paying agents, depositories or trustees, or other costs in connection with the sale of the Notes, and such other expenses as may be necessary or incidental to the financing authorized hereby and the acquisition and construction of the Project and the placing of the Project in operation, including, with respect to the Notes, any fees for the providing of a letter of credit, as hereinafter defined, and any costs for obtaining insurance thereon; provided that, reimbursement to the Issuer for any amounts expended by it for allowable costs prior to the issuance of the Bond or the Notes or the repayment of indebtedness incurred by the Issuer for such purposes shall be deemed costs of the Project.

F. The period of usefulness of the System after completion of the Project is not less than 40 years.

G. There are no outstanding bonds, obligations or other indebtedness of the Issuer which will rank prior to or on a parity with the Bond as to lien, pledge and/or source of and security for payment.

The grant anticipation notes, if issued, will not be payable from the Net Revenues, but shall be payable from Grant Receipts, Surplus Revenues, certain proceeds of such grant anticipation notes and proceeds of a letter of credit, if any, all as shall be set forth in the Indenture and/or the Supplemental Resolution authorizing the Notes or such grant anticipation notes. The bond anticipation notes, if issued, will be payable from the proceeds of the Bond, certain proceeds of such bond anticipation notes and the Surplus Revenues, all as shall be set forth in the Indenture and/or the Supplemental Resolution authorizing the Notes or such bond anticipation notes.

H. It is in the best interest of the Issuer that the Bond be sold to the Purchaser, pursuant to the terms and provisions of a Letter of Conditions dated March 9, 1995, together with all amendments thereto (collectively, the "Letter of Conditions").

I. The Issuer has complied with all requirements of law relating to authorization of the acquisition and construction of the Project, the operation of the System, including, without limitation, the imposition of rates and charges, and the issuance of the Bond and the Notes, or will have so complied prior to issuance of the Bond and the Notes, including, among other things and without limitation, obtaining a certificate of convenience and necessity for the Project from the Public Service Commission of West Virginia by final order, the time for rehearing and appeal of which have expired. The rates, charges and

rules provided in Article VI hereof are in full force and effect and have not been changed by the Public Service Commission.

J. The Project has been reviewed by the West Virginia Infrastructure and Jobs Development Council as required under Chapter 31, Article 15A of the West Virginia Code of 1931, as amended, and the Council has approved the project and the financing thereof as reflected in this Ordinance.

Section 1.03. Ordinance Constitutes Contract. In consideration of the acceptance of the Bond and the Notes by those who shall be the Registered Owners of the same from time to time, this Ordinance (the "Bond Legislation") shall be deemed to be and shall constitute a contract between the Issuer and such Registered Owners, and the covenants and agreements set forth herein to be performed by the Issuer shall be for the benefit, protection and security of the Registered Owners of the Bond and any and all such Notes.

Section 1.04. Definitions. The following terms shall have the following meanings herein unless the text otherwise expressly requires:

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

"Bond" or "Bonds" means the Sewer Revenue Bond, Series 1996, authorized hereby to be issued pursuant to this Bond Legislation.

"Bond Legislation," "Ordinance" or "Bond and Notes Ordinance" means this Bond and Notes Ordinance and all ordinances, orders and resolutions supplemental hereto or amendatory hereof.

"Bond Registrar" means the Issuer, which shall usually so act by its City Clerk.

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

"Consulting Engineer" means Stafford Consultants, Princeton, West Virginia, or any qualified engineer or firm of engineers which shall at any time hereafter be retained by the Issuer as Consulting Engineer for the System.

"Depository Bank" means McDowell County National Bank in Welch, Welch, West Virginia, a bank or trust company which is a member of FDIC (herein defined), and its successors and assigns.

"Facilities" or "sewer facilities" means all the tangible properties of the System and also any tangible properties which may hereafter be added to the System by additions,

betterments, improvements and extensions thereto and properties, furniture, fixtures or equipment therefor, hereafter at any time constructed or acquired.

"FDIC" means the Federal Deposit Insurance Corporation.

"Fiscal Year" means each year beginning on July 1 and ending on the succeeding June 30.

"Governing Body" or "Council" means the Council of the Issuer.

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

"Grant Agreement" means a written commitment for the payment of any Grant, specifying the amount of such Grant, the terms and conditions upon which such Grant is made and the date or dates or event or events upon which such Grant is to be paid to the Issuer.

"Grant Receipts" means the proceeds of any grant or grants which may be awarded to the Issuer for aid in the design, acquisition or construction of the Project.

"Grants" means, collectively, all moneys received by the Issuer on account of any Grant for the Project.

"Herein" or "hereto" means in this Bond Legislation.

"Indenture" or "Trust Indenture" means the Trust Indenture which may, at the Issuer's option, be entered into between the Issuer and the Trustee relating to the Notes and all supplements or amendments thereto.

"Issuer," "Borrower" or "City" means the City of Welch, a municipal corporation and political subdivision of the State of West Virginia, in McDowell County, West Virginia, and includes the Governing Body.

"Letter of Conditions" means, collectively, the Letter of Conditions of the Purchaser dated March 9, 1995, and any other amendments thereto.

"Mayor" means the Mayor of the Issuer.

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

"Noteholder," "Holder of the Notes," "Registered Owner" or any similar term means the person whenever used herein with respect to an outstanding Note or Notes, in whose name such Note is registered.

"Notes" means, collectively, the not more than $5,000,000 in aggregate principal amount of sewerage system bond anticipation notes, grant anticipation notes and/or notes evidencing a line of credit, or any combination of the foregoing, and originally authorized hereby, which may be issued by the Issuer, the terms of which shall be set forth in one or more Supplemental Resolutions, and unless the context clearly indicates otherwise, the terms "Notes" includes any refunding Notes of the Issuer.

"Notes Construction Trust Fund" means the Notes Construction Trust Fund which may be established by the Indenture.

"Notes Debt Service Fund" means the Notes Debt Service Fund which may be established by the Indenture.

"Notes Registrar" means the bank to be designated as such in the Indenture and/or the Supplemental Resolution and its successors and assigns.

"Operating Expenses" means the current expenses, paid or accrued, of operation and maintenance of the Project and the System and its facilities, and includes, without limiting the generality of the foregoing, insurance premiums, materials and supplies, pumping costs, salaries, wages and administrative expenses of the Issuer relating and chargeable solely to the Project and the System, the accumulation of appropriate reserves for charges not annually recurrent but which are such as may reasonably be expected to be incurred, and such other reasonable operating costs as are normally and regularly included under recognized accounting principles and retention of a sum not to exceed one-sixth of the budgeted Operating Expenses stated above for the current year as working capital, and language herein requiring payment of Operating Expenses means also retention of not to exceed such sum as working capital, provided that all monthly amortization payments upon the Bond and into the Reserve Fund and the Depreciation Fund have been made to the last monthly date prior to the date of such retention.

"Paying Agent" means the entity designated as such for the Notes in the Indenture or in the Supplemental Resolution of the Issuer.

"Project" shall have the meaning stated in Section 1.02B above.

"Purchaser" or "Government" means the United States Department of Agriculture, Rural Utilities Service, and any successor thereof, acting for and on behalf of the United States of America.

"Qualified Investments" means and includes any of the following, to the extent such investments are permitted by law:

(a) Government Obligations;

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

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

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

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

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

(g) Repurchase agreements, fully secured by investments of the types described in paragraphs (a) through (e) above, with banks or national banking associations which are members of FDIC or with government bond dealers recognized as primary dealers by the Federal Reserve Bank of New York, provided, that said investments securing said repurchase agreements either must mature as nearly as practicable coincident with the maturity of said repurchase agreements or must be

replaced or increased so that the market value thereof is always at least equal to the principal amount of said repurchase agreements, and provided further that the holder of such repurchase agreement shall have a prior perfected security interest in the collateral therefor, must have (or its agent must have) possession of such collateral, and such collateral must be free of all claims by third parties;

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

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

"Registered Owner," "Bondholder," "Holder of the Bond" or any similar term means any person who shall be the registered owner of the Bond.

"Registrar" means, as appropriate, either the Bond Registrar or the Notes Registrar or both.

"Revenues" or "Gross Revenues" means all rates, rents, fees, charges or other income received by the Issuer, or accrued to the Issuer, or any department, board, agency or instrumentality thereof in control of the management and operation of the System, from the operation of the System, and all parts thereof, all as calculated in accordance with sound accounting practices.

"Sanitary Board" means the Sanitary Board of the Issuer.

"State" means the State of West Virginia.

"Supplemental Resolution" means any resolution, ordinance or order of the Issuer supplementing or amending this Ordinance and, when preceded by the article "the," refers specifically to the supplemental resolution or resolutions authorizing the sale of any or all of the Notes or the sale of the Bond, as the case may be; provided, that any matter intended by this Ordinance to be included in the Supplemental Resolution with respect to the Notes or the Bond, as the case may be, and not so included may be included in another Supplemental Resolution.

"Surplus Revenues" means the Net Revenues not required by this Ordinance to be set aside and held for the payment of debt service and security for the Bond or any other obligations of the Issuer, including, without limitation, the Reserve Fund and the Depreciation Fund.

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

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

"Trustee" means the banking institution designated as trustee for the Noteholders under the Indenture, if any, its successors and assigns.

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

ARTICLE II

AUTHORIZATION OF ACQUISITION AND CONSTRUCTION OF THE PROJECT

Section 2.01. Authorization of Acquisition and Construction of the Project. There is hereby authorized and ordered the acquisition and construction of the Project, at an estimated cost of $13,552,480, in accordance with the plans and specifications which have been prepared by the Consulting Engineers, heretofore filed in the office of the Governing Body. The proceeds of the Bond hereby authorized shall be applied as provided in Article IV hereof.

The cost of the Project is estimated not to exceed $13,552,480, of which approximately $2,900,000 will be obtained from the proceeds of sale of the Bond herein authorized, approximately $1,373,000 from a grant by the Purchaser, approximately $1,384,000 from a grant by the United States Department of Housing and Urban Development (Small Cities Block Grant through the State of West Virginia), approximately $5,429,480 from a grant by the United States Environmental Protection Agency, approximately $776,982 from a grant by the Appalachian Regional Commission, approximately $1,339,018 from a grant from the West Virginia Solid Waste Tipping Fee Fund, and approximately $350,000 from funds of the Issuer.

ARTICLE III

AUTHORIZATION, TERMS, EXECUTION, REGISTRATION AND ISSUE OF BOND

Section 3.01. Authorization of Bond. Subject and pursuant to the provisions of the Bond Legislation, the Bond of the Issuer, to be known as "Sewer Revenue Bond, Series 1996," is hereby authorized to be issued in the aggregate principal amount of not exceeding $2,900,000 for the purpose of permanently financing a portion of the cost of the acquisition and construction of the Project. Such Bond shall be issued contemporaneously with or prior to issuance of the grant anticipation notes, if any.

Section 3.02. Description of Bond. The Bond shall be issued in single form, numbered R-1, only as a fully registered Bond, and shall be dated on the date of delivery thereof. The Bond shall bear interest from date of delivery, payable monthly at the rate of 4.875% per annum, and shall be sold for the par value thereof.

The Bond shall be subject to prepayment of scheduled monthly installments, or any portion thereof, at the option of the Issuer, and shall be payable as provided in the Bond form hereinafter set forth.

Section 3.03. Negotiability, Registration, Transfer and Exchange of Bonds. The Bond shall be and have all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but the Bond, and the right to principal of and stated interest on the Bond, may only be transferred by transfer of the registration thereof upon the books required to be kept pursuant to Section 3.04 hereof, by the party in whose name it is registered, in person or by attorney duly authorized in writing, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Bond Registrar.

Whenever the Bond shall be surrendered for registration of transfer, the Issuer shall execute and deliver a new Bond or Bonds in authorized denominations, for a like aggregate principal amount. The Bond Registrar shall require the payment by the new owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer, but the Issuer shall pay any other expenses incurred by the Bond Registrar with respect to such transfer.

No registration of transfer of the Bond shall be permitted to be made after the 15th day next preceding any installment payment date on the Bond.

Section 3.04. Bond Registrar. The Issuer shall be the Bond Registrar and will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bond, and, upon presentation for such purpose, the Bond Registrar shall, under such

reasonable regulations as it may prescribe, register the Bond initially issued pursuant hereto and register the transfer, or cause to be registered, on such books, the transfer of the Bond as hereinbefore provided.

The Bond Registrar shall accept the Bond for registration or transfer only if ownership thereof is to be registered in the name of the Purchaser, an individual (including joint ownership), a corporation, a partnership or a trust, and only upon receipt of the social security number of each individual, the federal employer identification number of each corporation or partnership or the social security numbers of the settlor and beneficiaries of each trust, and the federal employer identification number and date of each trust and the name of the trustee of each trust and/or such other identifying number and information as may be required by law. The Bond shall initially be fully registered as to both principal and interest in the name of the United States of America. So long as the Bond shall be registered in the name of the United States of America, the address of the United States of America for registration purposes shall be Federal Building, Room 320, 75 High Street, Morgantown, West Virginia 26505-7500, or such other address as shall be stated in writing to the Issuer by the United States of America.

Section 3.05. Execution of Bond. The Bond shall be executed in the name of the Issuer by the Mayor and the seal of the Issuer shall be affixed thereto and attested by the City Clerk. In case any one or more of the officers who shall have signed or sealed the Bond shall cease to be such officer of the Issuer before the Bond so signed and sealed has been actually sold and delivered, such Bond may nevertheless be sold and delivered as herein provided and may be issued as if the person who signed or sealed such Bond had not ceased to hold such office. Any Bond may be signed and sealed on behalf of the Issuer by such person as at the actual time of the execution of such Bond shall hold the proper office in the Issuer, although at the date of such Bond such person may not have held such office or may not have been so authorized.

Section 3.06. Bonds Mutilated, Destroyed, Stolen or Lost. In case the Bond shall become mutilated or be destroyed, stolen or lost, the Issuer may in its discretion issue and deliver a new Bond of like tenor as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, and upon the holder's furnishing the Issuer proof of his ownership thereof and complying with such other reasonable regulations and conditions as the Issuer may require. The Bond so surrendered shall be canceled and held for the account of the Issuer. If the Bond shall have matured or be about to mature, instead of issuing a substitute Bond the Issuer may pay the same, and, if such Bond be destroyed, stolen or lost, without surrender thereof.

Section 3.07. Bond Secured by Pledge of Net Revenues. The payment of the debt service of the Bond shall be secured forthwith by a first lien on the Net Revenues derived from the System. The Net Revenues derived from the System, in an amount sufficient to pay the principal of and interest on the Bond and to make the payments

as hereinafter provided, are hereby irrevocably pledged to the payment of the principal of and interest on the Bond as the same become due.

Section 3.08. Form of Bond. Subject to the provisions hereof, the text of the Bond and the other details thereof shall be of substantially the following tenor, with such omissions, insertions and variations as may be authorized or permitted hereby or by any ordinance enacted or any resolution adopted after the date of enactment hereof and prior to the issuance thereof:

(FORM OF BOND)

CITY OF WELCH

SEWER REVENUE BOND, SERIES 1996

$2,900,000

No. R-1 Date: _____

FOR VALUE RECEIVED, the CITY OF WELCH (herein called "Borrower") promises to pay to the order of the United States of America (the "Government"), or its registered assigns, at its National Finance Office, St. Louis, Missouri 63103, or at such other place as the Government may hereafter designate in writing, the principal sum of TWO MILLION NINE HUNDRED THOUSAND DOLLARS ($2,900,000), plus interest on the unpaid principal balance at the rate of 4.875% per annum. The said principal and interest shall be paid in the following installments on the following dates: Monthly installments of interest only, commencing 30 days following delivery of the Bond and continuing on the corresponding day of each month for the first 24 months after the date hereof, and $14,007, covering principal and interest, thereafter on said corresponding day of each month, except that the final installment shall be paid at the end of 40 years from the date of this Bond, in the sum of the unpaid principal and interest due on the date thereof, and except that prepayments may be made as provided hereinbelow. The consideration herefor shall support any agreement modifying the foregoing schedule of payments.

If the total amount of the loan is not advanced at the time of loan closing, the loan shall be advanced to Borrower as requested by Borrower and approved by the Government and interest shall accrue on the amount of each advance from its actual date as shown on the Record of Advances attached hereto as a part hereof.

Every payment made on any indebtedness evidenced by this Bond shall be applied first to interest computed to the effective date of the payment and then to principal.

Prepayments of scheduled installments, or any portion thereof, may be made at any time at the option of Borrower. Refunds and extra payments, as defined in the regulations of the Government according to the source of funds involved, shall, after payment of interest, be applied to the installments last to become due under this Bond and shall not affect the obligation of Borrower to pay the remaining installments as scheduled herein.

If the Government at any time assigns this Bond and insures the payment thereof, Borrower shall continue to make payments to the Government as collection agent for the holder.

While this Bond is held by an insured lender, prepayments as above authorized made by Borrower may, at the option of the Government, be remitted by the Government to the holder promptly or, except for final payment, be retained by the Government and remitted to the holder on either a calendar quarter basis or an annual installment due date basis. The effective date of every payment made by Borrower, except payments retained and remitted by the Government on an annual installment due date basis, shall be the date of the United States Treasury check by which the Government remits the payment to the holder. The effective date of any prepayment retained and remitted by the Government to the holder on an annual installment due date basis shall be the date of the prepayment by Borrower and the Government will pay the interest to which the holder is entitled accruing between the effective date of any such prepayment and the date of the Treasury check to the holder.

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security herefor, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

This Bond is issued to permanently finance a portion of the costs of acquisition and construction of new sewerage facilities of the Borrower (the "Project"), and this Bond, together with any additional bonds ranking on a parity herewith which may be issued and outstanding for the purpose of providing funds for financing costs of construction and acquisition of additions, betterments and improvements to the sewerage system (the "System") of the Borrower, is payable solely from and secured by the revenues to be derived from the operation of the System after there have been first paid from such revenues the reasonable current costs of operation and maintenance of the System in the manner provided in the hereinafter defined Ordinance. This Bond does not in any manner constitute an indebtedness of the Borrower within the meaning of any constitutional or statutory provision or limitation, nor shall the Borrower be obligated to pay the same or the interest thereon except from the special fund so provided.

Registration of this Bond is transferable by the registered owner hereof in person or by his, her or its attorney duly authorized in writing, at said office of the Borrower, as Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges, if any, provided in the hereinafter defined Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds, of authorized denomination or denominations, for the like principal amount, will be issued to the transferee in exchange herefor.

This Bond, under the provisions of the Act, is and has all the qualities and incidents of a negotiable instrument under the Uniform Commercial Code of the State of West Virginia, but may only be transferred by transfer of registration hereof with the Bond Registrar.

This Bond has been issued under and in full compliance with the Constitution and statutes of the State of West Virginia, including, among others, Chapter 16, Article 13 of the West Virginia Code of 1931, as amended (the "Act"), and a Bond and Notes Ordinance of the Borrower duly adopted and enacted authorizing issuance of this Bond (the "Ordinance").

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

This Bond is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farmers Home Rural Development Act. This Bond shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

IN WITNESS WHEREOF, the CITY OF WELCH has caused this Bond to be executed by its Mayor and its corporate seal to be hereunto affixed or imprinted hereon and attested by its City Clerk, all as of the date hereinabove written.

CITY OF WELCH

[CORPORATE SEAL]

_____
Mayor

88 Howard Street
Welch, West Virginia 24801

ATTEST:

_____
City Clerk

(Form of)

RECORD OF ADVANCES

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

TOTAL $

(Form of Assignment)

ASSIGNMENT

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

Dated: _____, _____.

_____

In the presence of:

_____

ARTICLE IV

INTERIM CONSTRUCTION FINANCING

Section 4.01. Authorization and General Terms. In order to pay certain costs of the Project pending receipt of the Grant Receipts or proceeds of the Bond, the Issuer may issue and sell its Notes in an aggregate principal amount not to exceed $5,000,000. The Notes may be in the form of bond anticipation notes, grant anticipation notes and/or as evidence of a line of credit from a commercial bank or other lender, or any combination of the foregoing, at the discretion of the Issuer, and as shall be set forth in one or more Supplemental Resolutions. The Notes shall bear interest from the date or dates, at such rate or rates, payable on such dates and shall mature on such date or dates and be subject to such prepayment or redemption, all as provided in the Indenture and/or the Supplemental Resolution, as applicable.

Section 4.02. Terms of and Security for Notes. The Notes, if issued, shall be issued in fully registered form, in the denominations, with such terms and secured in the manner set forth in the Indenture, if applicable (which Indenture in the form to be executed and delivered by the Issuer shall be approved by a Supplemental Resolution), or one or more Supplemental Resolutions, if no Indenture is used.

Section 4.03. Notes are Special Obligations. The Notes shall be special obligations of the Issuer payable as to principal and interest solely from proceeds of the Bond or the Surplus Revenues (if issued in the form of bond anticipation notes) or the Grant Receipts, the Surplus Revenues and the letter of credit proceeds (if issued in the form of grant anticipation notes) and from other sources described in the Indenture and/or Supplemental Resolution or Resolutions. The Notes do not and shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provisions. The general funds of the Issuer are not liable, and neither the full faith and credit nor the taxing power of the Issuer is pledged for the payment of the Notes. The Holders of the Notes shall never have the right to compel the forfeiture of any property of the Issuer. The Notes shall not be a debt of the Issuer, nor a legal or equitable pledge, charge, lien or encumbrance upon any property of the Issuer or upon any of its income, receipts or revenues except as set forth in the Indenture and/or the Supplemental Resolution.

Section 4.04. Letters of Credit. As additional security for any Notes, the Issuer may obtain a letter or letters of credit from a bank or banks, pursuant to which such bank or banks would agree to pay to the Trustee, upon presentation by the Trustee of certain certificates, the sum or sums set forth therein but not to exceed $5,000,000 in the aggregate. In the event of a draw under any such letter of credit, the Issuer shall issue its refunding notes to the bank issuing such letter of credit. Any such letter or letters of credit shall be authorized and shall have such terms as shall be set forth in a Supplemental Resolution.

ARTICLE V

SYSTEM REVENUES AND APPLICATION THEREOF; DISPOSITION OF BOND PROCEEDS; FUNDS AND ACCOUNTS

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

(1) Revenue Fund;

(2) Reserve Fund;

(3) Depreciation Fund; and

(4) Project Construction Account.

Section 5.02. Bond Proceeds; Project Construction Account. The proceeds of the sale of the Bond shall be deposited upon receipt by the Issuer in the Project Construction Account. The moneys in the Project Construction Account in excess of the amount insured by FDIC shall be secured at all times by the Depository Bank by securities or in a manner lawful for the securing of deposits of State and municipal funds under West Virginia law. Moneys in the Project Construction Account shall be expended by the Issuer solely for the purposes provided herein.

Moneys in the Project Construction Account shall be used solely to pay the cost of acquisition and construction of the Project upon vouchers and other documentation approved by the Purchaser.

Until completion of acquisition and construction of the Project, the Issuer will additionally transfer from the Project Construction Account and pay to the Purchaser on or before the due date, such sums as shall be from time to time required to make the monthly installment payments on the Bond if there are not sufficient Net Revenues to make such monthly payment.

Pending application as provided in this Section 5.02, money and funds in the Project Construction Account shall be invested and reinvested at the direction of the Issuer, to the extent possible in accordance with applicable law, in Qualified Investments.

When construction of the Project has been completed and all costs thereof have been paid or provision for such payment has been made, any balance remaining in the

Project Construction Account shall be disposed of in accordance with the regulations of the Purchaser.

Section 5.03. Covenants of the Issuer as to Revenues and Funds. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund, a sum sufficient to pay, when due or at the earliest practical prepayment date, the entire principal of the Bond remaining unpaid, together with interest accrued to the date of such payment, the Issuer further covenants with the Holder of the Bond as follows:

A. REVENUE FUND. The entire Gross Revenues derived from the operation of the System, and all parts thereof, and all Tap Fees received, shall be deposited as collected by the Issuer in the Revenue Fund. The Revenue Fund shall constitute a trust fund for the purposes provided herein and shall be kept separate and distinct from all other funds of the Issuer and the Depository Bank and used only for the purposes and in the manner provided herein.

B. DISPOSITION OF REVENUES. All Revenues at any time on deposit in the Revenue Fund shall be disposed of only in the following order and priority:

(i) The Issuer shall first, each month, pay from the moneys in the Revenue Fund all current Operating Expenses.

(ii) The Issuer shall next, on or before the due date of payment of each installment on the Bond, transfer from the Revenue Fund and pay to the National Finance Office designated in the Bond (or such other place as may be designated pursuant to the Bond), the amounts required to pay the interest on the Bond, and to amortize the principal of the Bond over the life of the Bond issue.

(iii) The Issuer shall next, on each date that payment is made as set forth in (ii) above, transfer from the Revenue Fund and remit to the Depository Bank for deposit in the Reserve Fund, 1/12th of 1/10th of the amount, as of the date of calculation, equal to the maximum amount of principal and interest which will become due on the Bond in any year, until the amount in the Reserve Fund equals such maximum amount (the "Minimum Reserve"). After the Minimum Reserve has been accumulated in the Reserve Fund, the Issuer shall monthly deposit into the Reserve Fund such part of the moneys remaining in the Revenue Fund, after such provision for payment of monthly installments on the Bond and for payment of Operating Expenses of the System, as shall be required to maintain the Minimum Reserve in the Reserve Fund. Moneys in the Reserve Fund shall be used solely to make up any deficiency for monthly payments of the principal of and interest on the Bond to said National Finance Office (or other place provided) as the same

shall become due, or for prepayment of installments on the Bond, or for mandatory prepayment of the Bond as hereinafter provided, and for no other purpose; provided, however, that when the Minimum Reserve has been accumulated in the Reserve Fund, all earnings of investments of moneys therein shall be at least annually transferred to and deposited in the Revenue Fund and used for prepayment of the principal of the Bond.

(iv) The Issuer shall next, on each date that payment is made as set forth in (ii) above, transfer from the Revenue Fund and deposit in the Depreciation Fund, the moneys remaining in the Revenue Fund and not permitted to be retained therein, until there has been accumulated in the Depreciation Fund the aggregate sum of $677,000, and thereafter such sums as shall be required to maintain such amount therein. Moneys in the Depreciation Fund shall be used first to make up any deficiencies for monthly payments of principal of and interest on the Bond as the same become due, and next to restore to the Reserve Fund any sum or sums transferred therefrom. Thereafter, and provided that payments into the Reserve Fund are current and in accordance with the foregoing provisions, moneys in the Depreciation Fund may be withdrawn by the Issuer and used for extraordinary repairs and for replacements of equipment and improvements for the System, or any part thereof.

(v) After all the foregoing provisions for use of moneys in the Revenue Fund have been fully complied with, any moneys remaining therein and not permitted to be retained therein, if any, may be used to prepay installments of the Bond or for any lawful purpose.

Whenever the moneys in the Reserve Fund shall be sufficient to prepay the Bond in full, it shall be the mandatory duty of the Issuer, anything to the contrary herein notwithstanding, to prepay the Bond at the earliest practical date and in accordance with applicable provisions hereof.

The Depository Bank is hereby designated as the Fiscal Agent for the administration of the Reserve Fund and the Depreciation Fund as herein provided, and all amounts required for the Reserve Fund and the Depreciation Fund will be deposited therein by the Issuer upon transfers of funds from the Revenue Fund at the times provided herein, together with written directions stating the amount remitted for deposit into each such fund.

The Revenue Fund, the Reserve Fund and the Depreciation Fund shall constitute trust funds and shall be used only for the purposes and in the order provided herein, and until so used, the Purchaser shall have a lien thereon for further securing payment of the Bond and the interest thereon, but the Depository Bank shall not be a trustee as to such funds.

If on any payment date the Revenues are insufficient to make the payments and transfers as hereinabove provided, the deficiency shall be made up in the subsequent payments and transfers in addition to those which would otherwise be required to be made on the subsequent payment dates.

The Depository Bank, at the direction of the Issuer, shall keep the moneys in the Reserve Fund and the Depreciation Fund invested and reinvested to the fullest extent possible in accordance with applicable law, and to the extent practicable, in Qualified Investments having maturities consonant with the required use thereof. Investments in any fund or account under this Bond Legislation shall, unless otherwise provided herein, or unless otherwise required by law, be valued at the lower of cost or the then current market value, or at the redemption price thereof if then redeemable at the option of the holder, including value of accrued interest and giving effect to the amortization of discount, or at par if such investment is held by the "consolidated fund" managed by the West Virginia State Board of Investments. Except as otherwise provided herein, 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 interest accruing thereon and any profit or loss realized from such investment shall be credited or charged to the appropriate fund or account. Earnings on moneys in the Reserve Fund, so long as the Minimum Reserve is on deposit and maintained therein, shall be paid annually into the Revenue Fund by the Depository Bank.

C. CHANGE OF DEPOSITORY BANK AND FISCAL AGENT. The Issuer may designate another bank or trust company insured by FDIC as Depository Bank and Fiscal Agent if the Depository Bank should cease for any reason to serve or if the Governing Body determines by resolution that the Depository Bank or its successor should no longer serve as Depository Bank. Upon any such change, the Governing Body will cause notice of the change to be sent by registered or certified mail to the Purchaser.

D. USER CONTRACTS. The Issuer shall, prior to delivery of the Bond, provide evidence that there will be at least 1,211 bona fide users upon the Project, in full compliance with the requirements and conditions of the Purchaser.

E. CHARGES AND FEES. The Issuer shall remit from the Revenue Fund to the Depository Bank such additional sums as shall be necessary to pay the charges and fees of the Depository Bank then due.

F. INVESTMENT OF EXCESS BALANCES. The moneys in excess of the sum insured by FDIC in any of such funds or accounts shall at all times be secured, to the full extent thereof in excess of such insured sum, in a lawful manner for securing deposits of State and municipal funds under the laws of the State.

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

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

ARTICLE VI

GENERAL COVENANTS

Section 6.01. General Statement. So long as the Bond shall be outstanding and unpaid, or until there shall have been set apart in the Reserve Fund a sum sufficient to prepay the entire principal of the Bond remaining unpaid, together with interest accrued and to accrue thereon to the date of prepayment, the covenants and agreements contained herein shall be and constitute valid and legally binding covenants between the Issuer and the Holder of the Bond.

Until the payment in full of the principal of and interest on the Notes when due, and to the extent they do not materially adversely affect Bondholders, the covenants, agreements and provisions contained in this Bond Legislation shall, where applicable, also inure to the benefit of the Holders of the Notes and the Trustee therefor and constitute valid and legally binding covenants of the Issuer, enforceable in any court of competent jurisdiction by the Trustee or any Holder or Holders of said Notes as prescribed in the Indenture.

Section 6.02. Rates. The Issuer will, in the manner provided in the Act, fix and collect such rates, fees or other charges for the services and facilities of the System, and revise the same from time to time whenever necessary, as will always provide Gross Revenues in each Fiscal Year sufficient to produce Net Revenues equal to not less than 110% of the maximum annual debt service on the Bond and sufficient to make the payments required herein into the Reserve Fund and the Depreciation Fund and all the necessary expenses of operating and maintaining the System during such Fiscal Year and such rates, fees and other charges shall not be reduced so as to be insufficient to provide adequate Gross Revenues for such purposes.

Section 6.03. Sale of the System. The System will not be sold without the prior written consent of the Purchaser and/or Noteholders so long as the Bond or Notes are outstanding. Such consent will provide for disposition of the proceeds of any such sale.

Section 6.04. Issuance of Additional Parity Bonds or Obligations. No additional parity bonds or obligations payable out of any of the Revenues of the System shall be issued, except with the prior written consent of the Purchaser and Noteholders.

Section 6.05. Insurance and Bonds. The Issuer hereby covenants and agrees that it will, as an expense of construction, operation and maintenance of the System, procure, carry and maintain, so long as the Bond and Notes remain outstanding, insurance with a reputable insurance carrier or carriers covering the following risks and in the following amounts:

A. FIRE, LIGHTNING, VANDALISM, MALICIOUS MISCHIEF AND EXTENDED COVERAGE INSURANCE, to be procured upon acceptance of any part of the Project from the contractor, and immediately upon any portion of the System now in use, on all above-ground structures of the System in an amount equal to the full insurable value thereof. In the event of any damage to or destruction of any portion of the System, the Issuer will promptly arrange for the application of the insurance proceeds for the repair or reconstruction of such damaged or destroyed portion. The Issuer will itself, or will require each contractor and subcontractor to, obtain and maintain builder's risk insurance to protect the interests of the Issuer during construction of the Project in the full insurable value thereof.

B. PUBLIC LIABILITY INSURANCE, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from the operation of the System, such insurance to be procured not later than the date of delivery of the Bond.

C. VEHICULAR PUBLIC LIABILITY INSURANCE, in the event the Issuer owns or operates any vehicle in the operation of the System, or in the event that any vehicle not owned by the Issuer is operated at any time or times for the benefit of the Issuer, with limits of not less than $500,000 for one or more persons injured or killed in one accident to protect the Issuer from claims for bodily injury and/or death, and not less than $200,000 to protect the Issuer from claims for damage to property of others which may arise from such operation of vehicles, such insurance to be procured prior to acquisition or commencement of operation of any such vehicle for the Issuer.

D. WORKERS' COMPENSATION COVERAGE FOR ALL EMPLOYEES OF THE ISSUER ELIGIBLE THEREFOR AND PERFORMANCE AND PAYMENT BONDS, such bonds to be in the amounts of 100% of the construction contract, will be required of each prime contractor, and such payment bonds will be filed with the Clerk of the County Commission of said County prior to commencement of construction of the Project in compliance with West Virginia Code Section 38-2-39. Workers' Compensation coverage will be maintained as provided by law.

E. FLOOD INSURANCE to be procured, to the extent available at reasonable cost to the Issuer; provided, however, if the Issuer is located in a community which has been notified as having special flood or mudslide prone areas, flood insurance must be obtained.

F. FIDELITY BONDS will be provided as to every member of the Governing Body and as to every officer and employee thereof having custody of the Revenue Fund or of any Revenues or other funds of the Issuer in an amount at least equal to the total funds in the custody of any such person at any one time, and initially in the amount of $10,000 upon the treasurer of the Issuer, provided, however, that no bond shall be required insofar as custody of the Project Construction Account is concerned so long as checks thereon require the signature of a representative of the Purchaser.

G. Provided, however, and in lieu of and notwithstanding the foregoing provisions of this Section, during construction of the Project and so long as the Bond are outstanding, the Issuer will carry insurance and bonds or cause insurance and bonds to be carried for the protection of the Issuer, and during such construction will require each contractor and subcontractor to carry insurance, of such types and in such amounts as the Purchaser may specify, with insurance carriers or bonding companies acceptable to the Purchaser.

Section 6.06. Statutory Mortgage Lien. For the further protection of the Holders of the Bond, a statutory mortgage lien upon the System is granted and created by the Act, which statutory mortgage lien is hereby recognized and declared to be valid and binding and shall take effect immediately upon the delivery of the Bond.

Section 6.07. Events of Default. A. Each of the following events shall constitute an "Event of Default" with respect to the Bond:

(1) Failure to make payment of any monthly amortization installment on the Bond at the date specified for payment thereof;

(2) Failure duly and punctually to observe or perform any of the covenants, conditions and agreements on the part of the Issuer contained in the Bond or herein, or violation of or failure to observe any provision of any pertinent law.

B. Each of the following events shall constitute an "Event of Default" with respect to the Notes:

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

(2) If default occurs in the Issuer's observance of any of the covenants, agreements or conditions on its part relating to the Notes set forth in this Bond Legislation, any Supplemental Resolution, the Indenture or in the Notes, and such default shall have continued for a period of 30 days after the

Issuer shall have been given written notice of such default by the Trustee, any other bank or banking association holding any fund or account hereunder or a Holder of a Note; or

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

Section 6.08. Enforcement. Upon the happening of any Event of Default specified above, then, and in every such case, any Registered Owner of a Note or Bond, as the case may be, may proceed to protect and enforce its rights by an appropriate action in any court of competent jurisdiction, either for the specific performance of any covenant or agreement, or execution of any power, or for the enforcement of any proper legal or equitable remedy as shall be deemed most effectual to protect and enforce such rights.

Upon application by any Registered Owner of a Note or Bond, as the case may be, such court may, upon proof of such default appoint a receiver for the affairs of the Issuer and the System. The receiver so appointed shall administer the System on behalf of the Issuer, shall exercise all the rights and powers of the Issuer with respect to the System, shall proceed under the direction of the court to obtain authorization to increase rates and charges of the System, and shall have the power to collect and receive all revenues and apply the same in such manner as the court may direct.

Section 6.09. Fiscal Year; Budget. While the Bond and Notes are outstanding and unpaid and to the extent not now prohibited by law, the System shall be operated and maintained on a Fiscal Year basis commencing on July 1 of each year and ending on the following June 30, which period shall also constitute the budget year for the operation and maintenance of the System. Not later than thirty days prior to the beginning of each Fiscal Year, the Issuer agrees to adopt the Annual Budget for the ensuing year, and no expenditures for operation and maintenance expenses of the System in excess of the Annual Budget shall be made during such Fiscal Year unless unanimously authorized and directed by the Governing Body. Copies of each Annual Budget shall be delivered to the Purchaser and Noteholders by the beginning of each Fiscal Year.

If for any reason the Issuer shall not have adopted the Annual Budget before the first day of any Fiscal Year, it shall adopt a Budget of Current Expenses from month to month until the adoption of the Annual Budget; provided, however, that no such monthly budget shall exceed the budget for the corresponding month in the year next preceding by more than 10%; and provided further, that adoption of a Budget of Current Expenses shall not constitute compliance with the covenant to adopt an Annual Budget unless failure to adopt an Annual Budget be for a reason beyond the control of the Issuer. Each such Budget of Current Expenses shall be mailed immediately to the Purchaser and Noteholders.

Section 6.10. Covenant to Proceed and Complete. The Issuer hereby covenants to proceed as promptly as possible with the acquisition and construction of the Project to completion thereof in accordance with the plans and specifications prepared by the Consulting Engineer and on file with the City Clerk on the date of adoption hereof, subject to permitted changes.

Section 6.11. Books and Records; Audits. The Issuer will keep books and records of the System, which shall be separate and apart from all other books, records and accounts of the Issuer, in which complete and correct entries shall be made of all transactions relating to the System, and the Purchaser and Noteholders shall have the right at all reasonable times to inspect the System and all records, accounts and data of the Issuer relating thereto.

The Issuer shall, at least once a year, cause said books, records and accounts of the System to be properly audited by an independent competent firm of certified public accountants and shall mail a copy of such audit report to the Purchaser and Noteholders. The Issuer shall further comply with the Act with respect to such books, records and accounts.

Section 6.12. Maintenance of System. The Issuer covenants that it will continuously operate, in an economical and efficient manner, and maintain the System as a revenue-producing utility as herein provided so long as the Bond is outstanding.

Section 6.13. No Competition. To the extent legally allowable, the Issuer will not permit competition with the System within its boundaries or within the territory served by it and will not grant or cause, consent to or allow the granting of any franchise, permit or other authorization for any person, firm, corporation, public or private body, agency or instrumentality whatsoever to provide any of the services supplied by the System within the boundaries of the Issuer or within the territory served by the System.

Section 6.14. Mandatory Connections. The mandatory use of the System is essential and necessary for the protection and preservation of the public health, comfort, safety, convenience and welfare of the inhabitants and residents of, and the economy of, the Issuer and in order to assure the rendering harmless of sewage and water-borne waste matter produced or arising within the territory served by the System. Accordingly, every owner, tenant or occupant of any house, dwelling or building located near the System, where sewage will flow by gravity or be transported by such other methods approved by the West Virginia Division of Health from such house, dwelling or building into the System, to the extent permitted by the laws of the State and the rules and regulations of the Public Service Commission of West Virginia, shall connect with and use the System and shall cease the use of all other means for the collection, treatment and disposal of sewage and waste matters from such house, dwelling or building where there is such gravity flow or transportation by such other method approved by the West Virginia Division of Health and such house, dwelling or building can be adequately served by the System, and every such owner, tenant

or occupant shall, after a 30-day notice of the availability of the System, pay the rates and charges established therefor.

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

ARTICLE VII

RATES, ETC.

Section 7.01. Initial Schedule of Rates and Charges; Rules. A. The initial schedule of rates and charges for the services and facilities of the System shall be as set forth in the rate ordinance of the Issuer enacted on May 8, 1995, which rate ordinance is incorporated herein by reference as a part hereof.

B. There shall not be any discrimination or differential in rates between customers in similar circumstances.

C. All delinquent fees, rates and charges for services or facilities of the System shall be a lien on the premises served if not paid when due. The Issuer shall have all remedies and powers provided under the Act and other applicable provisions of law with regard to the collection and enforcement of such fees, rates and charges, including, without limitation, any right and power of foreclosure under the Act and/or such other applicable provisions of law.

D. The Issuer will not render or cause to be rendered any free services of any nature by the System nor any of the facilities; and in the event that the Issuer or any department, agency, officer or employee thereof should avail itself or themselves of the services or facilities of the System, the same fees, rates and charges applicable to other customers receiving like services under similar circumstances shall be charged, such charges shall be paid as they accrue, and revenues so received shall be deposited and accounted for in the same manner as other revenues of the System.

E. The Issuer may require any applicant for any service by the System to deposit a reasonable and equitable amount to insure payment of all charges for the services rendered by the System, which deposit shall be handled and disposed of under the applicable rules and regulations of the Public Service Commission of West Virginia.

F. The Issuer, to the extent permitted by law, will not accept payment of any water bill from a customer served with water and sewer services by the Issuer without payment at the same time of a sewer bill owed by such customer for the same premises.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Payment of Bond. If the Issuer shall pay, or there shall otherwise be paid, to the Holder of the Bond, the principal of and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Bond Legislation, then with respect to the Bond, the pledge of Net Revenues and other moneys and securities pledged under this Bond Legislation and all covenants, agreements and other obligations of the Issuer to the Holder of the Bond shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 8.02. Modification or Amendment. Prior to issuance of the Bond or the Notes, this Ordinance may be amended or supplemented in any way by ordinance or resolution. Following issuance of the Bond or the Notes, no modification or amendment of this Ordinance, or of any ordinance or resolution amendatory hereof or supplemental hereto, shall be made without the prior written consent of the Purchaser or the Holder of the Notes.

Section 8.03. Delivery of Bond. The Mayor is hereby authorized and directed to cause the Bond, hereby awarded to the Purchaser pursuant to prior agreement, to be delivered to the Purchaser as soon as the Purchaser will accept such delivery.

Section 8.04. Severability of Invalid Provisions. If any one or more of the covenants, agreements or provisions hereof should be held contrary to any express provision of law or contrary to the policy of express law, although not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions hereof, and shall in no way affect the validity of all the other provisions hereof, the Bond or the Notes.

Section 8.05. Conflicting Provisions Repealed. All ordinances, resolutions and orders, or parts thereof, in conflict with the provisions hereof are, to the extent of such conflicts, hereby repealed; provided that this Section shall not be applicable to the Loan Resolution (Form FmHA 442-47).

Section 8.06. Table of Contents and Headings. The Table of Contents and headings of the articles, sections and subsections hereof are for convenience only and shall neither control nor affect in any way the meaning or construction of any of the provisions hereof.

Section 8.07. Covenant of Due Procedure, Etc. The Issuer covenants that all acts, conditions, things and procedures required to exist, to happen, to be performed

or to be taken precedent to and in the adoption and enactment of this Ordinance do exist, have happened, have been performed and have been taken in regular and due time, form and manner as required by and in full compliance with the laws and Constitution of the State of West Virginia applicable thereto; and that the Mayor, City Clerk and members of the Governing Body and the Sanitary Board were at all times when any actions in connection with this Ordinance occurred and are duly in office and duly qualified for such office.

Section 8.08. Effective Time. This Bond Legislation shall take effect following public hearing hereon in accordance with the Act.

Section 8.09. Statutory Notice and Public Hearing. Upon adoption hereof, an abstract of this Ordinance, determined by the Council to contain sufficient information as to give notice of the contents hereof, shall be published once a week for 2 successive weeks within a period of 14 consecutive days, with at least 6 full days intervening between each publication, in the Welch Daily News, a qualified newspaper published and of general circulation in the City of Welch, together with a notice stating that this Ordinance has been adopted, that the Issuer contemplates the issuance of the Bond and Notes, that any person interested may appear before the Council upon a date certain, not less than 10 days subsequent to the date of the first publication of the said abstract and notice and not prior to the last date of such publication, and present protests, and that a certified copy of the Ordinance is on file in the office of the City Clerk of the Issuer for review by interested parties during regular office hours. At such hearing, all objections and suggestions shall be heard and the Council shall take such action as it shall deem proper in the premises.

Passed on First Reading :	April 29, 1996.
Passed on Second Reading:	May 6, 1996.
Passed on Final Reading Following Public Hearing and Effective:	May 20, 1996.

Martha L. Moore
Mayor

Sylvia L. Bias
City Clerk

CERTIFICATION

Certified a true copy of an Ordinance duly enacted by the Council of the CITY OF WELCH on the 20th day of May,. 1996, which Ordinance has not been repealed, rescinded, modified, amended or revoked, as witness my hand and the seal of the City of Welch on this 25th day of June, 1996.

[SEAL]

Deborah L. Bias
City Clerk

06/13/96
WELCHAG.A6
950640/85001

United States Department of Agriculture
Rural Development
West Virginia State Office

May 6, 2008

City of Welch
Sewer Revenue Bonds, Series 2008 A
(West Virginia SRF Program)

TO WHOM IT MAY CONCERN:

The undersigned duly authorized representative of the United States of America, acting through the Rural Utilities Service, United States Department of Agriculture, the present holder of the entire outstanding aggregate principal amount of the Series 1996 Bonds, hereinafter defined and described, hereby (i) consents to the issuance of the Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program) (the "Bonds"), in the original aggregate principal amount of $2,000,000, by the City of Welch (the "Issuer"), under the terms of the bond ordinance authorizing the issuance of the Bonds (the "Ordinance"), on a parity, with respect to liens, pledge and source of and security for payment, with the Issuer's outstanding Sewer Revenue Bond, Series 1996, dated June 25, 1996, issued in the original aggregate principal amount of $2,900,000 (the "Series 1996 Bonds"); (ii) waives any requirements imposed by the Series 1996 Bonds or the ordinance authorizing the Series 1996 Bonds (the "Prior Ordinance"), regarding the issuance of parity bonds which are not met by the Bonds or the Ordinance; and (iii) consents to any amendments made to the Prior Ordinance by the Ordinance.

State Director

75 High Street Federal Building • Suite 320 • Morgantown, WV 26505-7500
Phone: 304.284.4860 • 1.800.295.8228 • Fax: 304.284.4893 • TTY/TDD: 304.284.4836 • Web: http://www.rurdev.usda.gov/wv

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800) 795-3272 (voice) or (202) 720-6382 (TDD).

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID AH
WELCH-1

DATE (MM/DD/YYYY)
03/24/08

PRODUCER

Commercial Insurance Services
340 MacCorkle Ave. Ste #200
Charleston WV 25314
Phone: 304-345-8000 Fax: 304-345-8014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURED

City Of Welch
Welch Municipal Bldg.
88 Howard Street
Welch WV 24801

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Argonaut Great Central Ins. Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A		GENERAL LIABILITY X COMMERCIAL GENERAL LIABILITY CLAIMS MADE X OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC	PE-4613980-01	08/01/07	08/01/08	EACH OCCURRENCE	$ 1,000,000
						DAMAGE TO RENTED PREMISES (Ea occurence)	$ 500,000
						MED EXP (Any one person)	$ N/A
						PERSONAL & ADV INJURY	$ 1,000,000
						GENERAL AGGREGATE	$ 2,000,000
						PRODUCTS - COMP/OP AGG	$ 2,000,000
						Emp Ben.	1,000,000
A		AUTOMOBILE LIABILITY X ANY AUTO ALL OWNED AUTOS	PE-4613980-01	08/01/07	08/01/08	COMBINED SINGLE LIMIT (Ea accident)	$ 1,000,000
						BODILY INJURY	$
		RETENTION $					$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below	PE-4613980-01	08/01/07	08/01/08	WC STATU-TORY LIMITS OTH-ER	
						E.L. EACH ACCIDENT	$ 1,000,000
						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
						E.L. DISEASE - POLICY LIMIT	$ 1,000,000
		OTHER					

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder is named as additional insured as respects sewer project.

CERTIFICATE HOLDER

WVWDCHA

WV Water Development Authority
180 Association Drive
Charleston WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1

ACORD CERTIFICATE OF LIABILITY INSURANCE

OP ID AH
WELCH-1

DATE (MM/DD/YYYY)
03/24/08

PRODUCER

Commercial Insurance Services
340 MacCorkle Ave. Ste #200
Charleston WV 25314
Phone: 304-345-8000 Fax: 304-345-8014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: Argonaut Great Central Ins. Co	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

INSURED

City Of Welch
Welch Municipal Bldg.
88 Howard Street
Welch WV 24801

COVERAGES

THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR

		GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC				PRODUCTS - COMP/OP AGG $ 2,000,000
						Emp Ben. 1,000,000
A		AUTOMOBILE LIABILITY	PE-4613980-01	08/01/07	08/01/08	COMBINED SINGLE LIMIT (Ea accident) $ 1,000,000
		X ANY AUTO				
		ALL OWNED AUTOS				BODILY INJURY (Per person) $
		SCHEDULED AUTOS				
		X HIRED AUTOS				BODILY INJURY (Per accident) $
		X NON-OWNED AUTOS				
						PROPERTY DAMAGE (Per accident) $
		GARAGE LIABILITY				AUTO ONLY - EA ACCIDENT $
		ANY AUTO				OTHER THAN AUTO ONLY: EA ACC $
						AGG $
		EXCESS/UMBRELLA LIABILITY				EACH OCCURRENCE $
		☐ OCCUR ☐ CLAIMS MADE				AGGREGATE $
						$
		☐ DEDUCTIBLE				$
		☐ RETENTION $				$
A		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	PE-4613980-01	08/01/07	08/01/08	WC STATU-TORY LIMITS ☐ OTH-ER
		ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED?				E.L. EACH ACCIDENT $ 1,000,000
		If yes, describe under SPECIAL PROVISIONS below				E.L. DISEASE - EA EMPLOYEE $ 1,000,000
						E.L. DISEASE - POLICY LIMIT $ 1,000,000
		OTHER				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES / EXCLUSIONS ADDED BY ENDORSEMENT / SPECIAL PROVISIONS

Certificate holder is named as additional insured as respects sewer project.

CERTIFICATE HOLDER

WVWDCHA

WV Water Development Authority
180 Association Drive
Charleston WV 25311

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

© ACORD CORPORATION 1

IMPORTANT

If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

DISCLAIMER

The Certificate of Insurance on the reverse side of this form does not constitute a contract between the issuing insurer(s), authorized representative or producer, and the certificate holder, nor does it affirmatively or negatively amend, extend or alter the coverage afforded by the policies listed thereon.

XP - 97342601 - 0 Page 1

U.S. ENVIRONMENTAL PROTECTION AGENCY

Grant Agreement

ASSISTANCE ID NO.			DATE OF AWARD
PRG	DOC ID	AMEND#	AUG 23 2006
XP -	97342601	- 0	
TYPE OF ACTION: New			MAILING DATE: AUG 30 2006
PAYMENT METHOD: Reimbursement			ACH#: N/A

RECIPIENT TYPE:
Municipal

RECIPIENT:
City of Welch
88 Howard St
Welch, WV 24801
EIN: 54-0472740

Send Payment Request to:
WV Bureau for Public Health

PAYEE:
City of Welch
88 Howard St
Welch, West Virginia 24801

PROJECT MANAGER	EPA PROJECT OFFICER	EPA GRANT SPECIALIST
Martha Moore 88 Howard St Welch, WV 24801 E-Mail: welchWVAMCSWV.neg Phone: 304-436-3113	BruceA Smith 1650 Arch Street, 3WP21 Philadelphia, PA 19103-2029 E-Mail: Smith.Brucea@epamail.epa.gov Phone: 215-814-5770	Nancy Schruby Grants and Audit Management Branch, 3PM70 E-Mail: Schruby.Nancy@epamail.epa.gov Phone: 215-814-5414

PROJECT TITLE AND DESCRIPTION
INDIAN RIDGE INDUSTRIAL PARK WATER AND SEWER PROJECT
This grant award involves the extension of drinking water and sewer lines to serve the proposed Indian Ridge Industrial Park. The project also includes improvements to the Brown's Creek Interceptor to reduce excessive infiltration/inflow and combined sewer overflows in the system.

BUDGET PERIOD	PROJECT PERIOD	TOTAL BUDGET PERIOD COST	TOTAL PROJECT PERIOD COST
03/01/2004 - 09/30/2008	03/01/2004 - 09/30/2008	$4,751,200.00	$4,751,200.00

NOTE: The Agreement must be completed in duplicate and the Original returned to the appropriate Grants Management Office listed below, within 3 calendar weeks after receipt or within any extension of time as may be granted by EPA. Receipt of a written refusal or failure to return the properly executed document within the prescribed time, may result in the withdrawal of the offer by the Agency. Any change to the Agreement by the Recipient subsequent to the document being signed by the EPA Award Official which the Award Official determines to materially alter the Agreement, shall void the Agreement.

OFFER AND ACCEPTANCE

The United States, acting by and through the U.S. Environmental Protection Agency (EPA), hereby offers Assistance/Amendment to the City of Welch for 100.00 % of all approved costs incurred up to and not exceeding $4,751,200 for the support of approved budget period effort described in application (including all application modifications) cited in the Project Title and Description above, signed 03/10/2006 included herein by reference.

ISSUING OFFICE (GRANTS MANAGEMENT OFFICE)	AWARD APPROVAL OFFICE
ORGANIZATION / ADDRESS	ORGANIZATION / ADDRESS
US EPA Region 3, 3PM70 1650 Arch Street Philadelphia, PA 19103-2029	U.S. EPA, Region 3 Water Protection Division 3WP00 1650 Arch Street Philadelphia, PA 19103-2029

THE UNITED STATES OF AMERICA BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY

SIGNATURE OF AWARD OFFICIAL	TYPED NAME AND TITLE	DATE
Andrew Cadien for	James W. Newsom, ARA for Policy and Management	AUG 23 2006

This agreement is subject to applicable U.S. Environmental Protection Agency statutory provisions and assistance regulations. In accepting this award or amendment and any payments made pursuant thereto, (1) the undersigned represents that he is duly authorized to act on behalf of the recipient organization, and (2) the recipient agrees (a) that the award is subject to the applicable provisions of 40 CFR Chapter 1, Subchapter B and of the provisions of this agreement (and all attachments), and (b) that acceptance of any payments constitutes an agreement by the payee that the amounts, if any found by EPA to have been overpaid will be refunded or credited in full to EPA.

BY AND ON BEHALF OF THE DESIGNATED RECIPIENT ORGANIZATION

SIGNATURE	TYPED NAME AND TITLE	DATE
Martha H Moore	Martha H. Moore, Mayor	Sept. 5, 200

EPA Funding Information

XP - 97342601 - 0 Page 2

FUNDS	FORMER AWARD	THIS ACTION	AMENDED TOTAL
EPA Amount This Action	$	$ 4,751,200	$ 4,751,200
EPA In-Kind Amount	$	$	$ 0
Unexpended Prior Year Balance	$	$	$ 0
Other Federal Funds	$	$	$ 0
Recipient Contribution	$	$	$ 0
State Contribution	$	$	$ 0
Local Contribution	$	$	$ 0
Other Contribution	$	$	$ 0
Allowable Project Cost	$ 0	$ 4,751,200	$ 4,751,200

Assistance Program (CFDA)	Statutory Authority	Regulatory Authority
66.202 - Congressionally Mandated Projects	Appropriations Act of 2000 (PL 106-74)	40 CFR PART 31

Fiscal

Site Name	DCN	FY	Approp. Code	Budget Organization	PRC	Object Class	Site/Project	Cost Organization	Obligation / Deobligation
-	LL0169	2006	E4C	0300AYC	202B51E	4183	-	-	323,810
-	LL0169	2006	E4C	0300AYC	201B51E	4183	-	-	4,427,390
									4,751,200

Assistance Award/Amendment

U.S. Department of Housing and Urban Development
Office of Administration

1. Assistance Instrument
☐ Cooperative Agreement ☒ Grant

2. Type of Action
☒ Award ☐ Amendment

3. Instrument Number
B-05-SP-WV-0331

4. Amendment Number

5. Effective Date of this Action

6. Control Number

7. Name and Address of Recipient
McDowell County Commission
90 Wyoming Street, Suite 111
Welch, WV 24801-2487
EIN: 55-6000355

8. HUD Administering Office
CPD, EDI Special Project Division
451 7th Street, SW, Rm 7148
Washington, DC 20410-7000

8a. Name of Administrator

8b. Telephone Number

10. Recipient Project Manager
Gordon O. Lambert

9. HUD Government Technical Representative
Angela Dyer 202-708-3773, Extension: 7111

11. Assistance Arrangement
☐ Cost Reimbursement
☐ Cost Sharing
☒ Fixed Price

12. Payment Method
☐ Treasury Check Reimbursement
☐ Advance Check
☒ Automated Clearinghouse

13. HUD Payment Office
Chief Financial Officier

14. Assistance Amount

Previous HUD Amount	
HUD Amount this Action	$1,240,000.00
Total HUD Amount	$1,240,000.00
Recipient Amount	
Total Instrument Amount	$1,240,000.00

15. HUD Accounting and Apropriation Data
15a. Appropriation Number
15b. Reservation Number
EID 05

Amount Previously Obligated	
Obligation by this Action	$1,240,000.00
Total Obligation	$1,240,000.00

16. Description
by the McDowell County Commission, West Virginia for infrastructure and site development at the Indian Ridge Industrial Park

This Award consists of the following items which are appended to and hereby made part of this Award:

(A) Cover Page - HUD 1044
(B) Grant Agreement

Special Conditions:

Please contact Michael Whitelock - HUD Area Environmental Officer at 412-644-6932, concerning environmental review. NO FUNDS may be drawn down prior to environmental release of funds approval.

17. ☒ Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office.

18. ☐ Recipient is not required to sign this document.

19. Recipient (By Name):
Mr. Gordon O. Lambert

Signature & Title:
President of County Commissioners

Date: 10-12-05

20. HUD (By Name):
Donald P. Mains

Signature and Title:
DAS for Economic Development

Date: 10/25/05

Previous Editions are Obsolete

form HUD-1044 (8/90)
Ref. Handbook 2210.17

U.S. Department of Justice

Federal Bureau of Prisons

Prison Contribution

Washington, DC 20534

September 24, 2007

RECEIVED

SEP 26 2007

CITY OF WELCH

Martha H. Moore, Mayor
City of Welch
Welch Municipal Building
88 Howard Street
Welch, WV 24801

RE: Sewer Services and Connection Fee Award
Federal Correctional Institution (FCI), McDowell County, West Virginia

Dear Mayor Moore:

This letter is to inform you Contract Number DJB-X00-049 has been awarded to the City of Welch for the Sewer Connection and sewer utilities for the new Federal Prison being built in McDowell County, West Virginia.

Attached you will find your copy of the contract, signed and dated September 24, 2007. Please note that item #1 has to do with an estimate of sewer services usage for ten (10) years. The costs associated with this dollar figure was only an estimate for funding purposes.

Once the Federal Bureau of Prisons is in receipt of Substantial Completion (estimated date of August 24, 2009) from Clark Construction, a modification will be done to this contract to lock in the current sewer rates.

Line item #2 is the connection fee, which will be paid once the City of Welch has awarded their contract. Once awarded, please provide me an accurate invoice, along with your backup documentation, and send the invoice to me at the address provided in Block 9 of the award document.

The Federal Bureau of Prisons is looking forward to working with you and the City of Welch.

If you have any questions, please contact me at (202) 307-0954.

Sincerely,

Gerald L. Van Winkle
Contracting Officer
Construction Contracting Section

O[illegible]No: 1103-0018
E[illegible]tion Date:

SOLICITATION/CONTRACT/ORDER FOR COMMERCIAL ITEMS
OFFEROR TO COMPLETE BLOCKS 12,17,23,24, & 30

1. REQUISITION NUMBER: 0161

PAGE 1 OF PAGES 42

2. CONTRACT NO.: DJB X00-049

3. AWARD/EFF. DATE: See 31c.

4. ORDER NUMBER:

5. SOLICITATION NUMBER: RFP X00-0544

6. SOLICITATION ISSUE DATE: 05/17/2006

7. FOR SOLICITATION INFORMATION CALL:

a. NAME: Gerald L. Van Winkle

b. TELEPHONE NUMBER (No collect calls): 202-307-0954

8. OFFER DUE DATE/ LOCAL TIME: 06/16/2006 2:00PM EST

9. ISSUED BY CODE 70000

Federal Bureau of Prisons
Construction Contracting Section
320 First Street NW, Room 500-6
Washington, DC 20534

10. THIS ACQUISITION IS

[X] UNRESTRICTED OR
[ ] SET ASIDE: 0 % FOR:
[ ] SMALL BUSINESS [ ] EMERGING SMALL BUSINESS
[ ] HUBZONE SMALL BUSINESS [ ] 8(A)
[ ] SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS

NAICS: 221320
SIZE STANDARD: $06.5 MILLION

11. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS MARKED
[X] SEE SCHEDULE

12. DISCOUNT TERMS

[ ] 13a. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)

13b. RATING

14. METHOD OF SOLICITATION
[ ] RFQ [ ] IFB [X] RFP

15. DELIVER TO CODE

DELIVERY DATE

FEDERAL CORRECTIONAL INSTITUTION
101 FEDERAL DRIVE
WELCH, WEST VIRGINIA 24801

16. ADMINISTERED BY CODE

Federal Bureau of Prisons
Construction Contracting Section
320 First Street NW, Room 500-6
Washington, DC 20534

17a. CONTRACTOR/ OFFEROR CODE

FACILITY CODE

TIN NO.

CITY OF WELCH
WELCH MUNICIPAL BUILDING
88 HOWARD STREET
WELCH, WEST VIRGINIA 24801

PHONE: 304-436-3113 FAX: 304-436-2546

[ ] 17b. CHECK IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER.

18a. PAYMENT WILL BE MADE BY CODE

Federal Bureau of Prisons
Federal Correctional Institution
Attention: Controller
Welch, West Virginia

18b. SUBMIT INVOICES TO ADDRESS SHOWN IN BLOCK 18a UNLESS BLOCK BELOW IS CHECKED. [ ] SEE ADDENDUM

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0001	THE CONTRACTOR SHALL PROVIDE SEWER SERVICE TO THE GOVERNMENT AT THE FEDERAL CORRECTIONAL INSTITUTION (FCI) LOCATED IN McDOWELL, WEST VIRGINIA. (ESTIMATED 10 YEAR - SEE PAGE 4)	1	JOB	$6,859,359.0000	$6,859,359.00

25. ACCOUNTING AND APPROPRIATION DATA
X3 FP070032PX 817 Z94 2315

26. TOTAL AWARD AMOUNT (For Govt Use Only)
$7,553,633.00

[X] 27a. SOLICITATION INCORPORATES BY REFERENCE FAR 52.212-1, 52.212-4. FAR 52.212-3 AND 52.212-5 ARE ATTACHED.
ADDENDA [X] ARE [ ] ARE NOT ATTACHED.

[ ] 27b. CONTRACT/PURCHASE ORDER INCORPORATES BY REFERENCE FAR 52.212-4. FAR 52.212-5 IS ATTACHED
ADDENDA [ ] ARE [ ] ARE NOT ATTACHED.

[ ] 28. CONTRACTOR IS REQUIRED TO SIGN THIS DOCUMENT AND RETURN _____ COPIES TO ISSUING OFFICE. CONTRACTOR AGREES TO FURNISH AND DELIVER ALL ITEMS SET FORTH OR OTHERWISE IDENTIFIED ABOVE AND ON ANY ADDITIONAL SHEETS SUBJECT TO THE TERMS AND CONDITIONS SPECIFIED HEREIN.

[ ] 29. AWARD OF CONTRACT: REF. _____ OFFER DATED _____. YOUR OFFER ON SOLICITATION (BLOCK 5), INCLUDING ANY ADDITIONS OR CHANGES WHICH ARE SET FORTH HEREIN, IS ACCEPTED AS TO ITEMS: _____

30A. SIGNATURE OF OFFEROR/CONTRACTOR
Martha H. Moore

31a. UNITED STATES OF AMERICA (SIGNATURE OF CONTRACTING OFFICER)
Gerald L. Van Winkle

30b. NAME AND TITLE OF SIGNER (TYPE OR PRINT)
Martha H. Moore, Mayor

30c. DATE SIGNED
9-5-07

31b. NAME OF CONTRACTING OFFICER (TYPE OR PRINT)
Gerald L. Van Winkle

31c. DATE SIGNED
09/24/2007

19. ITEM NO.	20. SCHEDULE OF SUPPLIES/SERVICES	21. QUANTITY	22. UNIT	23. UNIT PRICE	24. AMOUNT
0002	CONNECTION FEE FOR SEWER SERVICES. THE CONNECTION PAYMENT FEE SCHEDULE WILL CONSIST OF ONE PAYMENT IN FULL, BASED ON A VALID INVOICE NOT TO EXCEED THIS AMOUNT ($694,274.00). THIS WILL BE PAID ONCE THE CITY OF WELCH AWARDS THEIR CONTRACT.	1	JOB	$694,274.0000	$694,274.00
0003	Make the following changes to the Federal Acquisition Regulations (FAR), which are inserted by Referenced. 52.203-6 Restrictions on Subcontractor Sales to the Government (JUL 1995), with Alternate I (OCT 1995). New date (SEP 2006). 52.222-26 Equal Opportunity (APR 2002). New date (MAR 2007). 52.203-12 Limitations on Payments to Influence Certain Federal Transactions (SEP 2005). New date (SEP 2007). 52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). New date (SEP2006). 52.204-7 Central Contractor Registration (OCT 2003). New date (JUL 2006). 52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and Other Eligible Veterans (DEC 2001). New date (SEP 2006).	0			$0.00
0004	Change the name of the Contracting Officer from "David L. Porter" to read "Gerald L. Van Winkle" throughout the contract. (i.e., Section A.8(a) page 12). Add the name of the Contracting Officer's Technical Representative Daniel G. Replogle, on page 14, Section A.10(a).	0			$0.00

CONTRACT NO.:	REQUISITION NUMBER	AWARD/EFF. DATE
DJB-X00-049	0161	09/24/2007

ADDITIONAL INFORMATION:

TIN Number: 56-000-356
DUNS Number: 04-075-265

32a. QUANTITY IN COLUMN 21 HAS BEEN

☐ RECEIVED ☐ INSPECTED ☐ ACCEPTED AND CONFORMS TO THE CONTRACT, EXCEPT AS NOTED _____

32b. SIGNATURE OF AUTHORIZED GOVT. REPRESENTATIVE	32c. DATE	32d. PRINTED NAME AND TITLE OF AUTHORIZED GOVERNMENT REPRESENTATIVE
32e. MAILING ADDRESS OF AUTHORIZED GOVERNMENT REPRESENTATIVE		32f. TELEPHONE NUMBER OF AUTHORIZED GOVERNMENT REPRESENTATIVE 32g. E-MAIL OF AUTHORIZED GOVERNMENT REPRESENTATIVE

33. SHIP NUMBER PARTIAL FINAL	34. VOUCHER NUMBER	35. AMOUNT VERIFIED CORRECT FOR	36. PAYMENT ☐ COMPLETE ☐ PARTIAL ☐ FINAL	37. CHECK NUMBER
38. S/R ACCOUNT NUMBER	39. S/R VOUCHER NUMBER	40. PAID BY		

41a. I CERTIFY THIS ACCOUNT IS CORRECT AND PROPER FOR PAYMENT		42a. RECEIVED BY (Print)	
41b. SIGNATURE AND TITLE OF CERTIFYING OFFICER	41c. DATE	42b. RECEIVED AT (Location)	
		42c. DATE REC'D (YY/MM/DD)	42d. TOTAL CONTAINERS

Continuation SF-1449, Blocks 19 through 24

SCHEDULE OF ITEMS AND SERVICES

PRICING OF SEWER SERVICE

The Contractor shall provide sewer services to the Federal Correctional Institution (FCI) in McDowell County, West Virginia. The estimated sewer service requirements are: Estimated 255,000 gallons average daily discharge. Estimated 93,075,000 gallons discharge on an annual basis.

Note: Unit of issue per 1000 gallons

ITEM (gallons) Estimated Sewer Requirements (10 years)	Unit of Issue	Sewer Unit/Price	Total Amount
06/01/08 - 05/31/09	93,075	$ 7.00/mg	$ 651,525.00
06/01/09 - 05/31/10	93,075	$ 7.00/mg	$ 651,525.00
06/01/10 - 05/31/11	93,075	$ 7.00/mg	$ 651,525.00
06/01/11 - 05/31/12	93,075	$ 7.25/mg	$ 674,794.00
06/01/12 - 05/31/13	93,075	$ 7.25/mg	$ 674,794.00
06/01/13 - 05/31/14	93,075	$ 7.25/mg	$ 674,794.00
06/01/14 - 05/31/15	93,075	$ 7.65/mg	$ 712,024.00
06/01/15 - 05/31/16	93,075	$ 7.65/mg	$ 712,024.00
06/01/16 - 05/31/17	93,075	$ 7.65/mg	$ 712,024.00
06/01/17 - 05/31/18	93,075	$ 8.00/mg	$ 744,600.00
TOTAL			$ 6,859,629.00

Connection Fee (If Applicable)
Bureau of Prisons Portion Only
(Attach Detailed Breakdown of Cost) $ 694,274.00

Note: In accordance with the Federal Acquisition Regulations (FAR) Part 52.241-7, titled Change in Rates or Terms and Conditions of Service for Regulated Services, if the regulatory body having jurisdiction approves any changes, the Government agrees to pay for such service at the higher or lower rate as of the date when such rates are made effective.

Therefore, the numbers on this page were used by the Government to estimate annual costs, and not a binding part of the contract. The cost per unit is estimated because the current regulated tariff pricing could change.

An example of the current City of Welch Regulated Tariff, effective January 18, 2007, is included in the file. The City of Welch files the rates with the Public Service Commission of West Virginia.

STATEMENT OF REQUIREMENTS
SEWER SERVICE

16 February 2006
Revised March 29, 2007
Revised June 6, 2007
August 17, 2007

PROJECT: Federal Correctional Institution (FCI) and Federal Prison Camp (FPC), McDowell County, West Virginia

1.0 GENERAL DESCRIPTION

1.1 The Federal Bureau of Prisons intends to construct and operate a Federal Correctional Institution, with an adjacent Federal Prison Camp, within the City of Welch, McDowell County, West Virginia.

1.2 The Federal Bureau of Prisons' site, will include a Medium Security Federal Correctional Institution and Federal Prison Camp capable of providing housing to approximately 1,500 inmates, with ancillary facilities to serve the various components of the new facility. The BOP intends to operate systems that will facilitate the institution's designated mission for housing inmates, including; food service and laundry operations; central utility plant and mechanical operations; domestic flows from potential Unicor operations; and possible future Staff Training Center.

1.3 The Public Service Commission of West Virginia (PSCWV) regulates sewage utilities providing service in McDowell County, West Virginia. The PSCWV approves sewer service rates in the State of West Virginia.

1.4 The City of Welch (Contractor), recognizes that the Federal Bureau of Prisons intends to construct the proposed FCI facilities and that permanent sewer service will be required and service must be available from the Contractor in adequate supply to accommodate the FCI systems testing by the connection date, **February 1, 2009**. It is estimated that the permanent service commencement for the FCI activation and operations will begin in **January of 2010**.

1.5 The Contractor agrees that permanent service under this agreement will commence as of the date the BOP assumes responsibility of the facilities from the construction contractor. The BOP will notify the Contractor in writing of the permanent service commencement date.

2.0 SEWER SERVICE REQUIREMENTS

2.1 The Federal Government has a requirement for sewer service to operate a new FCI located near the City of Welch, McDowell County, West Virginia, and requires the provision of sewer service in adequate supply to support the BOP operations as noted in this Statement of Requirements.

2.2 The Contractor will be required to provide sewer service and

reservation of capacity in their wastewater system to accept and treat an estimated average daily discharge flow of 255,000 gallons, with an annual estimated discharge flow of 93,075,000 gallons. Peak flows are expected to exceed the average gallon per minute (gpm) flow of 177 gallons per minute by a multiplier of 3 to 3.5.

2.3 The Contractor acknowledges that the FCI effluent is domestic in nature with flow and characteristics anticipated to be higher than other domestic flows. The Contractor can expect to receive and treat blended wastewater streams from the FCI that have average strengths of 450 mg/L for Biochemical Oxygen Demand (BOD) and 450 mg/L for Total Suspended Solids (TSS).

2.4 The Contractor should recognize that BOP facility peak operating demands and discharge flows typically occur between the hours of 6:00 A.M. to 9:00 P.M. The majority of facility operations (i.e., food preparation, laundry operations, domestic use, etc.) normally occur during the prime operational increments within this period.

2.5 The Contractor will be required to provide, operate and maintain transmission, storage, treatment and disposal facilities that will meet the all sewerage requirements necessary to serve the BOP facilities. Any new systems, or improvements to existing systems, related to providing service to this site will be designed and constructed to include the necessary capacity and equipment to meet the service characteristics as specified in this Statement of Requirements.

3.0 SEWER SERVICE POINT OF DELIVERY AND METERING

3.1 The Contractor will be required to provide sewer service to a demarcation point located at the property line on the Northwest boundary of the BOP site. The Contractor will be required to provide service at two points of connection as indicated on the attached drawing. The exact FCI and FPC demarcation will be determined by the final designs of the FCI and FPC, the Contractor is responsible for coordinating the service connection point with the design build contractor representing the BOP project. Attached is a site drawing identifying the preliminary points of connection for sewer service.

3.2 For the purpose of calculating the FCI sewage flows, the Contractor may provide metering to monitor and record the quantity of effluent from the BOP facilities. However, in the event metering facilities are not provided, the Contractor will calculate and bill all un-metered flows at 85% of the water use.

4.0 SEWER SERVICE DEMANDS, REQUIREMENTS, AND ESTIMATED USE

4.1 The resulting service agreement will accommodate the new BOP facilities estimated sewer service requirements. The Contractor recognizes that the BOP is constructing a new FCI on a schedule which

will require a "ramping up" period for facility operations to expand sufficiently and necessitate the demand for the full estimated sewer requirements. The estimated daily sewer discharge flows for the new FCI are provided for the Contractor's benefit and not as a guarantee of revenue or usage. No penalties will be assessed by the Contractor for deviations plus or minus from the estimated usage. The BOP will make every effort to accurately identify the facility usage, demands, and activation schedule.

4.2 The Contractor recognizes that the FCI sewer requirements and service demands may be revised as a result of FCI final designs, construction and activation schedule. Any revisions or changes to the required FCI service requirements will be adjusted through formal modification.

5.0 SERVICE TERMS AND CONDITIONS

5.1 The Government hereby agrees to purchase sewer services from the Contractor in accordance with the established Rules and Regulations, to the extent that such rules and regulations are applied to all customers with similar user classifications, service conditions of use, and do not conflict with any material term of this contract, State Law, or Federal Law.

5.2 The authority of Public Service Commission of West Virginia to establish, regulate and approve rates for sewer services are acknowledged and will be made a part hereof by reference.

6.0 INSTRUCTIONS AND SUBMISSIONS

6.1 The Contractor will be required to provide a detailed schedule for all proposed activities associated with providing sewer services to the facility, which identifies activities 30 days after a contract award until contract completion; characteristics of proposed services; detailed narrative and drawings of proposed systems upgrades or improvements, if applicable; connection related fees and detailed cost breakdowns, if applicable; and adherence to other instructions in the solicitation documents as required.

6.2 The Contractor will be required to submit as part of their proposal, the applicable rate structure approved by the Public Service Commission of West Virginia for sewer services to the new BOP facilities.

6.3 The Contractor is encouraged to submit any viable alternatives that may be available to the Contractor and/or the Government so as to meet the timetables for activation of the facility as specified in Section 1.4. Each alternative will be as specific as possible and relate to costs to, or credit of the Government.

CLOSING MEMORANDUM

To: **Financing Team**

From: **John C. Stump, Esquire**

Date: **May 6, 2008**

Re: **City of Welch Sewer Revenue Bonds, Series 2008 A (West Virginia SRF Program)**

---

1. DISBURSEMENTS TO THE CITY OF WELCH

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2008 A Bonds Proceeds
Amount:	$47,368
Form:	Wire Transfer
Payee:	City of Welch
Bank:	MCNB Bank
Routing #:	051501723
Account #:	041 602 5
Contact:	Carol Miller (304) 436-4112
Account:	Series 2008 A Bonds Construction Fund

2. DISBURSEMENTS TO MUNICIPAL BOND COMMISSION

Payor:	West Virginia Department of Environmental Protection
Source:	Series 2008 A Bonds Proceeds
Amount:	$52,632
Form:	Wire Transfer
Payee:	City of Welch
Bank:	BB&T for benefit of Municipal Bond Commission
Routing #:	051503394
Account:	5270517317
Contact:	Sara Boardman, 558.3971
Account:	Series 2008 A Bonds Reserve Account

04.15.08
950640.00002

PAYMENT REQUISITION FORM

1. LOAN RECIPIENT/VENDOR:

NAME: City of Welch

ADDRESS: 88 Howard Street

Welch WV 24801

PHONE: (304) 436-3113

FEIN: 55-6000264

2. SRF PROJECT C544426

3. INVOICE NUMBER: 1

APR 08 2008

4. PERIOD COVERED BY THIS REQUEST:
FROM (MO/DAY/YR) TO (MO/DAY/YR)
2-5-07 ## 3/20/08

5. PERCENTAGE OF PHYSICAL CONSTRUCTION COMPLETION 0%

CLASSIFICATION	A) APPROVED BUDGET	B) PREVIOUS APPROVED TOTALS	C) THIS REQUEST	D) TOTAL COLUMNS B & C	E) AGENCY USE ONLY
1) CONSTRUCTION	$1,422,138		2,608 ~~$2,240~~	2,608 ~~$2,240~~	2,608
2) Equipment	$35,000			$0	
3) TECHNICAL SVC Construction Phase	$140,000		$2,635	$2,635	2,635
Special Services	$8,700			$0	
Inspection	$165,000			$0	
4) Permits	$5,000			$0	
5) Legal/Acc't.	$30,000		$9,625	$9,625	9,625
6) Administrative	$30,000		$5,000	$5,000	5,000
7) Bond Counsel	$27,000		$27,000	$27,000	27,000
8) Funded Reserve	$52,632		$52,632	$52,632	52,632
9) Contingency	$84,030			$0	
10) Other					
11) CLOSING COST	$500		$500	$500	500
12) SUBTOTAL	$2,000,000	$0	100,000 ~~$99,632~~	~~$99,632~~	100,000 $0
13) LESS PREVIOUSLY PAID				100,000	-0- $0
14) INVOICE AMOUNT					100,000 ~~$99,632~~

15) Martha Moore
RECIPIENT AUTHORIZED SIGNATURE
DATE: April 15, 2008
Martha Moore, Mayor
TYPED OR PRINTED NAME AND TITLE

16) Ginger Gibson
PERSON PREPARING FORM SIGNATURE
DATE: April 15, 2008
Ginger Gibson, Region I PDC
TYPED OR PRINTED NAME AND TITLE

AGENCY USE ONLY:

THIS REQUEST APPROVED BY: WEST VIRGINIA DIVISION OF ENVIRONMENTAL PROTECTION

John Rogers — PROJECT REVIEWER — DATE 4/24/08

R Brodersen — AUTHORIZED OFFICER — DATE 4/28/08

ACCOUNTING CLASSIFICATION - DEP USE ONLY

ACCOUNTING NUMBER:	AMOUNT APPROVED:
350-15	$ 52632
350-1 (083)	$ ~~16,700~~ 7910
350-2 (028)	$ 83,300 39458